

**MICROFILM DIVIDER**

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



ROLL NUMBER

DESCRIPTION

1289

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.

*La Costa Rickford*  
Operator's Signature

10/2/03  
Date

2003 HOUSE FINANCE AND TAXATION  
HB 1289

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.

Lu Costa Rickford  
Operator's Signature

10/2/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1289**

House Finance and Taxation Committee

Conference Committee

Hearing Date January 21, 2003

Tape Number	Side A	Side B	Meter #
1	X		5.2
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

**REP. WESLEY BELTER, CHAIRMAN** Called the hearing to order.

**REP. BYRON CLARK, DIST. 24, FARGO** Introduced the bill. See attached written testimony.

**REP. BELTER** Because of the fairness of the issue, what is in this particular piece of legislation which would give the benefit to those families who are employees of the company, where one of the parents stays home with the children, or are being taken care of by a grandmother, how are those people dealt with?

**REP. CLARK** Whenever someone chooses to stay home with their child, it is certainly their choice to do so. I certainly don't begrudge anyone who chooses to do that. The reality for most young families, it is a very tough choice for them to make. Giving up that income, is hard for young families to do. This is an incentive to give some employers the idea to start offering help with the child care. Not everybody has grandmothers around.

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.

*LuCosta Rickford*  
Operator's Signature

*10/2/03*  
Date

Page 2

House Finance and Taxation Committee

Bill/Resolution Number HB 1289

Hearing Date January 21, 2003

**REP. BELTER** My question would be though then, that family that chooses to have one of the parents to stay home, they are, in a sense, making a financial sacrifice to their own personal income, but they are also paying taxes and contributing to a tax grant like you are giving, so, those families are experiencing a double wamnee, due to your program. It is a real issue with me, that if we will do programs like this, there should be compensation given to those people within that organization that aren't using the day care.

**REP. CLARK** For those individuals, it is a choice issue. In America, we are a land of choices. That is something I think I can live with. Related to his sister who has one child and expecting another one, for her to work in that family, they only come out about ten thousand dollars ahead after child care. It would be a huge benefit for her, if the employer was offering some kind of child care incentive to help alleviate the cost of child care.

**REP. WINRICH** In your testimony, you state, if the employer is eligible for federal deductions for providing the service, they are ineligible for tax credits on the state level. I believe the applicable portion of the bill, in Lines 16 through 18, page 2, as I read that, it means that, they can still get the credit, but they can't include the deductible expenses, as part of the cost of providing the service.

**REP. CLARK** Stated it was the impression he got, when he spoke to the legislative council.

**REP. IVERSON** Asked if this is on-site child care at the business, or could they contract with a local provider.

**REP. CLARK** Just on site.

**REP. PAM GULLESON, DIST. 26.** Testified in support of the bill. She stated she sees this bill as being pro business, pro employee, and pro family. Good child care programs can prove

Page 3

House Finance and Taxation Committee

Bill/Resolution Number HB 1289

Hearing Date January 21, 2003

children's chance of long term success in school, and increase their odds in involvement with crime and violence. Employers who offer child care attract more highly qualified applicants, with greater loyalty.

**REP. BRUCE ECKRE, WAHPETON.** Testified in support of the bill. He stated Wahpeton is the most industrialized city in North Dakota. There are several factories that have six to eight hundred people working for them. If all of the people who worked in Wahpeton, lived there, the population would be doubled. We have a shortage of employees, because the shifts go twenty four hours per day, and it is hard for the females because of child care.

**JIM OLIVER, EXECUTIVE DIRECTOR FOR THE WAHPETON CHAMBER OF**

**COMMERCE** Testified in support of the bill. He stated this is the third session he has appeared at the legislature with this bill. It is of great importance to the industry in Wahpeton. He stated they currently, have 240 job openings within the Wahpeton area, for the industry of manufacturing of food processing plant, which they are unable to fill. He felt this would be another tool for the growth of North Dakota, to help people come in. He stated, their community came up with \$60,000 to help implement this program, to get people to come and want to be in Wahpeton, ND. We have seen substantial growth in the industry, and yet, the population dropped, over the last ten years. He stated that less than a month ago, an engineer was going to work for a local contractor, he would have gotten paid very well, but chose to live in Fergus Falls, Minnesota, because the North Dakota taxes were too high, and another reason being child care. This tool will help Wahpeton build and implement a new child care facility this coming year.

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.

La Costa Rickford  
Operator's Signature

10/2/03  
Date

Page 4

House Finance and Taxation Committee

Bill/Resolution Number HB 1289

Hearing Date January 21, 2003

**REP. BELTER** Is there any effort under way for businesses, to give some type of contribution to get this facility going?

