

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2162

2007 SENATE FINANCE AND TAXATION

SB 2162

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2162**

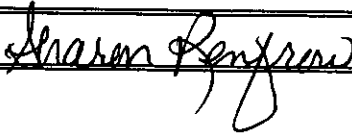
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: # 1690

Committee Clerk Signature



Minutes:

Sen. Urlacher called the committee to order and opened the hearing on SB 2162.

Sen. Robinson: Prime sponsor of the bill appeared in support with written testimony stating this is a bill designed to provide for an optional income tax check off for use by the ND Silver Haired Education Programs, (See attached)

Sen. Anderson: What was the resistance?

Answer: the resistance in the House has been we are adding another line to our income tax, where do we draw the line?

Curtis Herman: Pres. Of the ND Silver Haired Education Assoc. appeared in support with written testimony stating this has nothing to do with teaching; it's to educate people on the legislative process. We need to educate the people of ND of the legislative process and to keep it alive. (See attached)

Bernie Wagner: Secretary of the Steering Committee for the ND Silver Haired Education Assoc. with written testimony stating if we don't succeed this Legislative Session I'm afraid that our Silver Haired program will be history and if we do succeed we will be in a position to hire someone to prepare all of our legislation. (See attached)

No Opposition on the bill.

Sen. Anderson: made a Motion for DO PASS, seconded by Sen. Horne.

Roll call vote: 7-0-0

Sen. Anderson will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 01/10/2007

Bill/Resolution No.: SB 2162

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$12,000		
Appropriations				\$12,000		

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2162 creates a voluntary "check-off" on individual income tax returns for contributions to the silver-haired education association.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill authorizes that up to the first \$12,000 contributed, as much as is necessary, is to be deposited in the tax commissioner's operating fund to be used to defray the costs associated with the check-off. The total amount of voluntary contributions that will be made is unknown.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	01/21/2007

REPORT OF STANDING COMMITTEE (410)
January 23, 2007 11:53 a.m.

Module No: SR-15-1013
Carrier: Anderson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2162: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2162 was placed on the Eleventh order on the calendar.

2007 HOUSE FINANCE AND TAXATION

SB 2162

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2162

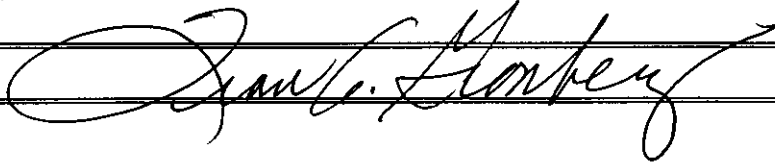
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 3-5-07

Recorder Job Number: 4305

Committee Clerk Signature



Minutes:

Chairman Belter opened the hearing on SB 2162.

Senator Larry Robinson: (attachment #1)

Chairman Belter: Is this bill identical to the ones in previous sessions?

Senator Robinson: Yes, it is.

Curt Sherman, Minot ND, President of the Silver Haired Assembly: (testimony attached)

Rep Froseth: What is your source of funding? What is your annual budget?

Sherman: Since 1997 our organization has been working with donations. Last session we started having one instead of two delegates per county. Prior to the session last July, we had \$7,000. It cost approximately \$12,000. But donations are our primary source. We need about \$20,000 to operate for two years.

Rep Weiler: How do the donations come in? Do you send out letters?

Sherman: We send a letter once a year to each of the senior centers.

Rep Drovdal: Do you have an estimate about how much money this would bring in to your organization?

Sherman: We don't know for sure. \$18,000 went to wildlife and \$12,000 went to trees for ND. These are the two line items on there now.

Rep Grande: How many member do you have? How are they chosen.

Sherman: We have 42 people that participated in the Assembly. They are nominated and elected from their county. Each county has their own ballot.

Rep Grande: How do people find out about this program ?

Sherman: Each county, in November of every other year, we send out a packet to the senior centers, the chairman of the county and one other packet. It includes everything anyone needs to become a delegate.

Rep Grande: Do you have to attend a senior center in order to find out about it?

Sherman: Yes, they attend senior centers. They are 60 or older. We also put a letter in the paper.

