

# MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

3073

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

10/16/03  
Date

2003 HOUSE FINANCE AND TAXATION

HCR 3073

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.

Colista Rickford  
Operator's Signature

10/6/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3073

House Finance and Taxation Committee

Conference Committee

Hearing Date February 26, 2003

Tape Number	Side A	Side B	Meter #
1		X	3.5

Committee Clerk Signature

*Janice Stein*

Minutes:

**REP. DROVDAL, VICE-CHAIR** Called the hearing to order.

**REP. ELIOT GLASSHEIM, DIST. 18, GRAND FORKS** Introduced the resolution which would study the tax exemptions and what they are intended to do. He stated he viewed himself as a part of the board of directors of the state. We have given tax exemptions and preferences, and as a member of the board of directors, I would like to know if what we are doing, is effective. Are we getting a return on our investment, are we accomplishing the goals which originally put the tax preferences in code. We have created an awful lot of exemptions, especially in the income tax, corporate and personal income tax sections of 57-38. He read all of the exemptions which are now in code. I am neither for nor against all of these exemptions, I want to know if they are working or if we should expand them, etc. He stated, as far as he can tell, there is no estimate as to how much these incentives cost the state, how much are we losing, and so on.

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.

*Salvatore Riccardi*  
Operator's Signature

*10/16/03*  
Date

Page 2

House Finance and Taxation Committee

Bill/Resolution Number HCR 3073

Hearing Date February 26, 2003

**REP. DROVDAL** Does this study also include incentive packages by political subdivisions?

**REP. GLASSHEIM** It does include that, my primary interest is the state. Maybe it would be up to the committee to emphasize that.

**REP. DROVDAL** What do you see is the bar we would use, is it additional tax revenue, coming into the subdivisions and the state, or is it jobs that were created in North Dakota?

**REP. GLASSHEIM** I think you want a number of those, you would want jobs created. If we are spending a million dollars in creating a payroll of fifty million, that sounds good to me. If we are spending a million dollars and creating a payroll of a million dollars, maybe not so good. I imagine you would want to look at property invested by the companies, or buildings created, if they are paying property taxes of significant amounts.

**REP. GROSZ** Related to Grand Forks charging two percent on food items for city sales tax, and then one and three quarters on everything else, there are some tax preferences given, do you know any cities or subdivisions giving this same type of ideas, giving the information to themselves?

**REP. GLASSHEIM** I don't see localities taxing people, adding to the sales tax, being a tax preference, per se. Some cities use that money to have development funds and to give out tax preferences, is that what you are referring to?

**REP. GROSZ** Stated, he may have misunderstood some of the intent of the bill.

**REP. GLASSHEIM** Stated he talked about tax incentives when he went to the Legislative Council, and this is how the resolution came out. What we are looking at here, are tax exemptions and tax credits to companies for doing certain actions.

Page 3

House Finance and Taxation Committee

Bill/Resolution Number HCR 3073

Hearing Date February 26, 2003

**REP. DROVDAL** He understood Rep. Grosz was asking if any cities were collecting data on how effective their incentives were?

**REP. GLASSHEIM** Stated he did not know, but did feel cities should do that. In Grand Forks we have a growth fund, out of our sales tax, we give about a million dollars a year to economic development. We do get a report on each year on the jobs created, I don't know if we get the whole payroll information. I don't think we are as vigorous as we should be.

**REP. WINRICH** Gave a point of information, saying, he didn't know any such studies in North Dakota. In Minnesota, where they have a law similar to some of the legislation he introduced, relating to reporting of these kinds of incentives. They do report on local incentives, including such things as property tax exemptions, tax in from finance districts, those reports are available through the whole state of Minnesota.

**REP. OLE AARSVOLD, FARMER IN TRAIL COUNTY,** Testified in support of the resolution. He was a former township officer, and said the township officers are concerned about the limited capacity they have to fund infrastructure, should a development come in to the township. The school districts are required to go to the voting public for fifty to sixty percent of their property tax total budget. As a consequence, they have concerns about the exemptions and other incentives which are given to other property paying folks in that subdivision. We wonder how much of their total tax bill is a consequence of those exemptions. I don't know that we know that. I hope we can find that out some way or the other.

With no further testimony, the hearing was closed.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3073

House Finance and Taxation Committee

Conference Committee

Hearing Date March 3, 2003

Tape Number	Side A	Side B	Meter #
1	x		25.7 Recorder did not work
Committee Clerk Signature <i>Janie Stein</i>			

Minutes:

**COMMITTEE ACTION**

**REP. WINRICH** Made a motion for a **DO PASS**

**REP. WEILER** Second the motion. **MOTION CARRIED BY VOICE VOTE AND WAS PLACED ON THE CONSENT CALENDAR.**

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.

*Salvatore Ricford*  
Operator's Signature

*10/16/03*  
Date

Date: 3-3-03  
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3073

House FINANCE & TAXATION Committee

Check here for Conference Committee

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

Action Taken Do Pass on consent

Motion Made By Rep. Winrich Seconded By Rep. Weiler Calendar

Representatives	Yes	No	Representatives	Yes	No
BELTER, CHAIRMAN					
DROVDAL, VICE-CHAIR					
CLARK					
FROELICH			<u>voice vote</u>		
GROSZ			<u>carried</u>		
HEADLAND					
IVERSON					
KELSH					
KLEIN					
NICHOLAS					
SCHMIDT					
WEILER					
WIKENHEISER					
WINRICH					

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Belter

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

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

10/16/03  
Date

**REPORT OF STANDING COMMITTEE (410)**  
March 3, 2003 1:08 p.m.

Module No: HR-37-3736  
Carrier: Belter  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HCR 3073: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3073 was placed on the Tenth order on the calendar.**

(2) DESK, (3) COMM

Page No. 1

HR-37-3736

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.

*Yolanda Richardson*  
Operator's Signature

*10/16/03*  
Date



2003 SENATE FINANCE AND TAXATION

HCR 3073

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.

Yolanda Richardson  
Operator's Signature

10/16/03  
Date

