

2009 SENATE NATURAL RESOURCES

SB 2377

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2377

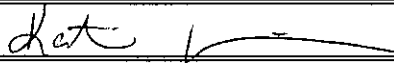
Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8775

Committee Clerk Signature



Minutes:

Senator Lyson opened the hearing on SB 2377, relating to allocation of money in the coal development fund.

Senator Triplett district 18, introduced the bill.

Marcey Dickerson spoke in favor of the bill (see attached testimony #1).

Senator Triplett in summary your office has been violating the technical requirements of the law by giving back those severance payments.

Marcey Dickerson we have certified to the State Treasurer "x" number of dollars to go to the county and "x" number of dollars to go to the trust fund. Which technically is in violation of the law, but the current law doesn't provide anywhere else for that county money to go.

Senator Triplett so this bill makes it current with what you are doing now.

Marcey Dickerson yes, it legalizes what we are currently doing.

Senator Lyson closed the hearing on SB 2377.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2377

Senate Natural Resources Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: 8827

Committee Clerk Signature



Minutes:

Senator Lyson Opened SB 2377, relating to allocation of money in the coal development fund, up for discussion.

Senator Triplett moves a Do Pass on SB 2377

Senator Schneider seconds the motion.

The bill received a Do Pass on a vote of 7 to 0.

Date: 2/5/09

Roll Call Vote #: 2377

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate _____ Natural Resources _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended Amendment

Motion Made By ST Seconded By SS

Senators	Yes	No	Senators	Yes	No
Senator Stanley W. Lyson, Chairman	/		Senator Jim Pomeroy	/	
Senator David Hogue, Vice Chairman	/		Senator Mac Schneider	/	
Senator Robert S. Erbele	/		Senator Constance Triplett	/	
Senator Layton W. Freborg	/				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Sen. Erb

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

REPORT OF STANDING COMMITTEE

SB 2377: Natural Resources Committee (Sen. Lyson, Chairman) recommends DO PASS
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2377 was placed on the
Eleventh order on the calendar.

2009 HOUSE NATURAL RESOURCES

SB 2377

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2377

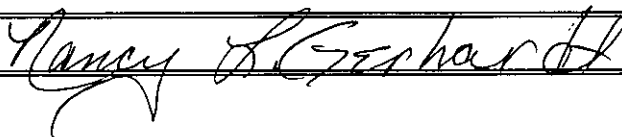
House Natural Resources Committee

Check here for Conference Committee

Hearing Date: 3-5-09

Recorder Job Number: 101316

Committee Clerk Signature



Minutes:

Chairman Porter – Open the hearing for SB 2377.

Senator Jim Dotzenrod – This bill was a technical correction bill. It changes the word “subsection” to “subdivision”.

Rep. DeKrey – I looked all through this bill and I couldn’t believe that was the entire change.

Senator Dotzenrod – I couldn’t believe it either.

Chairman Porter – Page 3 line 10 is the only change.

Senator Dotzenrod – When they had the bill on the senate side I went down to the committee and they were behind on the hearing schedule, and the tax department was there and I told the chairman “This bill just takes up time and energy and paper”. The tax department was there and he said you can just leave, so I wasn’t present. They explained why this change was made, I expected her to be here to explain the change. They told me they had a reference that was just plain incorrect. It was incorrect for them to refer to a subsection.

Chairman Porter – Any further testimony in support of SB 2377? Opposition? Close the hearing on SB 2377.

Rep. Keiser – I move a Do Pass.

Rep. Hofstad – 2nd.

Chairman Porter – We have a motion for a Do Pass from Rep. Keiser and a 2nd from Rep. Hofstad on SB 2377. Any discussion?

Vice Chairman Damschen – Only a government employee would have the time to go through something to find that.

Rep. DeKrey – Actually I had a bill like this in my committee too. They had me put it in.

Evidently they don't know when they find something like this in the code they are supposed to tell John Walstad, the code reviser. He can do this stuff without having a hearing. He has the authority in law to do that. This is the 2nd bill I've seen where all they had to do was call Walstad and he would have gotten it corrected under the technical corrections act.

