

2013 HOUSE FINANCE AND TAXATION

HB 1306

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1306
January 23, 2013
Job #17603

Conference Committee

Committee Clerk Signature

Mary Buckner

Explanation or reason for introduction of bill/resolution:

A Bill relating to disabled veteran's eligibility for a homestead tax credit.

Minutes:

No testimony provided.

Vice Chairman Headland: Opened hearing on HB 1306. Representative Thoreson is testifying at the moment so we will open the hearing with testimony in support. Any testimony in support of 1306?

Lonnie Wangen, Commissioner of Veteran's Affairs of North Dakota: We are looking to help out more veterans with the property tax relief. The VA takes the single or combination disability and using their VA math to come up with a percentage of income that the disability will keep you from earning. Right now the law states that if you're 50% or more disabled you get that 50 or 60% exemption on property tax on the first \$5,400 of your taxable value on your home. We are looking to include all veterans with disabilities so if you have a 10% disability you will get a 10% discount on the first \$5,400 on your home. This would open it up to all veterans who have incurred a disability in the line of service. We are also removing the cap; right now the cap is \$5,400 taxable value. Veterans out in the west and other places in the state where the values in their homes are going up is making it a lot more difficult for them to maintain those homes on fixed incomes if they are disabled or retired.

Representative Froseth: Presently the disabled veteran's discount is over and above the age and income credit?

Lonnie Wangen: Yes I believe you can use the combination of the two.

Representative Thoreson: Introduced bill. I think this is a key piece in helping our disabled veterans. I would ask for the committee's support.

Representative Drovdal: These are all good ideas. They all cost a lot of money. You're in the appropriations committee so are you going to make cuts in the budget so we can cover all these costs?

Representative Thoreson: I'm always looking for fine places to incur savings within our budget if necessary and I would certainly think this would be an appropriate use of funds if we can do so.

Brenda Bergsrud, Veteran's Coordinating Council: The veterans is rated at 10% which reduces their ability to work by 10% and the only compensation they are getting from the VA is \$129 a month so this would be a great benefit to many veterans by reducing the property tax by that percentage rather than for just the ones that are at 100% or above 50 percent.

Representative Zaiser: We heard a little bit about a ranking system the council had so where does this bill fit into the ranking system in terms of importance?

Brenda Bergsrud: I'm being told that it is a two.

Vice Chairman Headland: Any further testimony in support to 1306? Any opposition to 1306? Any questions of the tax department? If not we will close the hearing on HB 1306.

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1306
February 5, 2013
Job 18343

Conference Committee

Kristi Hetzler

Explanation or reason for introduction of bill/resolution:

A Bill relating to disabled veteran's eligibility for a homestead tax credit; and to provide an effective date.

Minutes:

Representative Owens: Distributed amendments #1 and explains. (ended 2:13)

Representative Owens: Moves to Adopt Amendment, to remove the overstrike on page 1, line 14 and change from first \$5000 to first \$9000 of tax evaluation.

Representative Zaiser: Second.

Representative Strinden: If we did not enact this amendment then their entire property value would be exempted correct? Do you know how much that would increase the fiscal note to?

Representative Owens: That was the original fiscal note of 17.6 million

Representative Drovdal: Did we leave the over strike on the 50% or greater?

Representative Owens: Yes, I have not changed that.

Representative Kelsch: A veteran has a 10% disability, that person would qualify for the full \$9000?

Representative Owens: No, they qualify for 10% of \$9000.

Representative Kelsch: The credit is dependent on the amount of disability?

Representative Owens: That is correct.

Representative Strinden: If we pass this bill then there were veterans that were getting the full tax credit at 50% disability but will only get half the tax credit.

Representative Owens: No, whatever percent they are disabled is the percent they will get.

Representative Drovdal: Motions Do Pass as Amended.

Refer to Appropriations

Representative Strinden: Second.

Yes: 14

No: 0

Absent: 1

Carried by: Representative Klein.

Chairman Belter: Rerefer to Appropriations

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Revised
 Bill/Resolution No.: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. PLEASE NOTE: This fiscal note has been revised to adjust for the estimated number of disabled veterans who are not homeowners (incorrectly left out of the previous calculation), and to provide some growth in participation as evidenced in usage under the existing disabled veterans program.

- 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

Telephone: 328-3402

Date Prepared: 01/31/2013

13.8206.01003
Title.02000

Adopted by the Finance and Taxation
Committee

February 5, 2013

V/R
2/5/13

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1306

Page 1, line 14, remove the overstrike over "first"

Page 1, line 14, after "five" insert "nine"

Page 1, line 14, remove the overstrike over "~~thousand four hundred dollars of~~"

Renumber accordingly

Date: 2-5-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1306

House Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider
.1002

Motion Made By Rep. Owens Seconded By Rep. Zaiser

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trottier					
Rep. Jason Dockter					
Rep. Jim Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote

Motion carried

Date: 2-5-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1306

House Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Rep. Drovdal Seconded By Rep. Strinden

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter	✓		Rep. Scot Kelsh	✓	
Vice Chairman Craig Headland	✓		Rep. Steve Zaiser	✓	
Rep. Matthew Klein	✓		Rep. Jessica Haak	✓	
Rep. David Drovdal	✓		Rep. Marie Strinden	✓	
Rep. Glen Froseth	✓				
Rep. Mark Owens	✓				
Rep. Patrick Hatlestad	✓				
Rep. Wayne Trottier	✓				
Rep. Jason Dockter	✓				
Rep. Jim Schmidt	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Klein

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

REPORT OF STANDING COMMITTEE

HB 1306: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1306 was placed on the Sixth order on the calendar.

Page 1, line 14, remove the overstrike over "first"

Page 1, line 14, after "five" insert "nine"

Page 1, line 14, remove the overstrike over "~~thousand four hundred dollars of~~"

Renumber accordingly

2013 HOUSE APPROPRIATIONS

HB 1306

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1306
2/18/13
Job 19104

Conference Committee

Committee Clerk Signature

Meredith Tracholt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subsection 1 of section 57-02-08.8 of the North Dakota Century Code, relating to disabled veteran's eligibility for a homestead tax credit; and to provide an effective date.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer called the committee to order and a quorum was declared. After announcements, the committee started with HB 1306.

Rep. Mark Owens, District 17: Introduced the bill.

05:00

Chairman Delzer: Going from 50% or greater to 0 and greater, doesn't that open up a large number?

Rep. Owens: It seems like it should, but keep in mind it is also based on their percentage of disability. We're talking about adding 10, 20, 30, and 40%; the number of people that qualify is actually larger there than the number between 50 and 100.

Chairman Delzer: Who does the paperwork of validating it for purposes of property tax?

Rep. Owens: The individual is responsible for notifying the county and filling out the appropriate forms, which are already established in law, but they only have to do it once, because the level of disability rarely changes.

Rep. Kempenich: Do they start with the VA?

Rep. Owens: Yes. The VA establishes the disability rating, the percentage in our law used to determine the value of the property tax exemption. This is a long established process they go through. It's usually done when they leave the service.

Chairman Delzer: This continues on for the unremarried spouse?

Rep. Owens: Yes.

Chairman Delzer: How did you come up with the \$9000?

Rep. Owens: That is the taxable value currently equivalent to true and full value of \$200,000. As the prices of homes have increased, so has what is considered 'affordable housing,' that's where that \$200,000 figure came in.

Chairman Delzer: This is basically an increase of \$750,000?

Rep. Owens: We used the same formula Marcy Dickerson in the tax department uses. We did our best to adjust that formula to account for the change to \$200,000 or \$9000 taxable value. To our understanding, it is only about a \$750,000 increase per biennium.

Chairman Delzer: Why did she write the original Fiscal Note that way?

Rep. Owens: It was based on the way the original bill came through, with no cap whatsoever.

Chairman Delzer: The original FN was \$7.2M over what is currently in law.

Rep. Owens: I think it might have been even more than that. It was based on no cap for the exemption. There are some disabled American veterans that may qualify because of the way the percentage math is figured in the veterans' administration. These individuals are actually rated as non-employable, and we changed it so those few people would be equal to 100% because they are non-employable, and that would stay in law.

