2019 SENATE FINANCE AND TAXATION COMMITTEE

SB 2232

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2232
1/23/2019
Job # 31253

☐ Subcommittee
☐ Conference Committee

Committee Clerk : Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 40-55-09 and 57-15-12 of the North Dakota Century Code, relating to levy authority for city public recreation systems and general fund levy limitations in park districts; and to provide an effective date.

Minutes:

Attachments: 1

Chairman Cook: Called the hearing to order on SB 2232.

Senator Karen Krebsbach, District 40, Minot: Introduced SB 2232. As you can see by the sponsors of this bill, it is a Minot bill. Minot is in the process of merging together, the park district and the recreation commission. As I understand, Minot is the only city in the state that does not have the two combined. They wanted to consolidate the taxes and bill levies for these two entities. To do that, they need legislative changes. Introduced Ron Merritt.

Ron Merritt, Executive Director of the Minot Park District: Testified in favor of the bill. See attachment #1. We would be combining under the Minor Park District. There may be a small city somewhere, but of the large cities in ND, we are the only one that operates this way. Other cities are park and recreations. We feel strongly that they belong together. We have all the facilities in the city that we are operating and we are doing some recreational programming. We work together with the city on that but they do the recreation planning for facilities they own as well as ones for us. In order for us to do this, we have been meeting for about 6 months with the Mayor's committee, tying to go through all the things we need to do to make this happened. One of the issues that we have run into that we would appreciate some help with is the levying of taxes to help operate the department. Right now, the city levies using a special recreation levy. They levy 6 mills out of that levy and a couple mills out of their general fund. We are talking about operating facilities and staffing and also the municipal auditorium in the city and the indoor recreation building we have. We want to transfer the mills that the city is correctly levying, to the park district. In one year, we would not be able to do this without help from you. We have prepared language with the help of the legislative council. If we were to be merged together, we would be allowed to transfer the mill levy ability from the city to us. We have room in our general fund to be able to levy these mills. The mills are being levied already, but just by the city, not the park district. It would just

be a transfer of authority to override that cap when we are doing a merger. We will be levying the same amount as the city is right now.

Chairman Cook: Do they have their own board or is the city the board?

Ron Merritt: They have a recreation commission. There is a section in the century code pertaining to public recreation systems and that is what our city took advantage of many years ago to create a recreation program that was run by the city. They created a recreation commission that was appointed by the mayor. They had oversight over the recreation dept. They still answer to the city council for funding and for major things. The operation of the operation was under the recreation commission.

Chairman Cook: The commission couldn't levy bills though right?

Ron Merritt: No, the city would give them their budget to work with. They would make a recommendation to the council but they didn't have the authority to levy, the city would levy on their behalf.

Chairman Cook: The boundaries of the park district and the recreation system, I assume, are identical? They are the city boundaries?

Ron Merritt: Correct, we have a few properties outside of the city limits. The city also has authority in their ET zone but our boundaries are the exact same as the city for taxing purposes. This would not affect our tax payers. It would be a net 0. It just depends on who is levying the mills. We don't feel we have the authority to do that without help from the legislative body. One other item that is being asked for in here, is in the section pertaining to the public recreation system. In our city's attorney's opinion, if they are to discontinue using the recreation levy, it looks like they need to have an election to zero out the mills in the levy. They are asking for that to be changed in a merger situation as well for them to not have to have a special election for them to be able to drop their levy down to zero. There might be a reason as to why that is in there but we are not sure what that reason is.

Senator Dotzenrod: You are referring to if these mill levies get changed, it says that the recreation system would go to zero and the park district would levy that amount in our general fund. I was a little surprised to hear the term "general fund" with park districts. Does the park district have mill levy authority that is dedicated to the general fund as opposed to park levy authority that would be for other purposes? I always assumed if a park district had mill levy, that was it. It was just mill levy for the park district and there wasn't a mill levy for the general fund and another mill levy for some other capital investment or something like that.

Ron Merritt: We have several mill levies, as do other entities that we can use. During the 2015 session, the general fund and other levies we combined together into the general fund during the big study that was undertaken. We do have a few other levies that we can use for special assessments and a building levy and some others that are in that category.

Chairman Cook: I was on governor Dalrymple's tax force and I do not recall any discussion whatsoever as we went through every city's mill levies and the general recreation system.

Ron Merritt: It feels to me that there were other park districts that were using the recreation levy but in Minot, specifically our citing was levying that amount and it currently is.

Dana Schaar Jahner, Executive Director of the North Dakota Recreation and Park Association: Testified in support on the bill.

Chairman Cook: Do you know how many recreational systems there are?

Dana Schaar Jahner: To my knowledge, the only other city that operates as Minot currently does is Cavalier. Cavalier is the only other one in the state that I am aware of.

Chairman Cook: Any further testimony in support? Any opposed?

Chairman Cook: Linda, can you come up here so I can ask you a question? What can you tell me? How many do we have?

