

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2088

2007 SENATE FINANCE AND TAXATION

SB 2088

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2088

Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: #697

Committee Clerk Signature

Sharon Kenyon

Minutes:

Sen. Urlacher called the committee to order and opened the hearing on SB 2088.

Marcy Dickerson, State Supervisor of Assessments and Director of the Property Tax Division for the State Tax Commissioner appeared in favor of the bill with written testimony. (See attached)

Sen. Tollefson asked how does the Social Security Administration determine the disability.

Marcy: I believe they do require a medical examination, not sure exactly what their procedures are.

Sen. Tollefson: so the way the law reads now, it's kind of redundant?

Marcy: I'm not so sure it's redundant as the fact that it's not allowing what we consider to be an equally valid document to be presented as proof of disability. The requirements are the same for the laws that stand and what Social Security is requiring and it does create a hardship for some individuals to obtain that.

Sen. Horne: How often do you encounter this situation where somebody would find it costly or difficult to get a doctors approval.

Marcy: it happens quite frequently. These certificates are only required once in most cases. I would say that about 30 to 40% try to submit a social security determination rather than having to go get a physician's certificate.

Robert Bird of the Legislative Committee of the Veterans Coordinating Counsel appeared stating they are in support of the bill on record.

No opposition on the bill

Sen. Urlacher closed the hearing and asked for further discussion.

Sen. Triplett: I don't believe there would ever be a situation where someone would get a determination from Social Security of permanent disability without there being adequate medical records so it really is redundant to require that certificate. I think it's a good bill.

Sen. Cook: made a motion for **DO PASS**, seconded by Sen. Tollefson.

7-0-0, Sen. Horne will carry the bill.

Closed the hearing.

REPORT OF STANDING COMMITTEE (410)
January 8, 2007 9:36 a.m.

Module No: SR-04-0275
Carrier: Horne
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2088: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2088 was placed on the Eleventh order on the calendar.

2007 HOUSE FINANCE AND TAXATION

SB 2088

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2088A/B

House Finance & Taxation Committee

Check here for Conference Committee

Hearing Date: 2/21/07

Recorder Job Number: 3520, 3523

Committee Clerk Signature

W. Penrose

Minutes:

Rep. Belter: Clerk read title. We will open the hearing on SB 2088.

Marcy Dickerson, State Supervisor of Assessments: (see attached testimony #1).

Rep. Belter: Did we not have a bill a few years ago very similar to this.

Marcy Dickerson: I do not recall that. There was something but I don't believe it had to do with social security determination to be considered.

Rep. Belter: I recall something about a physician statement in determining disability.

Marcy Dickerson: One change that was made a couple of sessions ago, in fact I think it was last session when the law was amended in some other ways. The language that used to say "a physician approved by the local governing body" was removed, and it was just left that "a certificate from a licensed physician".

Rep. Headland: Do you see this as expanding the Homestead Tax credit quite a bit.

Marcy Dickerson: I don't think it is going to expand it at all. There may be two or three people here or there who never go and get the certificate at this point, because they know the doctor is going to charge them \$20-\$25, and the renter might only be getting a \$5-10 refund, it doesn't pay for them to go and pay for an office call. Most of the applications that we deny because they don't have a physician certificate, they do go and get it. I don't think you would

have more than maybe 1% of the total applicants increasing because of this, maybe not even that much. It's just a matter of making it more convenient for these individuals.

Rep. Belter: There was a bill that was passed over in the Senate dealing with disabled veterans and their homestead credit. Do disabled veterans fall under this or is there a separate disabled veterans section already.

Marcy Dickerson: That is a different statute, that's under 57-02-20. A disabled veteran can apply under this, in fact, up until this bill that was currently passed in the Senate, up until this time, the same income requirements applied to a disabled veteran as in the homestead credit. That bill removes the income requirement for a disabled veteran, so any disabled veteran would be eligible regardless of his income. Some disabled veterans haven't just applied under the homestead credit, because it was just easier for the veteran's exemption, you have to bring in some war documentation or evidence of your discharge at 50% or greater disability. So with the same income limitations, someone just applied under this, because it was easier.

Rep. Belter: Thank you. Further testimony in support.

Leon Samuel, Tax Director in Morton County: This bill would, I think, make a lot of things easier. We have a lot of people that come to the office and basically are applying for the disability and have their social security form. We basically say that we can't accept that, you have to go and get a physician's certificate. We give them the certificate and tell them to go and get it signed. Then they start whining because now they have to pay for a hospital call, etc. This basically does the same thing, it doesn't do any differently other than that we require them to have it on the physician certificate. So I think in the long run it is just easier for everyone and make things simpler and it's not going to change anything; it's just the idea that they have to have it on a different form. This will allow the social security document to be valid.