Rep. Skarphol: The \$9400 equates to a \$200,000 home being eligible for up to \$2800 if you are 100% disabled, correct?

Rep. Owens: It's \$9000, not \$9400. Yes, that is what I'm saying, up to \$200,000 true and full value, based on a state average of 31.2% for property tax.

Rep. Skarphol: If a veteran had \$150,000 home, would he be eligible for up to \$2100 in tax credit? If his taxes are less than that, say only \$1500, what happens?

Rep. Owens: If that house is valued at \$200,000 or less, it is literally 10% off of their taxes, of 20 or 40 or 70%, because they don't hit that maximum of \$9000 in taxable value.

Chairman Delzer: Did you say it is supposed to be \$9000, not \$9400? The bill shows it as \$9400.

Rep. Owens: That is incorrect. It should be \$9000.

Chairman Delzer: We have the latest version of the bill in front of us; apparently that was missed. The amendment removed the overstrike of the four hundred.

Rep. Kempenich moved to amend the bill to read \$9000, overstriking the words 'four hundred' on line 14, seconded by **Rep. Grande**.

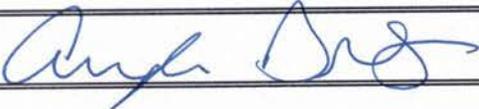
Chairman Delzer: Discussion? A voice vote was done and the motion carried. Legislative Council, please advise the tax department of the change. We'll wait until we have a FN if possible, before we discuss this bill further. The committee continued on to the next bill.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1306
February 23, 2013
Job 19410

Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to disabled veteran's eligibility for a homestead tax credit; and to provide an effective date

Minutes:



Chairman Delzer: We have a number of veterans bills. Rep. Owens has an amendment, .02002, we'll pass that out.

Rep. Skarphol: With this many bills, it would be useful to have a quick summary of each of them to know what order to do them in.

Chairman Delzer: I put 1306 and 1463 at the top of the list. They both deal with either homestead tax credit for veterans or a renter's credit for veterans.
Gave an overview of the various veterans bills.
Handout from Sheila Sandness.

Rep. Owens, District 17: I'm here before you for two bills, 1306 and 1463, and I could also answer questions on the patriotic plate if you so desire. We have a concern that putting two bills in on the same law may confuse the situation based on which one is done when. This amendment seeks to amend 1463 into 1306, and adjusts 1306 to return to the current status of the law which is 50% to 100 disabled. It no longer covers 0 to 40% disabled. But it does recognize that affordable housing is \$120,000-\$200,000 and would raise the cap to \$200,000. It authorizes a property tax credit up to \$9000 in taxable value, which is equivalent to \$200,000 in true value.

Chairman Delzer: Have you had a chance to look at the Governor's bill in the Senate that deals with homestead tax credit?

Rep. Owens: No, I have not.

Chairman Delzer: We'll get that in the second half if it passes.

Rep. Owens: The current program costs \$5.2 million. The cost of 1306 with this amendment is estimated to be \$7.6 million, a difference of \$2.3 million.

Chairman Delzer: The fiscal effect of passing 1306, as you are proposing it amended, is \$2.3 million on the homestead tax credit?

Rep. Owens: It is estimated at \$2.3 million, passing this amendment into 1306 and passing 1306 as amended.

Chairman Delzer: What are you doing to incorporate 1463?

Rep. Owens: Once you get past paragraph 3, you get into 1463. There was only one change added to this that dealt with two pieces of language that was confusing and taken out. The Fiscal Note was in question.

Chairman Delzer: It does reference it that you have to be 50-100% disabled, where 1463 is actually 0-100%

Rep. Owens: No, 1463 now, under this, it would still be 50-100%. It refers back to the first paragraph and that locks it into the 50-100%, unless we specify here that it's 0-100%.

Chairman Delzer: The way 1463 sits before us is 0-100%.

Rep. Owens: Yes, but because of the change to 1306, we would actually be adjusting both of them.

Rep. Grande: Would this also be prorated at 50-50?

Rep. Owens: Because we have a cap of \$400 in there, those that get less than \$400 would be a very small amount. Those that get less than \$400 would have such a low income that those would be the few that could double-dip under the current renters agreement that is income based, as well as this if they are 100% disabled.

Chairman Delzer: What is the fiscal effect of 1463 at 50-100?

Rep. Owens: The fiscal note we got said 4.6; the 1463 portion of this amendment, if you decide to amend it into 1306, for the biennium is \$1.471 million. That gives us a total of \$3.85 million.

Rep. Skarphol: Is that the increase, not the total cost of the tax credits?

Rep. Owens: Correct, that is only in the increase. The actual cost of the law right now, last biennium was \$5.225 million.

Chairman Delzer: And the total for disabled veterans? We put in close to \$9 million last time and ended up adding almost another \$1 million to cover what was set up last session.

Rep. Owens: The disabled veteran tax credit only cost \$5.225 million last biennium. That figure may have been the total homestead act.

Chairman Delzer: The total homestead act was considerably larger. This was just the disabled veterans portion on 1023. I know we had to add some money to it. So it's roughly \$3.9 million to extend these credits to 50 and above for disabled veterans on the homestead side up to \$200,000 on the value of the home and most people on the renters credit that are 50 and above would be allowed the \$400 renter credit?

Rep. Owens: Correct.

Rep. Guggisberg: Did the whole tax committee meet and discuss these amendments?

Rep. Owens: We met a couple of times and tried going back and forth with LC to avoid the conflict that we saw coming. In the end we wound up with two bills. It was discussed in tax committee twice. This amendment specifically was not discussed.

Chairman Delzer: Part of that is because I had asked them to continue to work on this. This is our amendment, not theirs, and our choice.

Rep. Guggisberg: Why did we decide to amend 1463 into 1306 instead of vice versa?

Chairman Delzer: It worked better because 1463 referenced section 1 of 1306.

Rep. Guggisberg: I would like to comment on the renters' credit, 50% of the disabled veterans are unable to use the homestead tax credit the way it is now. So the renters' credit will double the amount of veterans that are able to get a credit.

Rep. Skarphol moved amendment .02002.

Rep. Sanford seconded.

Rep. Monson: So if we adopt this amendment, then we are most likely going to entertain a motion for do not pass on 1463?

Chairman Delzer: That would probably be the simplest way.

Voice Vote: Motion carried.

Rep. Skarphol moved a Do Pass as Amended.

Rep. Kempenich seconded.

Roll Call Vote: Yes: 21 No: 0 Absent: 1

Rep. Bellew carried the bill.

FISCAL NOTE
 Requested by Legislative Council
 02/14/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Engrossed HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of engrossed HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and increasing the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, engrossed HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. (The original fiscal note assumed average home values of \$200,000 which is the approximate level at which the taxable valuation is capped in the first engrossment. Therefore, the fiscal impact did not change.)

- 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

Telephone: 328-3402

Date Prepared: 02/20/2013

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Revised
 Bill/Resolution No.: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. PLEASE NOTE: This fiscal note has been revised to adjust for the estimated number of disabled veterans who are not homeowners (incorrectly left out of the previous calculation), and to provide some growth in participation as evidenced in usage under the existing disabled veterans program.

- 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

Telephone: 328-3402

Date Prepared: 01/31/2013

YK
2/25/13
1083

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1306

Page 1, line 1, remove "subsection 1 of"

Page 1, line 2, after "credit" insert "and a renter credit"

Page 1, replace lines 5 through 21 with:

"SECTION 1. AMENDMENT. Section 57-02-08.8 of the North Dakota Century Code is amended and reenacted as follows:

57-02-08.8. Property tax credit for disabled veterans - Certification - Distribution.