Rep Grande: Are the centers helping out? Are they charged a fee as a member? Or do the centers contribute any money to the organization?

Sherman: Most senior centers have a fee. Anywhere from \$2.00 per person to \$5.00 per person. We asked each senior center to donate \$1.00 per member as an allocation to us which they do. Ward county has had some extra money and has given us over \$3000 over the past two years.

Rep Grande: I'm from Cass County and it appears to be inequitable to have one member from each county. How was that decided?

Sherman: It was decided in 1980 by the people that started the program. Each county was to have 2 delegates. Because of lack of money, we have gone down to one.

Rep Weiler: Do you have access to the mailing list for the AARP? (yes) Why have you not sent out a mailing to the 100,000 members of AARP in ND?

Sherman: We have. The request has been in the mailing that the AARP has sent out. It is in their newsletter. They have offered to help whenever they can.

Bernie Wagner, Silver Haired Education Association: (testimony attached #2)

Rep Pinkerton: How many members of the 164th are there left?

Wagner: 200 last year.

Rep Headland: In your testimony here, you comment that the vote two years ago was down party lines. Why do you think that?

Wagner: We wondered because it came out of the Senate overwhelmingly. And then when we got the report back - I don't know the reason.

Chairman Belter: I would explain it this way. It does have nothing to do with politics. The issue before our committee is that you are asking the legislature to put an extra line on the tax form so that your organization can collect money. From my perspective, you have these organizations throughout the state that should be picking up the ball and making the necessary donations in order for your organization to carry on your assembly which is a very admirable thing to do. But what I have a problem with is that if your organizations are not willing to come forward and put up the necessary funding .which would take very little funding from your membership, if they are not willing to do that on a voluntary basis, what makes you think that they are going to voluntarily going to contribute on the tax form.

With no more testimony **Chairman Belter** closed the hearing.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2162

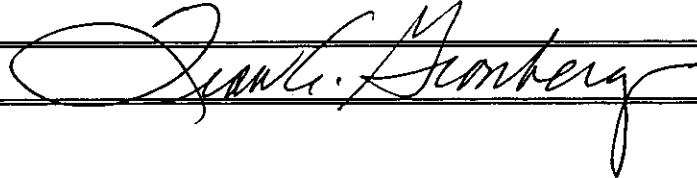
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 3-6-07

Recorder Job Number: 4408

Committee Clerk Signature



Minutes:

Chairman Belter called the committee to order and asked them what they wanted to do with SB 2162.

Rep Headland moved a Do Not Pass

Rep Brandenburg seconded the motion

Discussion

Rep Schmidt: You heard them tell you that this will probably be their last shot. It started in ND about the same time it was started on a national scale. Senator Frank Wenstrom set aside \$40,000 from the general fund for the silver haired assembly. I attended the 1994 session. In 1997 the funding was taken away from them. Since then they have gone down hill. I think this is very important.

Chairman Belter: I don't think this is a question about the purpose of the silver haired legislature. We do have a resolution to study that tax system and do away with the long form.

Unfortunately it didn't get passed last time. We already have two things on the check off which I personally believe shouldn't be there and I hate to add another one. Until that study is done, I

Page 2

House Finance and Tax Committee

Bill/Resolution No. SB 2162

Hearing Date: 3-6-07

think we should keep it clean. The other issue from my perspective is that the seniors have not come forward and taken the responsibility. I just don't think we need that extra line.

(yes) 9 (no) 5 (absent) 0

Carrier: Rep Grande

Date:
Roll Call Vote #:

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 Not Pass

Motion Made By Rep. Headland Seconded By Rep. Brandenburg

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) 9 No 5

Absent 0

Floor Assignment Rep. Grande

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

REPORT OF STANDING COMMITTEE (410)
March 6, 2007 12:18 p.m.

Module No: HR-42-4522
Carrier: Grande
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2162: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO NOT PASS (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). SB 2162 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

SB 2162

January 23, 2007

Sen. Herb Urlacher, Chairperson
Senate Finance and Tax Committee
Testimony Senate Bill 2162
Sen. Larry Robinson

Mr. Chairperson and members of the committee. I appear before you today as the prime sponsor of Sen. Bill 2162, a bill designed to provide for an optional income tax check off for use by the North Dakota Silver Haired Education programs. Mr. Chairperson and members of the committee, this bill is no stranger to this committee and this legislature. Last year this bill was approved by this committee and the Senate only to be defeated in the House of Representatives. We are back because we believe in this program and the work of the Silver Haired Education Association.

