

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1206

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Diana H. Ball
Operator's Signature

10/2/03
Date

2003 HOUSE POLITICAL SUBDIVISIONS

HB 1206

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Domena Hall
Operator's Signature

10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1206

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 23, 2003

Tape Number	Side A	Side B	Meter #
1	X		0.0- 43.0
Committee Clerk Signature <i>Micki Schmidt</i>			1-23-03

Minutes:

(0.0) REP. GLEN FROSETH: We will open the hearing on HB 1206. The clerk will take roll call: We have a quorum.

(0.8) REP. GEORGE KEISER: Testimony in support. This is a very important Bill. We had a special session a couple of years ago, in which we passed legislation, which involved this section as a code, and it was for pro golf plan in Whapeton. One of the conditions which the investors required as part of the passage is that we offer them a 10 year exemption on property taxes. We amended this section with the code and we went further than just the pro golf plan. We said for any agricultural project, we would enable local communities to consider or not to extend from what is the standard 5 year exemption to 10 years. Since that time, several other things have developed in our state, for example, the Renaissance zone. In addition to that, the world of economic development is a moving target, it is never the same. What this Bill attempts to do is to simply change that option, this is enabling legislatures to offer up to 10 year exemption.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dorena G. Ballentine
Operator's Signature

1/21/03
Date

Page 2

House Political Subdivisions Committee

Bill/Resolution Number 1206

Hearing Date January 23, 2003

(5.1) REP. GLEN FROSETH: Just to clarify the over stricken language on page 1, lines 12 to 16. I believe this is language you put into place back in pro golf plan. I don't think it's needed anymore.

(5.5) REP. ALON WIELAND: Then this would allow a local subdivision, either city or county that could offer from 1 to 10 years relief?

(5.7) REP. GEORGE KEISER: Correct. Currently they can offer 1 to 5.

(6.0) REP. MARY EKSTROM: Do we have some bench mark that says that we have accountability on anything?

(6.3) REP. GEORGE KEISER: We can document exactly how these jobs were created in our community, we can also document exactly how much we have spent in our local communities. Our communities do that on a regular basis. That data can be made available to you. The question is how often does that money roll over? How do we measure it? We can document in our community Unisys, US Healthcare, Sykes, etc... We can show what the trends are.

(7.7) REP. BRUCE ECKRE: Page 2, line 3; right now, is it correct under ND Law, if they sell within whatever you have, the municipality take away their exemption?

(8.0) REP. GEORGE KEISER: Those are called "claw backs".

(8.6) REP. BRUCE ECKRE: Also the local school district could be exempted from municipality if they so choose, couldn't they? This doesn't change that either?

(8.7) REP. GEORGE KEISER: That's true. One problem we always run into is the local school board says, hey, wait a second, we need that lunch.

(9.6) REP. CAROL NEIMEIER: Did the Renaissance measure include a 5 year tax exemption, and then would this Bill bump this up to 10?

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.


Operator's Signature

10/2/03
Date

Page 3

House Political Subdivisions Committee

Bill/Resolution Number 1206

Hearing Date January 23, 2003

(9.8) REP. GEORGE KEISER: The Renaissance, it's too complicated. But I believe this is a separate tool in addition to what is available to the Renaissance Zone.

(10.6) REP. ALON WIELAND: I've always been under the impression that municipality refers only to cities and not to counties, is there a definition somewhere that includes counties as municipality and if not, it makes reference to municipalities so many times and not to counties. Can that be identified?

(11.0) REP. GEORGE KEISER: That's an interesting point. I haven't thought about it. Perhaps it should be addressed.

(11.3) REP. BRUCE ECKRE: Connie Sprynznatyk from the League of Cities said that it does include cities, counties, school districts, etc...

(11.7) CONNIE SPRYNCZYNATYK; ND LEAGUE OF CITIES: Testified in support of Bill.

(12.8) REP. GLEN FROSETH: If the city grants the exemption that counties, townships and school districts do not necessarily have to also grant the exemption?