1. A disabled veteran of the United States armed forces with an armed forces service-connected disability of fifty percent or greater or a disabled veteran who has an extra-schedular rating to include individual unemployability that brings the veteran's total disability rating to one hundred percent as determined by the department of veterans' affairs, who was discharged under honorable conditions or who has been retired from the armed forces of the United States, or the unremarried surviving spouse if the disabled veteran is deceased, is eligible for a credit applied against the first five~~four~~ thousand nine~~four~~ hundred dollars of taxable valuation of the fixtures, buildings, and improvements of the homestead owned and occupied by the disabled veteran or unremarried surviving spouse equal to the percentage of the disabled veteran's disability compensation rating for service-connected disabilities as certified by the department of veterans' affairs for the purpose of applying for a property tax exemption. An unremarried surviving spouse who is receiving department of veterans' affairs dependency and indemnity compensation receives a one hundred percent exemption as described in this subsection.
2. If two disabled veterans are married to each other and living together, their combined credits may not exceed one hundred percent of five~~four~~ thousand nine~~four~~ hundred dollars of taxable valuation of the fixtures, buildings, and improvements of the homestead. If a disabled veteran co-owns the homestead property with someone other than the disabled veteran's spouse, the credit is limited to that disabled veteran's interest in the fixtures, buildings, and improvements of the homestead, to a maximum amount calculated by multiplying five~~four~~ thousand nine~~four~~ hundred dollars of taxable valuation by the disabled veteran's percentage of interest in the homestead property and multiplying the result by the applicant's certified disability percentage.
3. A disabled veteran or unremarried surviving spouse claiming a credit under this section for the first time shall file with the county auditor an affidavit showing the facts herein required, a description of the property, and a certificate from the United States department of veterans' affairs, or its successor, certifying to the amount of the disability. The affidavit and certificate must be open for public inspection. A person shall thereafter furnish to the assessor or other assessment officials, when requested to do

so, any information which is believed will support the claim for credit for any subsequent year.

4.
 - a. A disabled veteran or unremarried surviving spouse who would qualify for a credit under this section except for the fact that the individual rents living quarters is eligible for a refund of a portion of the individual's annual rent under this subsection.
 - b. For the purpose of this subsection, when any part of twenty percent of the annual rent exceeds two percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of two percent of the applicant's annual income multiplied by the applicant's certified disability percentage, but the refund may not be in excess of four hundred dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
 - c. Individuals who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Individuals who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that individual.
 - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the individual claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to qualified applicants.
 - e. This subsection does not apply to rents or fees paid by an individual for any living quarters, including a nursing home licensed under section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
 - f. An individual may not receive a refund under this section for a taxable year in which that individual received an exemption under subsection 1.
5. For purposes of this section, and except as otherwise provided in this section, "homestead" has the meaning provided in section 47-18-01 except that it also applies to a person who otherwise qualifies under the provisions of this section whether the person is the head of the family and "income" has the meaning provided in section 57-02-08.1.
- 5-6. This section does not reduce the liability of a person for special assessments levied upon property.
- 6-7. The board of county commissioners may cancel the portion of unpaid taxes that represents the credit calculated in accordance with this section for any year in which the qualifying owner has held title to the homestead property. Cancellation of taxes for any year before enactment of this section must be based on the law that was in effect for that tax year.

- ~~7-8.~~ Before the first of March of each year, the county auditor of each county shall certify to the tax commissioner on forms prescribed by the tax commissioner the name and address of each person for whom the property tax credit for homesteads of disabled veterans was allowed for the preceding year, the amount of credit allowed, the total of the tax mill rates of all taxing districts, exclusive of any state mill rates, that was applied to other real estate in the taxing districts for the preceding year, and such other information as may be prescribed by the tax commissioner.
- ~~8-9.~~ On or before the first of June of each year, the tax commissioner shall audit the certifications, make the required corrections, and certify to the state treasurer for payment to each county the sum of the amounts computed by multiplying the credit allowed for each homestead of a disabled veteran in the county by the total of the tax mill rates, exclusive of any state mill rates that were applied to other real estate in the taxing districts for the preceding year.
- ~~9-10.~~ The county treasurer upon receipt of the payment from the state treasurer shall apportion and distribute the payment without delay to the county and to the local taxing districts of the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed.
- ~~10-11.~~ On or before the first day of June of each year, the tax commissioner shall certify to the state treasurer the amount computed by multiplying the property tax credit allowed under this section for homesteads of disabled veterans in the state for the preceding year by one mill for deposit in the state medical center fund.
- ~~11-12.~~ Supplemental certifications by the county auditor and by the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed in this section to make such corrections as may be necessary because of errors or because of approval of an application for abatement filed by a person because the credit provided for the homestead of a disabled veteran was not allowed in whole or in part."

Renumber accordingly

Date: 2/18/13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1304**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

*read \$9000
 overstrike four hundred
 voice vote carries*

Date: 2/23/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1306

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 02002

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Sanford

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

Date: 2/23/13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1306

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Skarphol Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streytle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson					
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 20 No 0

Absent 1

Floor Assignment Bellew

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

REPORT OF STANDING COMMITTEE

HB 1306, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1306 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "subsection 1 of"

Page 1, line 2, after "credit" insert "and a renter credit"

Page 1, replace lines 5 through 21 with:

"SECTION 1. AMENDMENT. Section 57-02-08.8 of the North Dakota Century Code is amended and reenacted as follows:

57-02-08.8. Property tax credit for disabled veterans - Certification - Distribution.

1. A disabled veteran of the United States armed forces with an armed forces service-connected disability of fifty percent or greater or a disabled veteran who has an extra-schedular rating to include individual unemployability that brings the veteran's total disability rating to one hundred percent as determined by the department of veterans' affairs, who was discharged under honorable conditions or who has been retired from the armed forces of the United States, or the unremarried surviving spouse if the disabled veteran is deceased, is eligible for a credit applied against the first ~~five~~nine thousand ~~four~~ hundred dollars of taxable valuation of the fixtures, buildings, and improvements of the homestead owned and occupied by the disabled veteran or unremarried surviving spouse equal to the percentage of the disabled veteran's disability compensation rating for service-connected disabilities as certified by the department of veterans' affairs for the purpose of applying for a property tax exemption. An unremarried surviving spouse who is receiving department of veterans' affairs dependency and indemnity compensation receives a one hundred percent exemption as described in this subsection.
2. If two disabled veterans are married to each other and living together, their combined credits may not exceed one hundred percent of ~~five~~nine thousand ~~four~~ hundred dollars of taxable valuation of the fixtures, buildings, and improvements of the homestead. If a disabled veteran co-owns the homestead property with someone other than the disabled veteran's spouse, the credit is limited to that disabled veteran's interest in the fixtures, buildings, and improvements of the homestead, to a maximum amount calculated by multiplying ~~five~~nine thousand ~~four~~ hundred dollars of taxable valuation by the disabled veteran's percentage of interest in the homestead property and multiplying the result by the applicant's certified disability percentage.
3. A disabled veteran or unremarried surviving spouse claiming a credit under this section for the first time shall file with the county auditor an affidavit showing the facts herein required, a description of the property, and a certificate from the United States department of veterans' affairs, or its successor, certifying to the amount of the disability. The affidavit and certificate must be open for public inspection. A person shall thereafter furnish to the assessor or other assessment officials, when requested to do so, any information which is believed will support the claim for credit for any subsequent year.
4. a. A disabled veteran or unremarried surviving spouse who would qualify for a credit under this section except for the fact that the

individual rents living quarters is eligible for a refund of a portion of the individual's annual rent under this subsection.

- b. For the purpose of this subsection, when any part of twenty percent of the annual rent exceeds two percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of two percent of the applicant's annual income multiplied by the applicant's certified disability percentage, but the refund may not be in excess of four hundred dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
 - c. Individuals who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Individuals who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that individual.
 - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the individual claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to qualified applicants.
 - e. This subsection does not apply to rents or fees paid by an individual for any living quarters, including a nursing home licensed under section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
 - f. An individual may not receive a refund under this section for a taxable year in which that individual received an exemption under subsection 1.
5. For purposes of this section, and except as otherwise provided in this section, "homestead" has the meaning provided in section 47-18-01 except that it also applies to a person who otherwise qualifies under the provisions of this section whether the person is the head of the family and "income" has the meaning provided in section 57-02-08.1.
- 5-6. This section does not reduce the liability of a person for special assessments levied upon property.
- 6-7. The board of county commissioners may cancel the portion of unpaid taxes that represents the credit calculated in accordance with this section for any year in which the qualifying owner has held title to the homestead property. Cancellation of taxes for any year before enactment of this section must be based on the law that was in effect for that tax year.
- 7-8. Before the first of March of each year, the county auditor of each county shall certify to the tax commissioner on forms prescribed by the tax commissioner the name and address of each person for whom the property tax credit for homesteads of disabled veterans was allowed for the preceding year, the amount of credit allowed, the total of the tax mill rates of all taxing districts, exclusive of any state mill rates, that was applied to other real estate in the taxing districts for the preceding year, and such other information as may be prescribed by the tax commissioner.

