

# MICROFILM DIVIDER

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DESCRIPTION

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10/3/03  
Date

2003 HOUSE FINANCE AND TAXATION

HB 1312

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1312**

House Finance and Taxation Committee

Conference Committee

Hearing Date January 21, 2003

Tape Number	Side A	Side B	Meter #
1		x	12.6

Committee Clerk Signature *Jamie Stein*

Minutes:

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

**REP. CRAIG HEADLAND, DIST. 29** Introduced the bill on behalf of the Montpelier School District. He stated he invited members of the school district to testify. He deferred questions to them.

**AMY MAURER, BUSINESS MANAGER OF THE MONTPELIER SCHOOL DISTRICT**

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

**REP. DROVDAL** If this bill passes, you want to be a 185 mills, the maximum mills?

**AMY MAURER** Most likely, it depends on what the legislature does, we want to have that option.

**REP. DROVDAL** Somewhere in here is 140 mills in year 2000, that isn't the current mill levy is it?

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House Finance and Taxation Committee  
Bill/Resolution Number HB 1312  
Hearing Date January 21, 2003

**AMY MAURER** That figure we inadvertently, made the error of sending out three certificates of levy, to three different county auditors, where you are supposed to send just one to the resident district auditor, so the two certificates were ignored. Our levy then ended up being the 140 mills rather than the 168 we had intended.

**REP. DROVDAL** That is what we correct two years ago?

**AMY MAURER** Right.

**REP. HEADLAND** Stated that as of today, the \$23,325 is viewed as a shortfall in balancing the budget. If the legislation is not passed, there will have to be cuts made in some areas.

**AMY MAURER** Stated that is what they are anticipating.

**REP. SCHMIDT** Two years ago, you had a mistake, now are you saying the correction we made two years ago, was a mistake?

**AMY MAURER** She stated, that the intention was that they would have to tax less in 2003. She stated, their concern is, that if they needed to go back to 1999, and increase 18% from that, that they would be not be allowed to increase, what they normally would have been able to increase over the course of three years.

**REP. DROVDAL** Does your school district have a carry-over fund that utilizes short falls?

**AMY MAURER** I would have to research to give a real thorough answer, over the last two years, we have been in the black.

**REP. DROVDAL** If this mistake hasn't been made, you would have maxed out at 185 mills a year or two ago, wouldn't you?

**AMY MAURER** I believe so.

**REP. BELTER** So, two counties were levying 140 mills and one county was levying 168?

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House Finance and Taxation Committee  
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**AMY MAURER** Our intended levy was 168 mills, 140 of that was for Stutsman County, and they are the resident district, so they were the ones who acted on the certificate of levy. The other two levies amounted to 28 mills, which went to LaMoure and Barnes Counties. Those were the ones that were not acted upon, because that was not the way it was normally done.

**BRAD FOWLER, SCHOOL BOARD MEMBER,** Testified in support of the bill. Gave an explanation of the history of what happened. He stated a new superintendent was hired that year this happened, and he was unaware that the whole levy was supposed to go to Stutsman County. Stutsman County took it and sent the corresponding share to LaMoure and Barnes Counties. It was a mistake, the share of 140 mills went to Stutsman County and he divided it up between Barnes and LaMoure Counties. The legislation was intended so that we could make it up to where we requested to be. Now, we need to be at 185 mills, so that we don't have a budget shortfall. The dollar figure may not seem like a large amount, but in a school district with a budget as ours, it is a quite substantial amount of money. We want to be a viable school district and want to be financially responsible.

**REP. WINRICH** If this legislation passes, will the school district essentially be in the same condition it would have been in, if the mistake would not have been made in the first place?

**BRAD FOWLER** that is correct.

With no further testimony, the hearing was closed.

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House Finance and Taxation Committee  
Bill/Resolution Number HB 1312  
Hearing Date January 21, 2003

**COMMITTEE ACTION** 1-21-03, Tape #1, Side B Meter #32

**REP. NICHOLAS** Made a motion for a **do pass**

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

12 YES            2 NO            0 ABSENT

**REP. SCHMIDT** Was given the floor assignment.

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Date

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/14/2003

Bill/Resolution No.: HB 1312

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

HB 1312 will have no effect on any state, county, or city funds. It affects only one school district. It is not possible to estimate what that school district's general fund levy would have been without application of Section 57-15-63.

The County Auditor's office indicated the amount the subject taxing district intended to levy in the 2000 tax year was \$373,910.38. Under the provisions of HB 1312, that amount may be used as the "base year" or "prior school year" for calculating its 2003 general fund levy. Under current law, the amount used for "base year" or "prior school year" is the 1999 levy of \$343,699.02.

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.

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10/3/03  
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Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/19/2003

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Date: 1-21-03  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1312

House FINANCE & TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Rep. Nicholas Seconded By Rep. Iverson

Representatives	Yes	No	Representatives	Yes	No
BELTER, CHAIRMAN	✓				
DROVDAL, VICE-CHAIR	✓				
CLARK		✓			
FROELICH	✓				
GROSZ	✓				
HEADLAND	✓				
IVERSON	✓				
KELSH	✓				
KLEIN	✓				
NICHOLAS	✓				
SCHMIDT	✓				
WEILER		✓			
WIKENHEISER	✓				
WINRICH	✓				

Total (Yes) 12 No 2

Absent 0

Floor Assignment Rep. Schmidt

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

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Dennis Hallmark 10/3/03  
Operator's Signature Date

**REPORT OF STANDING COMMITTEE (410)**  
January 21, 2003 1:22 p.m.

Module No: HR-11-0841  
Carrier: Schmidt  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
**HB 1312: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO**  
**PASS (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1312 was placed on**  
the Eleventh order on the calendar.

(2) DESK, (3) COMM

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HR-11-0841

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2003 SENATE POLITICAL SUBDIVISIONS  
HB 1312

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