

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1367

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Donna Halliwell
Operator's Signature

10/3/03
Date

2003 HOUSE POLITICAL SUBDIVISIONS

HB 1367

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10/3/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1367

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 31, 2003

Tape Number	Side A	Side B	Meter #
1	X		0.0-20.7
Committee Clerk Signature <i>Mickie Schmidt</i>			2-11-03

Minutes:

(0.0) REP. GLEN FROSETH: We will open the hearing on HB 1367. The clerk will take the roll. We have a quorum.

(1.0) REP. JOYCE KINGSBURY: (Testimony in support) (See attachment # 1)

(2.4) REP. GLEN FROSETH: Rather than putting a set interest rate in statute, it was a way of tying it to the adjusted interest rate indicators of some sort?

(2.6) REP. JOYCE KINGSBURY: That could be a possibility also.

(2.8) SANDY CLARK; ND FARM BUREAU: (Testimony in support) This would be a possibility to lower interest rates.

(3.2) REP. MIKE GROSZ: Under what circumstances would someone use this financing structure?

(3.4) SANDY CLARK: No, if you're looking at property taxes that are delinquent if it's Ag land, chances are that they had financial difficulty.

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10/3/03
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Page 2
House Political Subdivisions Committee
Bill/Resolution Number HB 1367
Hearing Date: January 31, 2003

(4.0) TERRY TRAYNOR; ND ASSOCIATION OF COUNTIES: (Testimony in opposition) (See attachment # 2)

(4.8) REP. GIL HERBEL: What about the poor guy who can't go to the bank and get money?

(4.9) TERRY TRAYNOR: When you look at this information and in talking with others, the volume of people who use this are not the individual land owners, it's commercial and residential developers.

(5.4) REP. MARY EKSTROM: From a taxable standpoint, are these rates mandatory or do the counties tend to work with the individual? Are arrangements made?

(5.7) TERRY TRAYNOR: I believe these are mandatory.

(6.1) MIKE MONTPLAISIR; CASS COUNTY AUDITOR: (Testimony in support) (See attachment #3)

(9.1) REP. GLEN FROSETH: You have \$900,000 in delinquent taxes, you don't tax any of the interest you charge on the delinquent taxes? Maybe we could offer a higher discount?

(9.7) REP. WILLIAM KRETSCHMAR: Under current law, after five years the county takes the property for taxes if they haven't been paid.

(11.2) JIM HEINRICH; McINTOSH COUNTY TREASURER: (Testimony in opposition)
(See attachment #4)

(14.1) MARCY DICKERSON; STATE SUPERVISOR OF ASSESSMENTS:

(18.9) PAUL ???; MORTON COUNTY AUDITOR: (Testimony in opposition)

(20.1) REP. GLEN FROSETH: The problem of 3% isn't too bad of an interest rate, but 12% bugs me. Any further testimony? In hearing none, we will close the hearing on HB1367.

(20.7)

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1367

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 31, 2003

Tape Number	Side A	Side B	Meter #
2	X		13.7-16.6
Committee Clerk Signature <i>Mickie Schmidt</i>			<i>2-18-03</i>

Minutes:

TAPE 2; SIDE A:

(13.6) REP. GLEN FROSETH: Let's open the hearing and discussion on HB 1367. Should we come up with some sort of an amendment.

(13.9) REP. MARY EKSTROM: I can't support this bill. (explains her reasons)

(14.6) REP. WILLIAM KRETSCHMAR: I MOVE A DO NOT PASS.

(15.4) REP. MARY EKSTROM: I SECOND IT.

(15.5) REP. GLEN FROSETH: Any discussion? We'll follow this, if it's turned over on the floor, we will probably have to consider an amendment. ?

(16.6) REP. ALON WIELAND: I don't think that the counties ought to be in the banking business. I would support the do not pass.

(16.8) REP. GLEN FROSETH: I'll have the clerk take the Roll Call Vote for a Do Not Pass.

12-y; 1-n; 1-absent; Carrier; Rep. Johnson.

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10/3/03
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FISCAL NOTE
 Requested by Legislative Council
 01/17/2003

Bill/Resolution No.: HB 1367

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 1367 reduces the interest rate on delinquent property taxes from 12% to 8%. A 2001 survey conducted by the Tax Department showed uncollected taxes in 52 counties (Cass County did not respond) for 1996 through 2000 totaled \$175,686,000. Interest on that amount at 12% would be approx. \$21,082,000 per year; at 8%, it would be approx. \$14,055,000, a reduction of \$7,027,000. There is no way to estimate how much of that would actually be collected in a biennium.

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 Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/30/2003

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Dorinda Hallworth
 Operator's Signature

10/3/03
 Date

30558.0100
Title.

Prepared by the Office of State Tax
Commissioner
January 31, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1367

Page 1, line 1, after "57-20-01" insert "57-20-22."

Page 1, after line 20, insert:

SECTION 2. AMENDMENT. Section 57-20-22 of the North Dakota Century Code is amended and reenacted as follows:

57-20-22. Disposition of penalty and interest. All penalties on general taxes and interest on certificates of sale issued, or deemed to be issued to the county, or tax liens against the property belong to the county and become a part of the general fund or of such other fund as the county commissioners may direct, except penalties and interest collected on the following items:

1. Taxes and parts of taxes due to townships, cities, school districts, and park districts; and
2. Special assessments for public improvements,

which must be paid to the municipality levying the same, or whatever other taxing district or agency thereof is entitled to the original amount of such taxes or assessments.

Page 1, line 21, replace "2" with "3"

Page 2, line 9, replace "3" with "4"

Renumber accordingly

Page No. 1

30558.0100

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Date: 1-31-03

Roll Call Vote #: 2

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1367

House "POLITICAL SUBDIVISION" Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	✓				
Vice-Chairman Nancy Johnson	✓				
Mike Grosz	✓				
Gil Herbel	✓				
Ron Iverson	✓				
William E. Kretschmar	✓				
Andrew Maragos		✓			
Dale Severson	✓				
Alon Wieland	✓				
Bruce Eckre	✓				
Mary Ekstrom	✓				
Carol A. Niemeier	✓				
Sally M. Sandvig	✓				
Vonnie Pietsch	✓				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Rep Johnson

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

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10/3/03
Date

REPORT OF STANDING COMMITTEE (410)
February 6, 2003 5:49 p.m.

Module No: HR-23-1922
Carrier: N. Johnson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1367: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends DO
NOT PASS (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1367 was placed
on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-23-1922

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2003 TESTIMONY

HB 1367

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