Built into the bill is a provision to cover the costs associated with the collection of these dollars, up to \$12,000 for the 2007-2009 biennium. The remaining dollars would then be transferred to the state treasurer for deposit in the Silver Haired Education program fund. Moneys in this fund are appropriated as a standing and continuing appropriation to the department of human services for distribution to the silver haired education association as needed, to cover expenses associated with the silver haired legislative assembly and other education programs of the organization.

Mr. Chairperson and members of the committee, we have a unique opportunity to provide support for an important organization in our state. These folks have elected to remain involved in the political process. We are all better off for that decision. They bring a life of experience to the table and many of the ideas and proposals are channeled to the legislative assembly of this great state.

Mr. Chairperson and members of the committee. These folks are from America's Greatest Generation. They have given so much and now are asking so little. Let's support their cause and approve this bill so they can continue their important work.

Thank you.

SENATE BILL 2162
LEWIS AND CLARK ROOM
TUESDAY, JANUARY 23, 2007
11.00 A.M.

Chairman Urlacher and members of this committee—**GOOD MORNING**

My name is Curtis Herman from Minot, North Dakota. I am President of the North Dakota Silver-Haired Education Association (NDSHEA) and am also Chairman of the Steering Committee which is the governing body of the NDSHEA. **I am in favor of SB 2162 because of the need to have adequate funding necessary to continue the work of SHEA.**

The goal of the SHEA is to make a difference in the livelihood of the Seniors in North Dakota. The North Dakota Silver-Haired Education Association is an organization composed of Senior Citizens from throughout North Dakota who are 60 years of age and older. SHEA is a 501-C-3 non-profit tax exempt corporation. Originally SHEA was funded by contract with (Federal Older American Act) dollars channeled through the **Aging Network of North Dakota (ANND)**, local match and additional contributions. SHEA lost this Federal funding in 1997 and although the office closed its doors, the vision of the Silver-Haired Assembly remained strong in the hearts and minds of many people. Since 1997 SHEA has been able to continue with contributions from senior clubs and other organizations. It is our hope that with the passage of SB 2162 we will again be able to organize an office staff and continue to improve the health and welfare of the approximate 180,000 senior citizens of North Dakota. According to the last census North Dakota persons aged 60 and older comprise 29 per cent of our population and this percentage number is growing in leaps and bounds. Thus the need for an organization such as the North Dakota Silver-Haired Education Association.

One delegate is elected from each county in North Dakota to represent that county at the North Dakota Silver-Haired Legislative Assembly. The term of office is for two years. During the first day of the Assembly a Steering Committee is formed. The steering committee composed of one delegate is elected from each of the Governor's eight regions is elected to serve on the Steering Committee. The President, President Pro Tem and the representative from the Reservations are also members of the Committee.

The last SHEA was held on July 26, 27, and 28, 2006 in the North Dakota House Chambers with forty four of the fifty three counties represented. The state of Missouri held the first Silver-Haired Legislature in 1972 and has convened one every year since. At the present time there are 36 states that have an organized Silver-Haired Education Association. The first NDSHEA was convened in 1980 and is a pattern of the Missouri experience. A Silver-Haired Legislative Assembly has been held every other year since 1980. The Silver-Haired Legislature is a model legislative session whose purpose is to provide an educational experience for older citizens, informing them about the legislative process through actual involvement in it and to provide a forum through which the needs of their constituents can be brought forth and addressed.

Senator Urlacher, Chairman of the Senate Finance Taxation Committee.

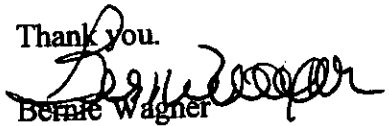
I am Bernie Wagner Secretary of SHEA Steering Committee.

I appear here this morning asking your support of this very important piece of Legislation.

I concur with all of remarks that our President Curt just completed.