- ~~8-9.~~ On or before the first of June of each year, the tax commissioner shall audit the certifications, make the required corrections, and certify to the state treasurer for payment to each county the sum of the amounts computed by multiplying the credit allowed for each homestead of a disabled veteran in the county by the total of the tax mill rates, exclusive of any state mill rates that were applied to other real estate in the taxing districts for the preceding year.
- ~~9-10.~~ The county treasurer upon receipt of the payment from the state treasurer shall apportion and distribute the payment without delay to the county and to the local taxing districts of the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed.
- ~~40-11.~~ On or before the first day of June of each year, the tax commissioner shall certify to the state treasurer the amount computed by multiplying the property tax credit allowed under this section for homesteads of disabled veterans in the state for the preceding year by one mill for deposit in the state medical center fund.
- ~~44-12.~~ Supplemental certifications by the county auditor and by the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed in this section to make such corrections as may be necessary because of errors or because of approval of an application for abatement filed by a person because the credit provided for the homestead of a disabled veteran was not allowed in whole or in part."

Renumber accordingly

2013 SENATE FINANCE AND TAXATION

HB 1306

2013 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1306
3/11/2013
Job Numbers 19662 & 19663

Conference Committee

Committee Clerk Signature

Angela Wittman

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code, relating to disabled veteran's eligibility for a homestead tax credit and a renter credit; and to provide an effective date.

Minutes:

Testimony Attached

Chairman Cook opened the hearing on HB 1306.

Representative Thoreson introduced HB 1306.

John Jacobsen, North Dakota Veterans Coordinating Council - See attached testimony 1 in favor is HB 1306.

Chairman Cook handed out an amendment for HB 1306 (attachment 2).

Marcy Dickerson, Tax Department - This amendment is similar to what the last one on the last bill did, it just puts in the correct years for implementation for rural property versus mobile home taxes. (00:17)

Chairman Cook closed the hearing on HB 1306.

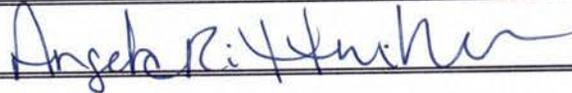
2013 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1306
4/1/2013
Job Number 20700

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code, relating to disabled veteran's eligibility for a homestead tax credit and a renter credit; and to provide an effective date.

Minutes:

Chairman Cook opened discussion on HB 1306.

Chairman Cook - All of you should have a copy of SB 2296. This is a bill that was introduced early in the session that went through Senate GVA. Senate GVA gave this bill a do not pass and didn't pass on the Senate floor either. The amendments I have simply turn HB 1306 into SB 2296. You can see the most substantial change right there is on page 1 line 15, replace the 9 with 6 so it would be \$6,750.

Senator Oehlke - On HB 1306 Marcy Dickerson did have an amendment that put in the correct years for mobile home taxes. Do we need to address that?

Chairman Cook - Yes

Senator Oehlke - I would move Marcy's amendment.

Seconded by **Senator Triplett**.

Verbal Vote on Amendment 7-0-0

Chairman Cook - In GVA we had a lot of veteran bills, one of the things we struggled with is getting our arms around the entire program that we have to help veterans. Getting our arms around what is state responsibility and what is federal government responsibility. We put an amendment on one of the bills that during the interim we are to study all veterans benefits offered in North Dakota, to what degree the state of North Dakota should be offering such programs and to what degree it's a responsibility of the federal government. I think that study is probably the most important thing. (7:40)

Senator Triplett - You partly explained my question which is why would we go back and undo something that the Senate as a whole has already done and has already had thorough discussion in a previous committee? So you are suggesting that the only reason this was killed was because they didn't want to expand a current program while studying the larger picture. Is that some total of the disapproval of this bill?

Chairman Cook - That's basically it and then also we aren't even sure to what degree the disabled veterans in the state can qualify for the existing program that is out there. The other thing is that this is, if we at the other homestead tax credits we have in the state and that is for low income elderly and low income disabled this is a much more generous credit than what is available to both of them. I think Senator Triplett that's basically the intent, or the message that came out of GVA is to study the whole issue and then come up with a comprehensive program of state offered benefits for veterans and disabled veterans. My hope is that we would put these amendments on it so at least it's like the bill that we addressed earlier and then take it to the floor again.

Senator Triplett - Do we have a fiscal note for SB 2296?

Chairman Cook - It was considerably less than this fiscal note. The other thing about HB 1306 I believe is we have a renter's credit in here also for disabled veterans. The amendments would take out the renter's credit.

Senator Miller - That study I think was written broadly enough so that it would include not just veterans but also active duty service people too because we always have something going on. What can we give them too? Understanding what the federal government gives the active duty service members is important too.

Chairman Cook - That is correct.

Senator Dotzenrod - The amendments where we changed what we do currently in law that \$5,400, the amendments then if we adopt the amendments would will be at \$6,700, is that a certain percent there? Is there some reason we picked \$6,750?

Chairman Cook - Well \$9,000 is a \$200,000 true and full value. I would say it's a \$150,000 true and full value. Maybe \$175,000.

Senator Dotzenrod - But it wasn't like to target a certain percent, we just try to find a number that probably seemed reasonable.

Chairman Cook - I'm looking for the same number that was in the Senate bill that was introduced.

Senator Oehlke - SB 2296's fiscal note says that it increases to \$150,000 the valuation of a qualifying disabled veterans homestead.

Chairman Cook - \$5,400 must be \$125,000 I think true and full value.

Senator Oehlke - I'll move amendment 13.8206.03001.

Seconded by **Senator Dotzenrod**.

Senator Triplett - I think Senator Dotzenrod just referenced a bill killed on the House side but I think your statement was that this bill that we are now proposing to put back into HB 1306 was killed on the Senate side. I have some amount of concern that we take bills that have already died on our floor, it's one thing to have disagreements with the other House but to take a bill that we have already killed and then say we want to resurrect it exactly as it was without any consideration for why it was killed, but has the study that you referenced gotten through both houses?

Chairman Cook - I still don't plan on supporting this bill.

Senator Dotzenrod - I think that the amendments that we just adopted remove the renter's credit.

Chairman Cook - And lowers the amount of credit for the home.

Senator Dotzenrod - So the bill had a credit for property tax which we have had for some time and a proposed increase and added a renter's credit. This bill if we adopt the amendments will have no renter's credit and will just move up some and we are moving up some, the brackets on the standard homestead credits so it would make sense that it would be consistent for us to have some increase. It is substantially different from what we had earlier.

Roll Call Vote on Amendment 13.8206.03001 - 6-1-0

Vice Chairman Campbell - I move we **Do Pass as Amended and re-refer to Appropriations**.

Seconded by **Senator Dotzenrod**.

Roll Call Vote 2-5-0

Senator Miller - I'll move a **Do Not Pass**.

Seconded by **Vice Chairman Campbell**.

Roll Call Vote 5-2-0

Carried by **Senator Miller**.

FISCAL NOTE
Requested by Legislative Council
02/27/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,850,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment creates a renters credit for qualifying disabled veterans and expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$200,000 true and full value of the homestead. Section 1 also creates a renters credit for qualified disabled veterans who rent their personal residences.

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.*

If enacted, HB 1306 Second Engrossment is expected to increase expenditures for the disabled veteran homestead credit and disabled veteran renters refund programs by an estimated \$3.85 million in the 2013-15 biennium.

- 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.*

If enacted, HB 1306 Second Engrossment will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/28/2013

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Engrossed HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of engrossed HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and increasing the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, engrossed HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. (The original fiscal note assumed average home values of \$200,000 which is the approximate level at which the taxable valuation is capped in the first engrossment. Therefore, the fiscal impact did not change.)