Rep. Weiler: You said you have a lot of people that come in asking for this. The Tax Department says just a few. Because you are one county.

Leon Samuel: Yes.

Rep. Weiler: And if you have a lot of people coming in, and it's that way around the entire state, then this is not going to be what the Tax Department says, this is going to be a very sizeable increase for the Homestead Tax credit. I'm just trying to find out which one it is. Is it a lot or not.

Leon Samuel: When I say a lot, I'm talking about maybe have 3 or 4 a year that might come in. Basically it's not going to increase the Homestead Credit because they are getting it anyway. All they have to do is get a physician certificate and they are going to be there anyway. It's not really increasing Homestead Credit for way more people. Marcy might be talking about the renter's refund, there they might increase a few and some of them are not going to do it, because when they ask for a physician's certificate and it costs \$20 for an office call, and they are only going to get \$5 or \$10 back, they're saying it defeats the purpose. I'd sooner not do it, than not get anything back. In our office, at the local county level, they come in and when we give them the physician's certificate, they go and get it and come back. They don't like to do it, and it would make it easier to take care of it that day instead of them having to make a doctor's appointment and come back a week or two later to do the same thing. They are going to get it. If they are applying for it, they are going to get it one way or the other. It's not increasing because one or the other.

Rep. Belter: Thank you. Further testimony in support. Testimony in opposition or neutral. We will close the hearing.

(Reopened later in the same day.)

Rep. Belter: We will take a look at SB 2088. What are the committee's wishes.

Rep. Grande: I move a Do Pass.

Rep. Owens: Second.

11 YES 0 NO 3 ABSENT

DO PASS

CARRIER: Rep. Vig

Date: 2-21-07
Roll Call Vote #: 2088

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House Finance & Tax Committee

Check here for Conference Committee

Legislative Council Amendment
Number _____

Action Taken Do Pass

Motion Made By Rep. Grande Seconded By Rep. Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Belter	✓		Rep. Froelich		
Vice Chairman Drovdal			Rep. Kelsh	✓	
Rep. Brandenburg	✓		Rep. Pinkerton	✓	
Rep. Froseth	✓		Rep. Schmidt	✓	
Rep. Grande	✓		Rep. Vig	✓	
Rep. Headland	✓				
Rep. Owens	✓				
Rep. Weiler	✓				
Rep. Wrangham					

Total (Yes) 11 No 0

Absent 3

Floor Assignment Rep. Vig

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

REPORT OF STANDING COMMITTEE (410)
February 21, 2007 12:35 p.m.

Module No: HR-36-3599
Carrier: Vig
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2088: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2088 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

SB 2088

SENATE FINANCE AND TAXATION COMMITTEE
Testimony of Marcy Dickerson, State Supervisor of Assessments

January 8, 2007

Mr. Chairman, Members of the Committee, for the record my name is Marcy Dickerson and I am employed by the State Tax Commissioner as State Supervisor of Assessments and Director of the Property Tax Division.

My testimony today concerns Senate Bill No. 2088. The amendment to subsection 5 of N.D.C.C. § 57-02-08.1 makes a written determination of disability from the social security administration acceptable proof of permanent and total disability for purposes of homestead credit for homeowners and the renters' property tax refund.

The Social Security website includes the following information:

"Disability under Social Security for an adult is based on your inability to work because of a medical condition. To be considered disabled:

- You must be unable to do work you did before and we decide that you cannot adjust to other work because of a medical condition.
- Your disability must last or be expected to last for at least one year or to result in death.

Social Security pays only for total disability. No benefits are payable for partial disability or short-term disability."

The social security requirements for disability designation meet the requirements of existing law set out in N.D.C.C. § 57-02-08.1(5)(e):

"'Permanently and totally disabled' means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which

can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months ...”

“Substantial gainful activity”, found in the statute quoted above, is defined by the Social Security Administration as \$900 per month for 2007.

Applicants for homestead credit or renter’s property tax refund who are less than 65 years of age frequently submit a determination of disability from the social security administration as proof of permanent and total disability. The Tax Department and assessing officials do not accept that because of the wording in existing law, and require the applicant to submit a certificate from a licensed physician.

It is often inconvenient and costly for an applicant for homestead credit or renter’s property tax refund to obtain a physician’s certificate. Some persons do not have a personal physician in the town in which they live. Some get their medical care at a VA hospital. Some physicians charge for an office visit before signing a certificate.

Approval of this amendment will make it possible for a disabled applicant for homestead credit or renter’s property tax refund to submit either a physician’s certificate or a determination of disability from the Social Security Administration to qualify for the benefit.

This concludes my prepared testimony. I will be glad to try to answer any questions.