If we don't succeed this Legislation Session I am afraid that our Silver Haired program will be History and if we do succeed we will be in a position to hire someone instead of asking our Steering Committee members to prepare all of our Legislation.

Thank you.


Bernie Wagner
Secretary Steering Committee

SB 2162-A

#1 3-5-07-mm

March 5, 2007

Rep. Wes Belter, Chairperson
House Finance and Taxation Committee
Testimony Senate Bill 2162
Sen. Larry Robinson

Mr. Chairperson and members of the committee. I appear before you today as the prime sponsor of Sen. Bill 2162, a bill designed to provide for an optional income tax check off for use by the North Dakota Silver Haired Education programs. Mr. Chairperson and members of the committee, this bill is no stranger to this committee and this legislature. Last year this bill was approved by the Senate but defeated in the House of Representatives.

We are back because we believe in this program and the work of the Silver Haired Education Association.

Built into the bill is a provision to cover the costs associated with the collection of these dollars, up to \$12,000 for the 2007-2009 biennium. The remaining dollars would then be transferred to the state treasurer for deposit in the Silver Haired Education program fund. Moneys in this fund are appropriated as a standing and continuing appropriation to the department of human services for distribution to the silver haired education association as needed, to cover expenses associated with the silver haired legislative assembly and other education programs of the organization.

Mr. Chairperson and members of the committee, we have a unique opportunity to provide support for an important organization in our state. These folks have elected to remain involved in the political process. We are all better off for that decision. They bring a life of experience to the table and many of the ideas and proposals are channeled to the legislative assembly of this great state. We should encourage that effort. Members of the Silver Haired Education Association are doing everything possible to keep their minds active as well as their bodies..

Mr. Chairperson and members of the committee. These folks are from America's Greatest Generation. They have given so much and now are asking so little. Let's support their cause and approve this bill so they can continue their important work.

Thank you.

SB 2162 -A

3-5-07 AM

SB2162

Good Morning Chairman Belter and members of the House Finance and Taxation Committee

I am Bernie Wagner, I am hear to talk to you in favor of SB 2162 and why I feel that you should consider my request to approve this very important Bill.

I have been in contact with each of you several times by email requesting your support.

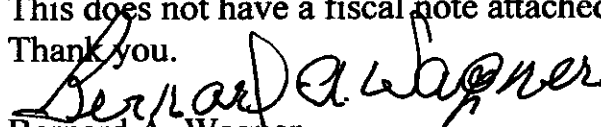
Yes, I concur with the remarks that President Herman presented to you. You may wonder

why I strongly support this issue. In Sunday Feb 12 issue of the Fargo Forum, Richard Rathge , director of North Dakota data center gave figures and numbers how the Senior population in North Dakota is going to escalate in the next 10 to 15 years. I am a Veteran of WW11 serving with the North Dakota National Guard in the South Pacific. I have been involved in Veterans affairs and the elderly since the Korean War. I served on the Administrative Committee on Veterans Affairs in both sub committees and the Chairman of the Committee representing WW1 Veterans, Amvet's and the Disabled American Veterans as Department Commander. I am presently the Ombudsman for the North Veterans Home, President of the 164th Infantry Association for the United States, Chairman of South Central Adult Services, Chairman of Barnes County Seniors, Chairman of Barnes County Housing. My wife and I live in Bridgeview Estates in Valley City which is an Assisted Living facility with 45 apartments and I am the Chairman of the Bridgeview Estates Board that supervises daily operation.

As a Silver Haired Delegate and the Secretary of the Steering committee I know first hand the need for the existence of the Silver Haired Education Association in the State of North Dakota. If this bill is not approved the existence of the SHEA program is in jeopardy. As you know it came out of the Senate with overwhelming support. We had the same type of support 2 years ago but the House of Representatives voted no on the bill strictly on party lines and I would certainly hope that we don't witness this type of support for our elderly in the State of North Dakota this session.

This does not have a fiscal note attached so this is a win-win bill.

Thank you.


Bernard A. Wagner

Big shift in elders forecast

Seniors 'tidal wave' to change economy

By Patrick Springer
pspringer@forumcomm.com

North Dakota is beginning a dramatic population shift that will thin the ranks of the state's most productive workers while the proportion of seniors balloons as "baby boomers" retire.