- 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

Telephone: 328-3402

Date Prepared: 02/20/2013

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Revised
 Bill/Resolution No.: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. PLEASE NOTE: This fiscal note has been revised to adjust for the estimated number of disabled veterans who are not homeowners (incorrectly left out of the previous calculation), and to provide some growth in participation as evidenced in usage under the existing disabled veterans program.

- 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

Telephone: 328-3402

Date Prepared: 01/31/2013

April 1, 2013

FB
4-1-13
10 of 2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1306

Page 1, line 15, replace "nine" with "six"

Page 1, line 15, after "~~four~~" insert "seven"

Page 1, line 15, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 1, line 24, replace "nine" with "six"

Page 1, line 24, after "~~four~~" insert "seven"

Page 1, line 24, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 5, replace "nine" with "six"

Page 2, line 5, after "~~four~~" insert "seven"

Page 2, line 5, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 16, remove "a. A disabled veteran or unremarried surviving spouse who would qualify for a credit"

Page 2, remove lines 17 through 31

Page 3, remove lines 1 through 11

Page 3, line 12, remove "5."

Page 3, line 17, remove the overstrike over "~~5.~~"

Page 3, line 17, remove "6."

Page 3, line 19, remove the overstrike over "~~6.~~"

Page 3, line 19, remove "7."

Page 3, line 24, remove the overstrike over "~~7.~~"

Page 3, line 24, remove "8."

Page 4, line 1, remove the overstrike over "~~8.~~"

Page 4, line 1, remove "9."

Page 4, line 7, remove the overstrike over "~~9.~~"

Page 4, line 7, remove "10."

Page 4, line 11, remove the overstrike over "~~10.~~"

Page 4, line 11, remove "11."

Page 4, line 15, remove the overstrike over "~~11.~~"

Page 4, line 15, remove "12."

Page 4, line 22, after "2012" insert ", for ad valorem property taxes and for taxable years beginning after December 31, 2013, for mobile home taxes"

2 of 2

Renumber accordingly

Date: 4-1-13
 Roll Call Vote #: 2

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

Senate Finance & Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number 13-8206-03002 #He 04000

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Oehlke Seconded By Senator Dotzenrod

Senators	Yes	No	Senator	Yes	No
Chairman Dwight Cook	X		Senator Jim Dotzenrod	X	
Vice Chairman Tom Campbell	X		Senator Connie Triplett		X
Senator Joe Miller	X				
Senator Dave Oehlke	X				
Senator Randy Burckhard	X				

Total (Yes) 6 No 1

Absent 0

Floor Assignment _____

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

Date: 4-1-13
 Roll Call Vote #: 4

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1306**

Senate Finance & Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Senator Miller Seconded By Senator Campbell

Senators	Yes	No	Senator	Yes	No
Chairman Dwight Cook	X		Senator Jim Dotzenrod		X
Vice Chairman Tom Campbell	X		Senator Connie Triplett		X
Senator Joe Miller	X				
Senator Dave Oehlke	X				
Senator Randy Burckhard	X				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Senator Miller

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

REPORT OF STANDING COMMITTEE

HB 1306, as reengrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1306 was placed on the Sixth order on the calendar.

Page 1, line 15, replace "nine" with "six"

Page 1, line 15, after "~~four~~" insert "seven"

Page 1, line 15, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 1, line 24, replace "nine" with "six"

Page 1, line 24, after "~~four~~" insert "seven"

Page 1, line 24, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 5, replace "nine" with "six"

Page 2, line 5, after "~~four~~" insert "seven"

Page 2, line 5, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 16, remove "a. A disabled veteran or unremarried surviving spouse who would qualify for a credit"

Page 2, remove lines 17 through 31

Page 3, remove lines 1 through 11

Page 3, line 12, remove "5."

Page 3, line 17, remove the overstrike over "~~5.~~"

Page 3, line 17, remove "6."

Page 3, line 19, remove the overstrike over "~~6.~~"

Page 3, line 19, remove "7."

Page 3, line 24, remove the overstrike over "~~7.~~"

Page 3, line 24, remove "8."

Page 4, line 1, remove the overstrike over "~~8.~~"

Page 4, line 1, remove "9."

Page 4, line 7, remove the overstrike over "~~9.~~"

Page 4, line 7, remove "10."

Page 4, line 11, remove the overstrike over "~~—10.~~"

Page 4, line 11, remove "11."

Page 4, line 15, remove the overstrike over "~~44.~~"

Page 4, line 15, remove "12."

Page 4, line 22, after "2012" insert ", for ad valorem property taxes and for taxable years beginning after December 31, 2013, for mobile home taxes"

Renumber accordingly

2013 SENATE APPROPRIATIONS

HB 1306

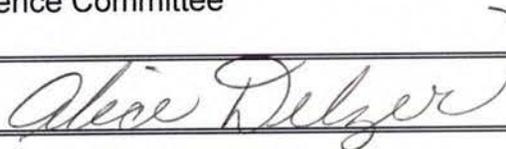
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1306
04--05-2013
Job # 20916

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL re: disabled veteran's eligibility for a homestead tax credit & renter credit.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee to order on Friday, April 05, 2013 in regards to HB 1306. All committee members were present.

Becky J. Keller-Legislative Council
Lori Laschkewitsch- OMB

Senator Carlisle: On 1306 Senator Miller gave me an amendment. If you remember 2344, with the guide dogs, apparently the House took the money out so I have an amendment for the legislative management study on the veterans' benefits, basically is the bill, for what ever reason that's the last word Senator Miller had this morning so we can see what happens by Monday, but I do have the amendment and it would go on 2344 proposed.

Chairman Holmberg: It would go on SB 2344?

Senator Carlisle: Excuse me, I meant HB 1306. SB 2344 was the veterans with PTSD and the dogs, and they apparently took the money out over there. I am making the committee aware, if we take it up Monday Senator Miller asked me to address this.

Chairman Holmberg: We will definitely take it up Monday.

The discussion on HB 1306 was closed

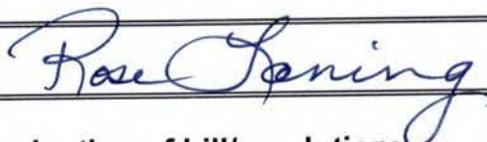
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1306
April 8, 2013
Job # 20961

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL relating to disabled veteran's eligibility for a homestead tax credit and a renter credit

Minutes:

Legislative Council - Becky J. Keller
OMB - Joe Morrissette

Chairman Holmberg called the committee to order in regards to HB 1306. All committee members were present.

Chairman Holmberg said the fiscal note says \$477,000 and is in addition to the regular Homestead Tax Credits.

Colonel John Jacobsen, member, ND Veterans Coordinating Council Legislative Committee

Testified in favor of HB 1306

No written testimony, but the Coordinating Council has backed this bill from the beginning and an email he received last night said they would continue to back the bill with the attached amendments.

Chairman Holmberg closed the hearing on HB 1306.

Discussion:

Senator Carlisle moved amendment 13.8206.03003
Senator Erbele seconded the motion.

Senator Carlisle said the Senate passed the original bill and it went to the House and the bottom line is that the House took the \$50,000 out of SB 2344 and this amendment would put money back in.

Senator Miller: This would provide an appropriation of \$50,000 for service dogs for veterans. The money would go to the Veterans Affairs Commission and they would recruit candidates in conjunction with the people that do the training and work out some plan to get

money to pay for the dogs. The dogs cost somewhere between \$15,000 and \$20,000 and they would train 3-4 dogs and maybe stretch the money with private donations. I think it's an important tool in the use of suicide prevention.

Senator Carlisle: SB 2344 passed and went over to the House and they took out \$50,000, so that's why it's here.

Senator Robinson said he heard the House was planning to put the money back in.

Senator Miller: I know there's an effort but I don't know if that will follow through. The study is still in the bill and if you double up on that, it won't make a difference either way. If there's anything we do, this needs to be addressed and I urge the committee to adopt it so the idea isn't lost.

