

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2416

2007 SENATE FINANCE AND TAXATION

SB 2416

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2416**

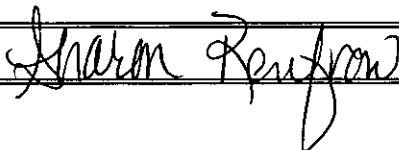
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: # 2470 and #2479

Committee Clerk Signature



Minutes:

Sen. Urlacher called the committee to order and opened the hearing on SB 2416.

Sen. Christmann: appeared as prime sponsor of the bill stating he brings this bill before you because of a real and overwhelming need. Sharing between counties, between Oliver and Morton counties. The money that transfers over the county line is imperative to the future of Oliver County. This legislation is basically to fix a rather unique problem of a very time county, population wise that really has no other place to turn.

Rep. Kreidt: co-sponsor of the bill appeared in support stating we are just trying to help out a small county that had the impact from the industry there and dwell with and be able to bring some funds into them that they are losing from the tiple tax that is now being imposed on this county.

Tipple Tax Sheet handed out

John Mahoney: Oliver County States Attorney appeared in support stating Oliver County suffers more of an impact as far as roads, law enforcement, ambulance services and infrastructure. We rely on coal impact dollars and we had these plants and what not tax just regular property taxes we wouldn't need money from anybody. But the way its set up it's a smaller tax, we share 50% of it with the whole State and out of our share that comes back to

us roughly 50%, we have to share a portion of it with Morton County. We looked at just possibly taking out that tipple sharing provision and all you would have to do is basically eliminate section 2 of the present law where its apportioned between the coal and non coal producing counties. Rather than do that as a compromise we'd present this bill where the revenues that we share with Morton County would be an appropriation for those dollars which would come back to us, roughly \$196,000 a biennium.

Sen. Cook: wasn't this tipple addressed and changed in the 1990's.

Answer: yes, we came up with a compromise on the 3.4 ton and haven't looked at it since.

Kent Albers: Oliver County Commissioner appeared in support and appeared to give background on the tipple situation affects Oliver County government. The cost of repaving 1 mile of road is between 150 and 200 thousand dollars. We have at least 13 miles of road that are impacted by this full traffic that will need attention. That's negative impact to our county.

Mike Liffrig: Oliver County States Attorney appeared in support stating a past legislature imposed this upon us and its time to get rid of the tipple tax.

Sen. Cook: fairness issue

Royal Lyson: Superintendent of Center-Stanton Public School appeared in support with written testimony. (See attached)

Jill Palerine: Pres. Of Center/Stanton Student Council appeared in support with written testimony. (See attached)

Andrew Alderin: Pres. of Center/Stanton FFA appeared in support with written testimony. (See attached)

Jayden Ziegler: Pres of Center/Stanton Future Business Leaders of America appeared in support with written testimony. (See attached)

Marcy Dickerson: Tax Dept. appeared neutral on the bill with written testimony. (See attached)

Sen. Christmann: presented the committee with some proposed amendments (0201)

Kelly Schmidt: State Treasurer stated she would provide the committee with a printout of exact dollars and cents that have been distributed to Morton and Oliver Counties.

Leon Samuel: Morton County Commissioner appeared neutral stating he would oppose any amendments to repeal the bill as presented. On the 15 mile radius, its land only it doesn't include any improvements.

John Mahoney: clarification on property taxes paid on the mine. That's correct the real property taxes are paid on the mine, but the big differential is, on the diversion tax on the facilities so the power plants are worth hundreds of millions of dollars, there's a ___ of conversion tax that we don't get property on them like Morton County with the oil refinery. So that's the distinction between the conversion and severance tax.

Closed the hearing.

2479 Discussion and Action

Sen. Cook: I thought it was taken care of a long time ago.

Sen. Urlacher: seems there is a problem but they should probably work them out themselves.

Sen. Triplett: what are you thinking in terms of correction? My objection to the bill in addition to the inappropriate way it was presented is the way its written, but I think I agree with you, if there's a problem it seems to be the appropriate way is to take the taxes there and reallocate it between the two counties.

Sen. Oehlke: it seems to me that when the employees were forced to live where they worked, that really created the problem.

Sen. Cook: I think the right thing to do is put this bill to rest real quick and if there is people who have a concern as to whether times have changed and this needs to be addressed I think the proper to do it is someway we tack a study resolution on a bill or Sen. Christmann can introduce a study resolution. This is a good interim study for the Tax Dept. where you don't have Morton and Oliver County. Have some people who can step back and look at what is the true mission and purpose of the coal severance tax and then are we properly applying to meet that mission.

Sen. Triplett: should we hog house it and do a study resolution?

Sen. Cook: I'd rather put this one to rest and find a place for a study resolution.

Sen. Triplett: made a **Motion for DO NOT PASS**, seconded by Sen. Cook.

Sen. Anderson: it appears to be a squabble between two counties and coming to the Legislature isn't such a good idea.

Sen. Urlacher: feels so too, but it's also law that restricts them in doing certain things and that's why they come to the State.

Sen. Horne: Is there some merit to their argument or maybe recommending a study to give them some relief and do a study to look at the bigger picture as opposed to just killing the bill?

Sen. Urlacher: that would somewhat mean admitting we know what's right which we don't know.

Sen. Cook: well we heard one side of the story this morning, there are 2 sides to every story.

Roll Call Vote: 6-1-0 Sen. Anderson will carry the bill.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2416

Page 3, line 11, overstrike "subsection" and insert immediately thereafter "subdivision"

Page 4, line 5, replace "tax commissioner" with "state treasurer"

Page 4, line 11, replace "tax commissioner" with "state treasurer"

Page 4, line 14, replace "tax commissioner" with "state treasurer"

Page 4, line 17, after the second "the" insert "two"

Page 4, line 20, replace "tax commissioner" with "state treasurer"

Renumber accordingly

Date: 1-31-07

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2416

Senate Finance & Tax Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Sen Triplet Seconded By Sen Cook

Senators	Yes	No	Senators	Yes	No
Sen. Urlacher	W ✓	✓	Sen. Anderson	✓	
Sen. Tollefson	✓		Sen. Horne	✓	
Sen. Cook	✓		Sen. Triplet	✓	
Sen. Oehlke	✓				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Sen Triplet

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

REPORT OF STANDING COMMITTEE (410)
February 1, 2007 8:40 a.m.

Module No: SR-22-1732
Carrier: Triplett
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2416: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO NOT PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2416 was placed on the Eleventh order on the calendar.

2007 TESTIMONY

SB 2416