The demographic "tidal wave" will include significant economic ripple effects, including a projected loss of earnings from wages and salaries approaching \$1 billion in 2020, according to a new report.

"This is just one year, and this is not even the peak year," said Richard Rathge, director of the North Dakota State Data Center and lead author of the report on the economic implications of the state's graying population.

Starting two years ago, the leading edge of the baby boom generation reached age 60, and the number of those reaching retirement age by 2020 likely will swell by 55,785, roughly the population of Bismarck.

That year, the number of seniors age 65 or older - almost 600,000 - will exceed the number of those in the prime working-age population, ages 35 to 54, a group projected to drop from 183,435 in 2000 to 146,717 in 2020.

More than 8 of 10 people in the prime working years are in the labor force, while only 15 percent of seniors are wage and salary earners, according to the report.

"What do we think's going to happen to the work force?" Rathge said, adding that policy makers and employers should begin planning to meet the challenge.

SENIORS: Back Page

From Page A1

The report predicts a drop of 58,882 income earners below age 55 in 2020 compared to 2000 - a loss that would translate into a drop in earnings of about \$1.5 billion, the vast majority from wages and salaries.



Rathge

In turn, the reduction in wage and salary earners has financial implications for state government. Federal income tax figures from 2004 indicated that 72 percent of the tax liability was paid by wage and salary earners.

Seniors paid about 15 percent of North Dakota's \$252.6 million total tax liability in 2005, and comprised 15 percent of the state's tax filers.

"What will happen to taxes?" Rathge said in an interview. "We will see a significant reduction in tax earnings for the state."

Despite the shrinking segment of workers in the prime age group, the economic projections predict North Dakota will experience an increase in total earnings of almost \$570 million by 2020, with a much larger portion coming from retirement investments and Social Security.

Cory Fong, North Dakota's tax commissioner, said he has been immersed in legislative activity and hasn't seen the data center's report on the economic impact of the rising senior population.

"Of course we always have to be looking at these kinds of trends," Fong said. He noted the state's economy currently is strong, with significant increases in almost all tax categories. North Dakota is poised to see its 15th consecutive quarter - spanning almost four years - of growth in sales tax receipts.

Rathge said many will be surprised at how rapidly the shift to a more elderly population will descend upon the state. From 2000 to 2005, the increase was a modest 3.8 percent. But that will escalate to an increase of 17.5 percent from 2015 to 2020.

"It's like this big tidal wave, it's moving forward," Rathge said of the wave of aging baby boomers, those born from 1946 to 1964. "And we've had calm

Getting ready for the senior tsunami

North Dakota's senior population, relatively stable for the past three decades, is poised to begin rapid growth over the next 15 years, growing by more than 55,000 - roughly the population of Bismarck - by 2020.

N.D. POPULATION	
2000	94,215
2005	97,771
*N.D. POPULATION PROJECTION	
2010	110,229
2015	127,219
2020	149,531
PROJECTED PERCENT INCREASE	
2000-2005	+3.8%
2005-2020	+17.5%

Note: Estimates are for 65+ demographic

Source: N.D. State Data Center The Forum

North Dakota's rapidly aging population profile is a more dramatic version of the shift that is occurring throughout the country, and the state could serve as a policy and entrepreneurship laboratory, Rathge said.

"At the very least we should look at policies that encourage early retirement," he said, including pensions and health care coverage. Those are national policies, but states can initiate policies to entice seniors to remain in the work force.

"North Dakota's a bellwether of what's going on nationally," he said.

Although the state's increasingly gray population poses significant challenges, the report also makes the case that it also presents economic opportunities.

In Florida, for example, studies have found that one job is created for every 2.5 retirees. The ratio was even more favorable in North Carolina, where a study documented one job for every senior who migrated to an area attracting wealthy retirees, according to the report.

But Florida and western North Carolina are viewed as "high amenity" areas that attract the well-to-do, a situation that poses challenges for many rural areas, Rathge said.

*Fargo Forum
Sunday
12 February 07*

**SENATE BILL 2162
FORT TOTTEN ROOM
MONDAY, MARCH 5, 2007
9:15 A.M.**

Chairman Belter and members of this
committee—**GOOD MORNING**

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