**JIM OLIVER** They were, at the last go, when the bill didn't pass last time, it slowed it down to the point of pretty well killing it. The problem is still there. We need the help because it is so difficult to get the providers. It is seven days a week, because of the type of jobs there are.

**REP. SCOT KELSH, DIST. 11, FARGO** Testified in support of the bill. This is a very visionary piece of legislation. It will help the changing family situations in North Dakota.

**BARB ARNOLD-TENGESDAL, EXECUTIVE DIRECTOR, VOICES FOR NORTH DAKOTA'S CHILDREN** Testified in support of the bill. See attached written testimony and handout relating to rural children and families.

**REP. IVERSON** You stated other states are doing this, do you have anything to back this up because looking at the fiscal note, we don't know, he asked for information that she had relating to that.

**BARB ARNOLD-TENGESDAL** Stated she did have information and would submit it.

**REP. IVERSON** Asked whether she approached any corporations or businesses, if this passed, whether they would be providing this care for children?

**BARB ARNOLD-TENGESDAL** We have seen a great deal of interest from businesses. We aren't about to tell them something that hasn't happened, or might not happen.

**BRIAN WALTERS, PRESIDENT OF THE FARGO-CASS COUNTY ECONOMIC DEVELOPMENT CORPORATION**, Submitted written testimony, but did not appear before the committee. See attached testimony.

Page 5  
House Finance and Taxation Committee  
Bill/Resolution Number HB 1289  
Hearing Date January 21, 2003

**JUDY MILAVETZ, PRESIDENT OF THE NORTH DAKOTA ASSOCIATION FOR**

**THE EDUCATION OF YOUNG CHILDREN.** Did not appear at the hearing but submitted written testimony. See attached copy.

**RENIE PARKS, DAY CARE IN MINOT, ND** Testified in support of the bill. She stated they have operated an on-site day care for eleven years in Minot. It is considered part of an employee benefit package. They are open from a quarter to six in the morning to eleven thirty at night, Monday through Saturday. They service approximately ninety five families who work for Trinity Hospital. Only about ten families do not work for Trinity. That adds up to about one hundred and twenty five children cared for. She stated they were the second employee based day care in the state, Merit Care was the first.

**REP. BELTER** What benefit package do they give, if there is an employee who has children but does not use the day care, are you giving them any type of benefit?

**RENIE PARKS** No, that is their choice if they do not choose to use the day care. We are less expensive then the rest of the child care centers in town.

**LINDA REINICKE, PROGRAM DIRECTOR, CHILD CARE RESOURCE &**

**REFERRAL IN WESTERN NORTH DAKOTA** Testified in support of the bill. See attached written testimony.

**REP. BELTER** Asked where her organization gets their operating money?

**LINDA REINICKE** Stated they get their operating funds from the federal child care development funds, block grants for child care in the state, and United Way funds, etc.

**COURTNEY KOEBELE, ON BEHALF OF THE YMCA OF NORTH DAKOTA,**

Testified in support of the bill. See attached written testimony.

Page 6

House Finance and Taxation Committee

Bill/Resolution Number HB 1289

Hearing Date January 21, 2003

**COLETTE KRUCKENBERG, STUDENT** Testified in support of the bill. She is going to nursing school in Bismarck and is an independent mother of three. She stated there is a shortage of week-end child care, which is needed in the occupation of nursing. She stated a concern of hers as she is searching for a job, child care is going to be an important factor in the job she chooses and what area she will choose to live. She stated she has worked as a CNA and her wage as a CNA is twelve hundred dollars, and her child care for a month is about thirteen hundred dollars. She had to rely on child care assistance through the Welfare Program.

**JOE BECKER, STATE TAX DEPARTMENT** Testified in a neutral position. He stated there are some technical things that need to be worked out if the bill continues on course. Starting in 2002, the federal government will now have a employer child care credit on the books. The maximum credit is one hundred fifty thousand dollars per employer. Twenty five percent of their expenditures for child care, which includes, building a facility, operating a facility, and they also have a ten percent credit for resource and referral type services.

**REP. BELTER** This is a corporate tax credit?

**JOE BECKER** I believe it is for an employer, I don't know if it is limited.

**REP. BELTER** In the area of the federal income tax, as far as personal income tax, is there a federal credit for child care expense?

**JOE BECKER** Yes, there is. There is a child dependent care expense credit. Employees who are provided services of this kind, normally, that would be compensation to them, but there is a five thousand dollar exclusion for that, if the employer has a written plan for that.

**REP. BELTER** For individuals who are not earning enough to pay income tax, is there some other type of credit that they can receive on their federal filing?