Senator Warner: Is this regarded as Best Practice by any national organization that advocates for mental health advocacy? We have exemptions in code for a number of places where service animals are given exemption from rules. They're allowed in restaurants, hotel rooms, etc. Normally we associate a visible disability with blindness, how do we signal to people in hotels, public services, that we regard this animal's presence as exempt from laws otherwise keeping animals out of public health situations?

Senator Miller said he didn't know exactly but assumed they'd wear a vest saying service dog or something similar but they are recognized like a seeing eye dog. He didn't know about Best Practices but animal therapy is getting to be more common place.

Senator Carlisle said he hadn't seen the \$50,000 added into the House either, that's why he had the amendments prepared. He was trying to find a bill to put the money back in and that's the reason for the amendment.

Voice vote on the amendment - amendment adopted.

**V.Chairman Bowman moved Do Pass as Amended on HB 1306.
Senator Krebsbach seconded the motion**

A roll call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator Carlisle will carry the bill on the floor.

FISCAL NOTE
Requested by Legislative Council
04/01/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$477,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment with Senate Amendments expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment with Senate Amendments expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$150,000 true and full value of the homestead.

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.*

If enacted, HB 1306 Second Engrossment with Senate Amendments is expected to increase expenditures for the disabled veteran homestead credit and disabled veteran renters refund programs by an estimated \$477,000 in the 2013-15 biennium.

- 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.*

If enacted, HB 1306 Second Engrossment with Senate Amendments will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/02/2013

FISCAL NOTE
Requested by Legislative Council
02/27/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,850,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment creates a renters credit for qualifying disabled veterans and expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$200,000 true and full value of the homestead. Section 1 also creates a renters credit for qualified disabled veterans who rent their personal residences.

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.*

If enacted, HB 1306 Second Engrossment is expected to increase expenditures for the disabled veteran homestead credit and disabled veteran renters refund programs by an estimated \$3.85 million in the 2013-15 biennium.

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.*

If enacted, HB 1306 Second Engrossment will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/28/2013

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Engrossed HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of engrossed HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and increasing the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, engrossed HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. (The original fiscal note assumed average home values of \$200,000 which is the approximate level at which the taxable valuation is capped in the first engrossment. Therefore, the fiscal impact did not change.)

- 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

Telephone: 328-3402

Date Prepared: 02/20/2013

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Revised
 Bill/Resolution No.: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. PLEASE NOTE: This fiscal note has been revised to adjust for the estimated number of disabled veterans who are not homeowners (incorrectly left out of the previous calculation), and to provide some growth in participation as evidenced in usage under the existing disabled veterans program.

- 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.*

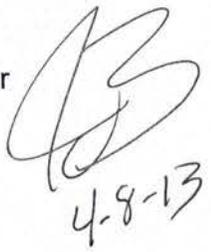
Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 01/31/2013

April 4, 2013



Handwritten signature and date: 4-8-13

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1306

In addition to the amendments adopted by the Senate as printed on pages 987 and 988 of the Senate Journal, Reengrossed House Bill No. 1306 is further amended as follows:

Page 1, line 2, after the semicolon insert "to provide for a legislative management study; to provide an appropriation;"

Page 4, after line 20, insert:

"SECTION 2. LEGISLATIVE MANAGEMENT STUDY - VETERANS' BENEFITS.

During the 2013-14 interim, the legislative management shall consider studying statutory changes that would benefit North Dakota veterans. The study must include possible changes to state income tax and property tax laws, the provision of veteran-focused incentives, assistance with obtaining and maintaining benefits, and assistance with obtaining and maintaining various life-enhancing services. In addition, the study must include current state and federal benefits available to North Dakota veterans. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of training service dogs to assist North Dakota veterans having posttraumatic stress disorder, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 4, line 21, replace "This" with "Section 1 of this"

Renumber accordingly

Date: 4-8-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1306

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13-8206-03003

Action Taken Adopt Amendment Do Pass
 Do Pass as Amended Do Not Pass

Motion Made By Carlisle Seconded By Erbele

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg			Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell		
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek					
Senator Ron Carlisle					
Senator Gary Lee					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice
Vote
Carried*

Date: 4-8-13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1306

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt Amendment Do Pass
 Do Pass as Amended Do Not Pass

Motion Made By Bowman Seconded By Krebsbach

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Carlisle ~~check off F&T~~

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

REPORT OF STANDING COMMITTEE

HB 1306, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1306, as amended, was placed on the Sixth order on the calendar.

In addition to the amendments adopted by the Senate as printed on pages 987 and 988 of the Senate Journal, Reengrossed House Bill No. 1306 is further amended as follows:

Page 1, line 2, after the semicolon insert "to provide for a legislative management study; to provide an appropriation;"

Page 4, after line 20, insert:

"SECTION 2. LEGISLATIVE MANAGEMENT STUDY - VETERANS' BENEFITS. During the 2013-14 interim, the legislative management shall consider studying statutory changes that would benefit North Dakota veterans. The study must include possible changes to state income tax and property tax laws, the provision of veteran-focused incentives, assistance with obtaining and maintaining benefits, and assistance with obtaining and maintaining various life-enhancing services. In addition, the study must include current state and federal benefits available to North Dakota veterans. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of training service dogs to assist North Dakota veterans having posttraumatic stress disorder, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 4, line 21, replace "This" with "Section 1 of this"

Re-number accordingly

2013 CONFERENCE COMMITTEE

HB 1306

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1306
April 18, 2013
Job # 21246

Conference Committee

Minutes

A Bill relating to disabled veterans

Minutes:

No attachments

Chairman Bellew: We will call HB 1306 to order and ask the senator what they did to the bill.

Senator Miller: We amended it into a version that was in the senate and we felt that was a little more in line with what we would like to see done. 1:05 -4:00

Senator Miller: The latest version is the 05000. That came from the house to the senate it had the renters credit in it and the senate wanted to take that out of there and did take it out of there. 3002 shows what happened to the renters credit. The dollar amount on page 1 the senate amended that down.

Senator Dotzenrod: The 5000 version of the bill has also this study for veteran's benefits and the appropriation for service dogs for veterans with post - mantic stress. The reason we put that in is because we weren't sure about status of that bill because of 2344. Since then that was passed and is on the governor's desk.

Chairman Bellew: Are you saying "section 3 the appropriation and section 2 the study"?

Senator Miller: Section 2 and section 3 both are no longer needed.

Chairman Bellew: I concur with that. When we sent a bill over to you it was a \$200,000 credit for disabled veterans and you reduced it to \$150,000 was it because of the fiscal note?

Senator Miller: When this program was initiated there was an deficiency appropriation.

Chairman Bellew: Was that specific to the veterans?

Senator Miller: More so than they thought it was going to be. The fiscal note could be wrong; so the idea from the Senate Finance and Tax Committee or the majority was that we didn't want to expand the program so much to soon.

Marcy Dickerson, State Supervisor of Assessments: This issue is on version 5000 line 21 and 22 of page 2 starting in the middle of line 21 the part of the sentence "and income has a meeting provided in section 570208.1 that remains in here after the renter's provisions were removed. It should have been removed at the time that the other renters stuff was removed because that is all it applies to.

Chairman Bellew: We will take strong consideration on that.

Senator Burckhard: We have no disrespect to the veterans in this because we honor their service and what they have done. We wanted a legislative management study because we think there are many things that are available to the veterans.

Chairman Bellew: You didn't put the management study on the bill.

Senator Miller: We did in section 2.

Chairman Bellew: That has since passed.

Senator Miller: If the desire is to keep the bill alive it would be better to amend off the addition to section 2 and section 3 and fix what Marcy wants and then bring the bill up for a vote.

Chairman Bellew: We shouldn't be doing this yet. What about the renter's credit?

Senator Miller: Expanding the tax credit for the veterans? I don't think that will make it.

Representative Boehning: I move that section 2 and 3 we have a lot of veterans that live in Fargo that are not getting any credit for that either.

Chairman Bellew: You would like the bill to go on as we passed it?

Representative Boehning: Correct.

Senator Miller: If we pass the bill we want to make sure there is some equity between the renter's credit and the property tax credit. I think that we want to understand what our overall tax cut package in the entire session is going to look like.