2-21-07

#1 SB 2088

HOUSE FINANCE AND TAXATION COMMITTEE

Testimony of Marcy Dickerson, State Supervisor of Assessments
Senate Bill 2088 - February 21, 2007

Mr. Chairman, Members of the Committee, for the record my name is Marcy Dickerson and I am employed by the State Tax Commissioner as State Supervisor of Assessments and Director of the Property Tax Division.

Senate Bill No. 2088 amends subsection 5 of N.D.C.C. § 57-02-08.1. It makes a written determination of disability from the social security administration acceptable proof of permanent and total disability for purposes of homestead credit for homeowners and the renters' property tax refund. The homeowner and renter programs are available to persons who are 65 years of age or older, or who are permanently and totally disabled, whose income does not exceed \$14,500.

Applicants for homestead credit or renter's property tax refund who are less than 65 years of age frequently submit a determination of disability from the social security administration as proof of permanent and total disability. The Tax Department and assessing officials do not accept that because of the wording in existing law, and require the applicant to submit a certificate from a licensed physician.

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“‘Permanently and totally disabled’ means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months ...”

“Substantial gainful activity”, found in the statute quoted above, is defined by the Social Security Administration as \$900 per month for 2007.

I have attached information from the Social Security Administration website that describes how the disability application process works.

It is often inconvenient and costly for an applicant for homestead credit or renter’s property tax refund to obtain a physician’s certificate. Some persons do not have a personal physician in the town in which they live. Some get their medical care at a VA hospital. Some physicians charge for an office visit for signing a certificate.

Approval of this amendment will make it possible for a disabled applicant for homestead credit or renter’s property tax refund to submit either a physician’s certificate or a determination of disability from the Social Security Administration to qualify for the benefit.

This concludes my prepared testimony. I will try to answer any questions.

Social Security
 Online

www.socialsecurity.gov

Adult Disability and Work History Report

How the Disability Application Process Works

When we receive your disability report:

- We review it to make sure all of the information is complete. We may contact you for missing or unclear information.
- We will contact you to complete a formal application for benefits, if you haven't already done one.
- We send your forms to your State's office that determines if you are disabled under Social Security law.
- The State office requests your medical records from the hospitals, doctors, and other treatment sources you listed.
- That State office then reviews all the medical records when they are received.

The state office uses a five-step process to decide if you are disabled under Social Security Law:

Question	If Yes	If No
<p>1. Are you working? Note: There are <u>special rules</u> for persons who are blind.</p>	<p>We need information to determine if you are doing "substantial gainful activity" (SGA). SGA means work that involves doing significant and productive physical or mental duties and is done (or intended to be done) for pay or profit. To make this determination, we ask about the work you did including any dates you couldn't go to work, changes you made in your job duties, extra help you got at work, and extra work expenses because of your illnesses, injuries or conditions.</p> <p>If, after considering the items above, your earnings average more than the allowable monthly amount for a given year, we will usually determine that you are doing SGA, and your application will be denied.</p>	<p>If you are not working, we go to step 2.</p>

	<p>Click here to view the allowable monthly amounts for this year.</p> <p>If we find that your earnings are below the SGA limit as an employee, or the value of your services as a self-employed person is not SGA, we go to step 2.</p>	
<p>2. Is your illness, injury or condition (hereafter referred to only as condition) "severe"? Your condition must be severe enough to significantly limit your physical or mental ability to do basic work activities.</p>	<p>If your condition is severe, we go to step 3.</p>	<p>If your condition is not severe, your application is denied.</p>
<p>3. Is your condition one that is in the listing of impairments? We maintain a list that describes impairments that are considered severe enough to prevent you from doing any gainful activity. Gainful work activity is work activity that you do for pay or profit. Work activity is gainful if it is the kind of work usually done for pay or profit, whether or not a profit is made.</p>	<p>If your condition is listed and it has lasted or is expected to last for at least a year or to result in death, your application is approved.</p>	<p>If your condition is of equal severity to an impairment on the list, your application is approved.</p> <p>If it is not of equal severity to an impairment on the list, we go to step 4.</p>
<p>4. Can you do the work you did in the past? If your condition is severe, but not as severe as any impairment described in the listing of impairments, then we determine if you can do the work you did in the past.</p>	<p>If we determine that you can do the same work, your application is denied.</p>	<p>If we determine that you can't do the same work, we go to step 5.</p>
<p>5. Can you do any other work? If you cannot do any work you did in the past, we determine if you can do other work. We</p>	<p>If we determine that you cannot do other work for at least a year, your application is approved.</p>	<p>If we determine that you can do other work, your application is</p>

consider your medical condition and your age, education, and past work experience in making this determination.		denied.
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Close this window to return to the report.