Chairman Porter - I'm sure Walstad appreciates the fact that he doesn't have as much work to do. Any other discussion? Seeing none the clerk will call the roll on a Do Pass on SB 2377.

Yes 12 No 0 Absent 1 Carrier Rep. Hanson

Date: 3-5-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2377

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass As Amended

Motion Made By Kei Seconded By Alf

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hanson	✓	
Vice Chairman Damschen	✓		Rep Hunsakor	✓	
Rep Clark	✓		Rep Kelsh	✓	
Rep DeKrey	✓		Rep Myxter	✓	
Rep Drovdal			Rep Pinkerton	✓	
Rep Hofstad	✓				
Rep Keiser	✓				
Rep Nottestad	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Hanson

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

REPORT OF STANDING COMMITTEE (410)
March 5, 2009 4:03 p.m.

Module No: HR-40-4159
Carrier: Hanson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2377: Natural Resources Committee (Rep. Porter, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2377 was placed on the
Fourteenth order on the calendar.

2009 TESTIMONY

SB 2377

**TESTIMONY OF THE OFFICE OF STATE TAX COMMISSIONER
BEFORE THE
SENATE NATURAL RESOURCES COMMITTEE**

SENATE BILL 2377

FEBRUARY 5, 2009

Chairman Lyson, members of the Senate Natural Resources Committee, I am Marcy Dickerson, State Supervisor of Assessments and Director of the Property Tax Division for the Office of State Tax Commissioner, and I am here today to explain and support Senate Bill 2377.

BACKGROUND

The provisions for a coal-producing county to share coal severance tax revenue with a non-coal-producing county were originally enacted when the Gascoyne Mine was operating in Bowman County. Legislation was enacted to require Bowman County to share some revenue with Adams County. Because a small mine was operating in Adams County, Adams County was producing a small amount of coal and was not eligible for a share of Bowman County's coal severance tax revenue. During the next legislative session definitions of "coal-producing county" and "non-coal-producing county" were added to make a county with minimal coal production eligible for tax sharing as a non-coal-producing county.

Now neither the Gascoyne mine in Bowman County nor the small mine in Adams County is operating. There is a small mine owned by American Colloid Company operating in Bowman County. That mine pays coal severance tax, which is distributed to the county and to the trust fund. However, that mine does not qualify as a "currently active coal mining operation" and Bowman County does not qualify as a coal-producing county under the definitions in current law.

REASONS FOR PROPOSED CHANGES

N.D.C.C. Section 57-62-02(2)(a), which addresses distribution of coal severance tax that does not have to be shared with another county, provides for distribution of coal severance tax revenue from a "currently active coal mining operation". A "currently active coal mining operation" is defined in § 57-62-02(b)(4) as a coal mining operation that produced more than 150,000 tons of coal during the prior quarterly period. There is no provision for distributing coal severance tax revenue from an active mine that is too small to qualify. Deputy State Treasurer Lawrence Hopkins originally brought this situation to my attention and agrees that a county

should receive revenue from the coal severance tax paid by a mine operating within the county. Distributions have been made to Bowman County from coal severance tax paid by the American Colloid mine since that mine began operations. Distributions are also made to Williams County from coal severance tax paid by the Leonardite Products, LLC mine (formerly the GeoResources mine) that is too small to qualify as a “currently active coal mining operation”.

EXPLANATION OF THE BILL

On page 3, line 10, Senate Bill 2377 replaces this “subsection” with this “subdivision”. This change limits application of the definitions in § 57-62-02(b)(4) to subdivision b only, which addresses counties that have to share coal severance tax with a non-coal-producing county, and not to subdivision a, which applies to counties that do not have a coal mine with a tippie within 15 miles of another county. It does away with a provision that, technically, prevents a county with a small, active coal mine from receiving any coal severance tax revenue from that mine, even though the mine is required to pay coal severance tax.

Senate Bill 2377 does not change anything but one word. Coal severance tax distributions will continue to be made to all counties and the coal development trust fund exactly as they are made now. There will be no change in the way a coal-producing county shares coal severance tax revenue with a non-coal-producing county.

CONCLUSION

This change will correct an unintended ambiguity and nothing more. I request that you give a “Do Pass” recommendation to Senate Bill 2377.