Representative Amerman: I have never served on a conference meeting where the chairman come from appropriation and 2 of us from GVA and this is held in Finance and TAX. I don't know how close the vote was in the senate.

Chairman Bellew: My concern is that I would like to keep the program alive for the veterans. Would the senators think about \$150,000 instead of 175,000?

Senator Miller: We can put some numbers together and come back to the next meeting.

Marcy Dickerson: If you're considering putting the renter's credit back in; the language that was in this bill you might consider making it the same as what the homestead credit for the elderly and disabled is.

Senator Miller: That's why we have that study.

Chairman Bellew: I would like you to think about our proposal. We will adjourn.

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1306
April 19, 2013
Job # 21293

Conference Committee

Mary Burckhard

Minutes:

Chairman Bellew: I would like the senate to explain why the renter's credit was removed.

Senator Miller: We felt that would be a very significant expansion of the property tax program. I don't know if we can quantify how many veterans there are out there who would qualify. I think we have many other veteran programs we should focus on. This expansion will get more people to sign on.

Representative Zaiser: I believe one of the most important programs is the renters' credit program because there are quite a few that are living in rental housing. I'm still questioning why you dropped it.

Senator Miller: I think it is important that we examine and study these programs so that we can determine what the State of North Dakota needs to do to help our veterans and what is the proper role for the state. I think it's important to identify

Senator Dotzenrod: I thought it was a good bill when it came over from the house. If we could have had some data such as the number of veterans or the number of the disabled I think the committee could have been swayed if we would have had some numbers because it is a valuable thing. I think we will get this at some point but we have to make a better case to do it.

Senator Miller: I think it's important that as a state we understand the needs of our veterans. There are a number of things that plague the veterans and those need to be addressed. We need to be sure that we are focusing in the right areas. I will make a motion that the house accede to the senate amendments and that we further amend removing section 2 and 3 of the bill and striking line 21 and 22 on page 2 and the underscored language in section 570208 and put a period in the end of family.

Senator Burckhard: second.

Yes 5 No 1 Absent 0 Carrier.

FISCAL NOTE
Requested by Legislative Council
04/22/2013

Amendment to: Reengrossed HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$477,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment with Conference Committee Amendments expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment with Conference Committee Amendments expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$150,000 true and full value of the homestead.

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.*

If enacted, HB 1306 Second Engrossment with Conference Committee Amendments is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$477,000 in the 2013-15 biennium.

- 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.*

If enacted, HB 1306 Second Engrossment with Conference Committee Amendments will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/23/2013

FISCAL NOTE
Requested by Legislative Council
04/10/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$477,000			
Appropriations			\$50,000			

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment with Senate Amendments expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment with Senate Amendments expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$150,000 true and full value of the homestead. Note: There is a tie to the definition of income contained in the homestead credit program that does not appear to be necessary or appropriate, but may have been left over from an earlier version of this bill that contained provisions for renters (see page 2 lines 22-22).

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.*

If enacted, HB 1306 Second Engrossment with Senate Amendments is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$477,000 in the 2013-15 biennium.

- 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.*

If enacted, HB 1306 Second Engrossment with Senate Amendments will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program. Section 3 of the bill contains a State General Fund appropriation of \$50,000 to the Department of Veterans Affairs.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/02/2013

FISCAL NOTE
Requested by Legislative Council
04/01/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$477,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment with Senate Amendments expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment with Senate Amendments expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$150,000 true and full value of the homestead.

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.*

If enacted, HB 1306 Second Engrossment with Senate Amendments is expected to increase expenditures for the disabled veteran homestead credit and disabled veteran renters refund programs by an estimated \$477,000 in the 2013-15 biennium.

- 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.*

If enacted, HB 1306 Second Engrossment with Senate Amendments will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/02/2013

FISCAL NOTE
Requested by Legislative Council
02/27/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,850,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 Second Engrossment creates a renters credit for qualifying disabled veterans and expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 Second Engrossment expands the homestead property tax credit available to disabled veterans by increasing the limitation on the taxable valuation subject to the tax credit to the first \$200,000 true and full value of the homestead. Section 1 also creates a renters credit for qualified disabled veterans who rent their personal residences.

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.*

If enacted, HB 1306 Second Engrossment is expected to increase expenditures for the disabled veteran homestead credit and disabled veteran renters refund programs by an estimated \$3.85 million in the 2013-15 biennium.

- 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.*

If enacted, HB 1306 Second Engrossment will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/28/2013

FISCAL NOTE
Requested by Legislative Council
02/14/2013

Amendment to: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Engrossed HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of engrossed HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and increasing the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, engrossed HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. (The original fiscal note assumed average home values of \$200,000 which is the approximate level at which the taxable valuation is capped in the first engrossment. Therefore, the fiscal impact did not change.)

- 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

Telephone: 328-3402

Date Prepared: 02/20/2013

FISCAL NOTE
Requested by Legislative Council
01/15/2013

Revised
 Bill/Resolution No.: HB 1306

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,200,000			
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB 1306 expands the disabled veteran homestead property tax credit.

- 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.*

Section 1 of HB 1306 expands the homestead property tax credit available to disabled veterans by removing the level of disability requirement and the limitation on the taxable valuation subject to the tax credit.

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.*

If enacted, HB 1306 is expected to increase expenditures for the disabled veteran homestead credit program by an estimated \$8.2 million in the 2013-15 biennium. PLEASE NOTE: This fiscal note has been revised to adjust for the estimated number of disabled veterans who are not homeowners (incorrectly left out of the previous calculation), and to provide some growth in participation as evidenced in usage under the existing disabled veterans program.

- 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

Telephone: 328-3402

Date Prepared: 01/31/2013

April 19, 2013

4/19/13
JUNE
1 of 2

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1306

That the Senate recede from its amendments as printed on page 1424 of the House Journal and pages 987 and 988 and 1291 and 1292 of the Senate Journal and that Reengrossed House Bill No. 1306 be amended as follows:

Page 1, line 15, replace "nine" with "six"

Page 1, line 15, after "~~four~~" insert "seven"

Page 1, line 15, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 1, line 24, replace "nine" with "six"

Page 1, line 24, after "~~four~~" insert "seven"

Page 1, line 24, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 5, replace "nine" with "six"

Page 2, line 5, after "~~four~~" insert "seven"

Page 2, line 5, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 16, remove "a. A disabled veteran or unremarried surviving spouse who would qualify for a credit"

Page 2, remove lines 17 through 31

Page 3, remove lines 1 through 11

Page 3, line 12, remove "5."

Page 3, line 15, remove "and "income" has the meaning provided in section"

Page 3, line 16, remove "57-02-08.1"

Page 3, line 17, remove the overstrike over "~~5.~~"

Page 3, line 17, remove "6."

Page 3, line 19, remove the overstrike over "~~6.~~"

Page 3, line 19, remove "7."

Page 3, line 24, remove the overstrike over "~~7.~~"

Page 3, line 24, remove "8."

Page 4, line 1, remove the overstrike over "~~8.~~"

Page 4, line 1, remove "9."

Page 4, line 7, remove the overstrike over "~~9.~~"

Page 4, line 7, remove "10."

Page 4, line 11, remove the overstrike over "~~40.~~"

2
8/2

Page 4, line 11, remove "11."

Page 4, line 15, remove the overstrike over "~~11.~~"

Page 4, line 15, remove "12."