(13.1) CONNIE SPRYNCZYNATYK: If the package includes the application to the county, then the county makes full decision that. If you grant the tax exemption, you are not taking dollars away from the school districts in the city of Bismarck. They budget in dollars. Anytime you grant any exemption by any political subdivision, what you're doing is concentrating the payment of the payors that are left in the pool.

(15.4) REP. MARY EKSTROM: What kind of general increase in value are you seeing?

(15.9) CONNIE SPRYNCZYNATYK: The County Assessors could give you that information.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dorena Ballerath
Operator's Signature

10/2/03
Date

Page 4
House Political Subdivisions Committee
Bill/Resolution Number 1206
Hearing Date January 23, 2003

(18.2) REP. MIKE GROSZ: These companies will come in and they'll eat up all of the incentives and then once they sensed that they're gone, then they'll move on to the next place.

(18.5) CONNIE SPRYNCZYNATYK: These companies do not come in, get an incentive package, and then move out. The reason is because of the cost. They're going to consolidate divisions from someplace else and bring them to Bismarck ND. There's a tremendous investment that the company is going to make. There has been a few instances around the state that I'm aware of where somebody has started a company, and even if it's a good idea, sometimes they don't make it.

(20.2) KEN WILL; VICE PRESIDENT OF BUSINESS DEVELOPMENT; OF BISMARCK/MANDAN DEVELOPMENT ASSOCIATION: Testimony in support of HB 1206. (See attachment #1)

(22.1) REP. NANCY JOHNSON: What happens if the school district comes to that meeting?

(22.7) KEN WILL: This Bill allows that individual flexibility, so when those groups get together, those types of consideration are always taken into fact as our other infrastructure costs may be associated with that such as roads, waste water, water, Police, Fire, etc...

(24.1) CLAU LEMBKE; BURLEIGH COUNTY COMMISSIONER & EXECUTIVE COMMITTEE FOR THE BISMARCK/MANDAN DEVELOPMENT CORPORATION:
Testified in support. We had an elevator in Sterling with a tax free exemptions. The School Board gave that 2 year tax exemption and 2 years later it came back and wanted another two year extension. The School board opposed it for good reasons. It's working well to have the school board there.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dorinda Holbrook
Operator's Signature

10/2/03
Date

Page 5
House Political Subdivisions Committee
Bill/Resolution Number 1206
Hearing Date January 23, 2003

(25.4) TERRY TRAYNOR: ASSISTANT DIRECTOR OF ND ASSOCIATION OF

COUNTIES: Testimony in opposition of HB 1206. During the Special Session, you might remember our annexed with the Bill at that time and that may have contributed to the language that's being struck out there. It was a rather limited expansion of the existing 5 year exemption at that time. Our concern isn't with the involvement when the city grants an exemption and the counties. I think that is working well.

(27.5) REP. GLEN FROSETH: In your experience in coming to the tables to negotiate tax exemptions, have you been successful in opting off the counties?

(27.9) TERRY TRAYNOR: The cities and counties work well together. I think the process is working.

(28.2) REP. BRUCE ECKRE: I understand what you're saying about rural community, they lose out but, do we want our cities to lose out too? We need to grow and the only part of ND that is growing is our top 10 cities.

(28.6) TERRY TRAYNOR: I agree with that, but my concern more is where does it stop?

(28.8) REP. GLEN FROSETH: What is the process to protest a tax exemption if a citizen or other municipality was not in favor of the tax exemptions that was granted?

(28.9) TERRY TRAYNOR: I don't know if I'm the one to answer this, but generally the governing board, city or county that's dealing with that holds public meetings and by law they bring in Representatives of the other taxing districts to sit at the table and take their comments. Also citizens are welcome to come in and voice their concerns or interests, but ultimately becomes the City Commissioner or the County Commissioner's decision on to grant or not to grant or how much to grant. One set decision is made.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.


Operator's Signature

1/21/03
Date

