

2009 SENATE POLITICAL SUBDIVISIONS

SB 2301

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2301

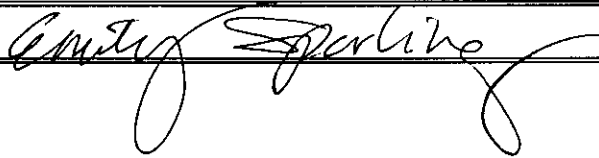
Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: 01/30/09

Recorder Job Number: 8229

Committee Clerk Signature



Minutes:

**Chairman Andrist** Opened the hearing on SB 2301

**Senator Christmann** Introduced SB 2301. He was asked to withdraw the bill by his district but he personally still supports the bill. He gave the background of how this bill came about. It deals with taxes related to an industry in one county that than effect the other counties surrounding the industry. His bill would directly affect Oliver County. The roads are very bad so the appropriation in this bill would help fund road upkeep and repair. Unfortunately the constituents did not show up to support this bill, they wish to have it withdrawn.

**Chairman Andrist** I empathize with you. The state does receive a lot of revenue from the coal severance tax but it often does not trickle to the district. We are dealing with same issues in the NW corner with the oil industry taxes.

**Senator Christmann** I'm glad you brought me back to the bill, there is an amendment that should probably be done. Some of the duties in the bill should perhaps be assigned to another agency. The point of the bill is that there is \$400,000 that currently goes to Morton County from the coal severance tax of Oliver County Coal. This would allow that to continue but the amount would come from the general fund to reimburse the coal producing county for their losses. At this point, this would be a unique situation.

**Chairman Andrist** What kind of a share do the locals get from the coal severance tax?

**Senator Christmann** The counties get most of the severance tax (about 85%) but the locals get almost nothing.

**Chairman Andrist** What is subsection 57-62-02?

**Senator Christmann** I will have to differ to others for that question.

**Senator Lee** This seems like a really convoluted way to get at the roads-especially since we are going to be getting some money from the federal stimulus plan for transportation. I'm not seeing which non-coal producing counties you are talking about? I think it is important to note that a lot of other counties have road problems because of large farm trucks and equipment. I think we may need a bigger picture bill.

**Senator Christmann** That is a good point and I have thought about that, but unfortunately much of the time funding is population based.

**Senator Lee** I think the state needs to step up to plate on that issue. Maybe we can combine funds from several sources, infrastructure is so important.

**Senator Christmann** The other thing to keep in consideration is that coal has some unique problems. They set the operation up where it works for them, regardless of how it affects other areas or how difficult it is to reach for workers.

**Chairman Andrist** The federal stimulus plan says that 200 mil. is coming to ND for roads. Maybe we should put in a provision somewhere so that DOT doesn't use all the money themselves. It is difficult when lump sums are distributed to one agency.

**Senator Christmann** I will definitely be thinking about that. It will be interesting to see what strings are attached.

**Senator Anderson** Is .5 mil. going to non-producing counties that are near coal producing areas?

**Senator Christmann** That is correct.

**Senator Anderson** So what this bill would do is reimburse the counties for that money?

**Senator Christmann** That is correct.

**Senator Dotzenrod** What are you killing this bill? Is it due to the economy?

**Senator Christmann** It could be due somewhat to the overall economic picture but my big issue is that this is a unique deal for Morton and Oliver Counties and the folks in Oliver County have backed out. I do still think it is a good idea. If you would decide to pursue this bill, I think you should listen to the people from the tax department.

**Marcy Dickerson** State Supervisor of Assessment in the office of the Tax Commissioner. I am here to provide information. We think there should be an amendment relating to the last page of the bill to change every reference to the Tax Commissioner to State Treasurer. The reason being, that the distributions that are the subject of the bill are made by the State Treasurer at this time. We want the distribution duties to remain with the office it is currently under.

**There was no opposition testimony.**

**Chairman Andrist** Closed the hearing on SB 2301. I am sympathetic but there is no support for the bill from the county.

**Senator Lee** Should we clean it up by amending it in case it does pass?

**Senator Bakke** I move to amend the language in line 5, 11, 13, 14, and 20 on page 4 to State Treasurer.

**Senator Olafson** Second.

The Clerk called the role on the motion **To Amend SB 2301. Yes: 6, No: 0, Absent: 0.**

**Senator Bakke** Moves **Do Not Pass as Amended.**

**Senator Lee** Second.

The Clerk called the role on the motion **Do Not Pass as Amended. Yes: 6, No: 0, Absent: 0.**

**Chairman Andrist will carry the bill.**

Date: 1/30/09  
Roll Call Vote #:

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2301

Senate Political Subdivisions Committee

Check here for Conference Committee

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

Action Taken  Do pass  Do not pass  Amend

Motion Made By J. Bakke Seconded By J. Olafson

Senators	Yes	No	Senators	Yes	No
Chairman John M. Andrist	/		Senator Arden C. Anderson	/	
Vice Chairman Curtis Olafson	/		Senator JoNell A. Bakke	/	
Senator Judy Lee	/		Senator Jim Dotzenrod	/	

Total (Yes) 6 No 0

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

to replace the words  
tax commissioner w/state  
treasurer.

Date: 1/20/09  
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2301

Senate Political Subdivisions Committee

Check here for Conference Committee

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

Action Taken  Do pass  Do not pass  Amend

Motion Made By J. Bakke Seconded By J. Lee

Senators	Yes	No	Senators	Yes	No
Chairman John M. Andrist	/		Senator Arden C. Anderson	/	
Vice Chairman Curtis Olafson	/		Senator JoNell A. Bakke	/	
Senator Judy Lee	/		Senator Jim Dotzenrod	/	

Total (Yes) 6 No 0

Absent \_\_\_\_\_

Floor Assignment Senator Andrist

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

**REPORT OF STANDING COMMITTEE**

**SB 2301: Political Subdivisions Committee (Sen. Andrist, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2301 was placed on the Sixth order on the calendar.

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

Page 4, line 10, replace "tax" with "state treasurer"

Page 4, line 11, remove "commissioner"

Page 4, line 13, remove "by the state treasurer" and replace "tax" with "state treasurer"

Page 4, line 14, remove "commissioner"

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

Renumber accordingly