Page 4, line 22, after "2012" insert ", for ad valorem property taxes and for taxable years beginning after December 31, 2013, for mobile home taxes"

Renumber accordingly

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: FINANCE AND TAXATION

Bill/Resolution No. 1306 as (re) engrossed

Date: 4-19-13

Roll Call Vote #: 1

Action Taken

- HOUSE accede to Senate amendments
- HOUSE accede to Senate amendments and further amend *remove section 2+3*
- SENATE recede from Senate amendments *+ on page 2 remove*
- SENATE recede from Senate amendments and amend as follows *lines 21+22*

House/Senate Amendments on HJ/SJ page(s) 1424

Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Miller Seconded by: Sen. Burckhard

Representatives	Y	N	A	P	S	O	I	C	E	S	S	Y	N
												Yes	No
Chairman Bellew	✓											✓	
Rep Boehning <i>Dockter</i>	✓											✓	
Rep Amerman <i>Zaisel</i>	✓												✓

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Version 3000
remove sections 2+3
line 21+22 page 2*

REPORT OF CONFERENCE COMMITTEE

HB 1306, as reengrossed: Your conference committee (Sens. Miller, Burckhard, Dotzenrod and Reps. Bellew, Dockter, Zaiser) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1424, adopt amendments as follows, and place HB 1306 on the Seventh order:

That the Senate recede from its amendments as printed on page 1424 of the House Journal and pages 987 and 988 and 1291 and 1292 of the Senate Journal and that Reengrossed House Bill No. 1306 be amended as follows:

Page 1, line 15, replace "nine" with "six"

Page 1, line 15, after "~~four~~" insert "seven"

Page 1, line 15, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 1, line 24, replace "nine" with "six"

Page 1, line 24, after "~~four~~" insert "seven"

Page 1, line 24, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 5, replace "nine" with "six"

Page 2, line 5, after "~~four~~" insert "seven"

Page 2, line 5, remove the overstrike over "~~hundred~~" and insert immediately thereafter "fifty"

Page 2, line 16, remove "a. A disabled veteran or unremarried surviving spouse who would qualify for a credit"

Page 2, remove lines 17 through 31

Page 3, remove lines 1 through 11

Page 3, line 12, remove "5."

Page 3, line 15, remove "and "income" has the meaning provided in section"

Page 3, line 16, remove "57-02-08.1"

Page 3, line 17, remove the overstrike over "~~5.~~"

Page 3, line 17, remove "6."

Page 3, line 19, remove the overstrike over "~~6.~~"

Page 3, line 19, remove "7."

Page 3, line 24, remove the overstrike over "~~7.~~"

Page 3, line 24, remove "8."

Page 4, line 1, remove the overstrike over "~~8.~~"

Page 4, line 1, remove "9."

Page 4, line 7, remove the overstrike over "~~9.~~"

Page 4, line 7, remove "10."

Page 4, line 11, remove the overstrike over "~~10.~~"

Page 4, line 11, remove "11."

Page 4, line 15, remove the overstrike over "~~11.~~"

Page 4, line 15, remove "12."

Page 4, line 22, after "2012" insert ", for ad valorem property taxes and for taxable years beginning after December 31, 2013, for mobile home taxes"

Renumber accordingly

Reengrossed HB 1306 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

HB 1306

13.8206.01002
Title.

Prepared by the Legislative Council staff for
Representative Owens
January 23, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1306

Page 1, line 14, remove the overstrike over "~~first five thousand four hundred dollars of~~"

Renumber accordingly

Knudson, Allen H.

From: Strombeck, Kathy L.
Sent: Monday, February 18, 2013 10:38 AM
To: Knudson, Allen H.
Subject: HB 1306

Importance: High

Good morning Al;

Sorry about the confusion surrounding the fiscal note on HB 1306!

The assumption used in preparing the fiscal note on the original bill was an average homestead value of \$200,000, which resulted in a fiscal note of \$8.2 million for the 2013-15 biennium. Our thoughts were most disabled veterans likely live in cities where they have access to services warranting a somewhat higher average homestead value. (The original bill removed the cap on the value of the homestead subject to the credit.)

The first engrossment reinstates a valuation cap of \$208,888 true and full value of the homestead. This does not materially change the fiscal note from our earlier estimate of -\$8.2 million. If the bill is further amended to a homestead valuation cap of \$200,000, once again we believe the fiscal impact would be approximately \$8.2 million.

Please contact Marcy Dickerson (328-3128) or me if you have any questions.

Kathy

Kathryn L. Strombeck
Director of Research and Communications
North Dakota Office of State Tax Commissioner
(701)328-3402
kstrombeck@nd.gov

NDLA, H APP - Traeholt, Meredith

From: Sandness, Sheila M.
Sent: Saturday, February 23, 2013 8:05 AM
To: NDLA, H APP - Traeholt, Meredith
Subject: FW: Veterans' postwar trust fund

From: Sandness, Sheila M.
Sent: Tuesday, February 19, 2013 3:02 PM
To: Delzer, Jeff W.
Cc: Knudson, Allen H.
Subject: Veterans' postwar trust fund

Representative Delzer,

This email is to provide the information you requested regarding the use of funding from the postwar trust fund for programs to benefit and serve veterans. House Bill No. 1468 (2011) provided \$280,000 from the general fund, of which \$210,000 is to be used in lieu of income generated from the veterans' postwar trust fund for programs to benefit and serve veterans or their dependents, \$50,000 is for the purchase of vans to transport veterans or their dependents, and \$20,000 is for "stand down" events to coordinate benefits and provide services to needy veterans in the state. The Legislative Assembly in 2011 also amended North Dakota Century Code Section 37-14-14 relating to the veterans' postwar trust fund to provide all income earned by the veterans' postwar trust fund in a biennium is appropriated to the Administrative Committee on Veterans' Affairs on a continuing basis in the biennium following the biennium in which it was earned. Income earned by the veterans' postwar trust fund during the 2011-13 biennium will be available for benefits and services to veterans during the 2013-15 biennium. In addition to the \$210,000 provided from the general fund to be used in lieu of income generated from the veterans' postwar trust fund for programs, the Department of Veterans' Affairs has available \$64,500 of veterans' postwar trust fund income remaining from the 2009-11 biennium for a total of \$274,500 available for programs authorized by law to benefit and serve veterans or their dependents during the 2011-13 biennium.

As of February 15, 2013, the department has \$77,754 of the 2011-13 general fund appropriation remaining available. Funding from the general fund has been used as follows:

- \$210,000 appropriation for programs to benefit and serve veterans - The Administrative Committee on Veterans' Affairs has spent \$168,246 to provide grants, lodging, transportation reimbursements, and other requests.
- \$50,000 appropriation for the purchase of vans - The Administrative Committee on Veterans' Affairs has spent \$29,000 on the purchase of vans.
- \$20,000 appropriation for "stand down" events - The Administrative Committee on Veterans' Affairs has spent \$5,000 for "stand down" events.

Through February 15, 2013, the department has used \$33,467 of the \$64,500 veterans' postwar trust fund carryover from the 2009-11 biennium for requests from the Veterans' Home and \$31,033 remains available. The Administrative Committee on Veterans' Affairs has committed an additional \$16,533 of the remaining funds to the Veterans' Home for items programs to serve the veterans in the home, for a total of \$50,000 either spent or committed.

The fund balance in the veterans' postwar trust fund was \$4,453,494 as of November 2012, compared to \$4,258,156 as of June 30, 2011. Income generated by the fund that will become available to the Administrative Committee on Veterans' Affairs during the 2013-15 biennium totaled \$158,624 through November

2012. Based on income earned during the first 17 months of the current biennium, 2011-13 income that will become available for benefits during the 2013-15 biennium should exceed \$200,000.

If you have any questions or need additional information, please feel free to contact me.

Sheila M. Sandness
Senior Fiscal Analyst
North Dakota Legislative Council
600 E. Boulevard Avenue
Bismarck, ND 58505
701.328.2916
smsandness@nd.gov

NORTH DAKOTA VETERANS COORDINATING COUNCIL

My name is John Jacobsen. I am a member of the Legislative Committee of the North Dakota Veterans Coordinating Council. The Coordinating Council is made up of 15 members, 3 from each of the five veterans' organizations in North Dakota.

American Legion

AMVETS

Disabled American Veterans

Veterans of Foreign Wars

Vietnam Veterans of America

It is the policy of the Coordinating Council to support legislation that will benefit the welfare of the members of the Armed Forces. The committee **MUST** concur totally, that is all 15 members must agree on the legislation to be supported or else it does not get the support.

In this case, I have been instructed to recommend to this legislative committee that a "DO PASS" on 1306 as amended is supported by the Veterans Coordinating Council.

Prepared by the Office of
State Tax Commissioner for the
Senate Finance and Taxation Committee
March 11, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1306

Page 4, line 22, after "2012" insert " , for ad valorem property taxes and for taxable years beginning after December 31, 2013, for mobile home taxes"

Renumber accordingly