

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1121

2001 HOUSE FINANCE AND TAXATION

HB 1121

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1121

House Finance and Taxation Committee

Conference Committee

Hearing Date January 10, 2001

Tape Number	Side A	Side B	Meter #
1	X		2,760
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing with one committee member absent.

ROD BACKMAN, OFFICE OF MANAGEMENT & BUDGET Stated the bill was introduced at their request, however, they still have some work to do on the bill. They will need some amendments, so requested a delay in hearing the bill.

REP. CARLSON Granted the request in hearing the bill. The bill will be heard at a later time.

ROD BACKMAN Explained what the bill did, stating that state law now provides a tax exemption on two pipelines in the state, it has an exemption from property tax in the five counties which the pipeline crosses. Current state law requires that the counties be reimbursed to reflect the tax which the counties have given up. It does have a fiscal impact of about three million dollars. If it were to be left in law, there would be about a million dollars added to the

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House Finance and Taxation Committee
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deficiency appropriation to pay the counties in the current year, and about two million for the next biennium.

REP. CARLSON Recessed the hearing until a later date.

JANUARY 31, 2001 TAPE #1, SIDE A, METER #53

REP. CARLSON, CHAIRMAN Reopened the hearing and read the fiscal note.

ROD BACKMAN, OFFICE OF MANAGEMENT AND BUDGET, Stated that this bill actually removed the requirement that the state reimburse local governments with tax that was for them. The purpose of the bill was to create a debate about the appropriate level of exemptions. We believe, today, that that debate is started, there are other bills in the legislature which will continue that debate. We also believe that there can very well be a study resolution introduced to study the appropriate level of exemptions in the interim. For all of those reasons, we would like to request that HB 1121 be killed.

Mr. Backman submitted a handout regarding the coal conversion tax which is in current law.
See attached copy.

REP. WINRICH Made a motion for a **DO NOT PASS**.

REP. DROVDAL Second the motion. **MOTION CARRIED.**

13 Yes 0 No 2 Absent

REP. GROSZ Was given the floor assignment.

FISCAL NOTE
 Requested by Legislative Council
 01/04/2001

REVISION

Bill/Resolution No.: HB 1121

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		(\$2,715)		(\$6,696)		(\$5,972)
Expenditures	(\$783,413)		(\$1,932,419)		(\$1,723,509)	
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
(\$216,846)		(\$499,268)	(\$534,886)		(\$1,231,528)	(\$477,061)		(\$1,098,390)

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Because there is no effective date, this fiscal note assumes the repeal is intended to affect the 2000 taxes payable in 2001, which is consistent with the Executive Budget. The amounts shown as losses in the current biennium to other state funds (the State Medical Center), counties, and school districts will occur because the budgets and mill levies have been finalized. The amount of the losses indicated for the 2001-03 and 2003-05 biennia will be shifted to other taxpayers. The State General Fund amounts are shown as a reduction in expenditures but there is no appropriation for these payments. If this bill does not pass, an appropriation will be needed to carry out NDCC 57-06-17.2.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	701 328 3402	Date Prepared:	01/05/2001

FISCAL NOTE
 Requested by Legislative Council
 12/28/2000

Bill/Resolution No.: HB 1121

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		(\$783)		(\$1,932)		(\$1,724)
Expenditures	(\$783,413)		(\$1,932,419)		(\$1,723,509)	
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
(\$217,382)		(\$500,503)	(\$536,209)		(\$1,234,575)	(\$478,241)		(\$1,101,107)

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This fiscal note assumes the repeal is intended to affect the 2000 taxes payable in 2001. The amounts shown as losses in the current biennium to other state funds (the State Medical Center), counties, and school districts will occur because the budgets and mill levies have been finalized. The amount of the losses indicated for the 2001-03 and 2003-05 biennia will be shifted to other taxpayers. The State General Fund amounts are shown as a reduction in expenditures but there is no appropriation for these payments. If this bill does not pass, an appropriation will be needed to carry out NDCC 57-06-17.2.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	701 328 3402	Date Prepared:	01/04/2001

FISCAL NOTE
 Requested by Legislative Council
 12/21/2000

Bill/Resolution No.: HB 1121

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill will have no fiscal impact on State Treasurers Office appropriation.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

None

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

None

Name:	Kathi Gilmore	Agency:	State Treasurer
Phone Number:	701 328 2643	Date Prepared:	12/21/2000

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1121

House FINANCE & TAXATION Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Winrich Seconded By Rep. Drovdal

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	A	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	A				
LLOYD, EDWARD	✓				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep. Grosz

If the vote is on an amendment, briefly indicate intent:

2001 TESTIMONY

HB 1121