Linda Leadbetter: Testified neutrally on the bill. I did get information on what cities were actually using the recreation service levy. It is smaller cities, but not all of them are smaller. I will need to do a comparison to see how many are using the city levy of 2016 and also have a park district. I have Tower City, Wimbledon, Portal, Enderlin, Ellendale, Garrison, Underwood, Hazen, Hamilton, Pembina, Walhalla, Rugby, Rolla, Hatton, Hillsboro, and Fordville. There are about 20 that are using a city recreation levy. From my knowledge I do know the Hatton city does have a park district so there are going to be some other besides Minot that are going to be utilizing both levies.

Chairman Cook: Can you do that and find out which ones have both? I would assume a city like Wimbledon, as small as it is, probably just has one, so there is only one elected board.

Linda Leadbetter: When there is an elected board it is going to run through the official elections that the county will administer generally for the city park district and then the city commission has the authority to levy for the 16-18 on their own. Hillsboro and Hatton have their individual park districts and an elected body. I will consolidate those two lists and compare and see how many are using both levies.

Chairman Cook: Mill levy caps are the same?

Linda Leadbetter: The mill levy cap for the public recreation district is 6 mills and that is under the city authority. The park district has a general fund levy of 38 mills and then a facilities levy of 5 mills. Those incidental levies that would be for bonding purposes or if there were judgments against them that are unlimited. Their basic levies are for the facilities and their general fund.

Chairman Cook: Any other neutral testimony? Hearing none we will close the hearing on SB 2232.

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2232
1/28/2019
Job # 31581

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 40-55-09 and 57-15-12 of the North Dakota Century Code, relating to levy authority for city public recreation systems and general fund levy limitations in park districts; and to provide an effective date.

Minutes:

Attachments: 0

Chairman Cook: Called the committee to order on SB 2232.

Chairman Cook: This is the elimination of public recreation system combined with their park district. I do not believe there are any amendments.

Senator Unruh: Moved a Do Pass.

Senator Patten: Seconded.

Chairman Cook: Any discussion?

Senator Unruh: The city of Minot has been dealing with how to get this switched over for about 4 years. Their mayor really pushed for it. I think this is a good one.

Chairman Cook: I did get an email from Linda Leadbetter that told us how many of these we have in the state. I believe there is 18 and they are mostly recreational systems. I would guess that most of them are in smaller times so they don't have 5 more elected people on the park board.

A Roll Call Vote Was Taken. 6 yeas, 0 nays, 0 absent.

Motion Carried.

Senator Meyer will carry the bill.

Date: 1-28-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2232

Senate Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Unruh Seconded By Patten

Senators	Yes	No	Senators	Yes	No
Chairman Cook	✓		Senator Dotzenrod	✓	
Vice Chairman Kannianen	✓				
Senator Meyer	✓				
Senator Patten	✓				
Senator Unruh	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Meyer

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

REPORT OF STANDING COMMITTEE

SB 2232: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2232 was placed on the Eleventh order on the calendar.

2019 HOUSE FINANCE AND TAXATION

SB 2232

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2232
3/4/2019
33108

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

Relating to levy authority for city public recreation systems and general fund levy limitations in park districts; and to provide an effective date.

Minutes: Attachment 1

Chairman Headland: Opened hearing on SB 2232. We'll take support while we're waiting.

Ron Merritt, Executive Director for Minot Park District: Distributed written testimony, see attachment 1. First part of testimony ended at 2:30.

Chairman Headland: You have tax levy authority, correct?

Ron Merritt: That's correct.

Chairman Headland: The city of Minot has a levy that they've directed your direction?

Ron Merritt: That's what we're trying to accomplish.

Chairman Headland: They are currently levying dollars for that purpose or what purpose are they using that?

Ron Merritt: They have a recreation department so they have employees and facilities related to running a recreation program. We're one of the only large cities in the state that has these two items separated out. The Minot Park District also runs some recreation programming in our facilities but they also run their own recreation programming. We feel that parks and recreation go together. The city is using the special recreation levy of six mills in that fund. They are also levying an extra two mills to run the city auditorium. We're trying to accomplish transferring the recreation department with the employees and the facilities to the Minot Park District. We would also lease the municipal auditorium from the city and run that for them as well. We're talking about eight mills total that we want to transfer from the city to the Minot Park District. We would be using our general fund to levy those mills. In our general fund now we have a 12% limit so in one year we can only increase by 12% which we

don't usually even come close to. In this case the eight mills would put us well over the 12 percent.

Chairman Headland: Is that by ordinance?

Ron Merritt: That's a levy limitation in the century code.

Chairman Headland: We're going to have Senator Krebsbach introduce the bill now that she's here.

Senator Krebsbach: Introduced bill. We were in the process of merging the two and they ran into a problem so we wanted to rectify that. I support the bill.

Chairman Headland: This won't involve any new net taxes; it will be a transfer of the levy that's levied within the city over to the park district.

Senator Krebsbach: That's exactly correct. There's nothing new that's trying to be done but they want to be able to continue what they have been doing.

Chairman Headland: They would still be under the limitations that they are under moving forward.

Senator Krebsbach: Exactly.

Ron Merritt: Continued with his testimony. You are correct the city is levying eight mills right now and those would be transferred to us. The mills are already being levied within the city on the same tax base that we have in the Minot Park District. We are just trying to transfer those over to us. We're not asking for the authority to waive our 12% we are just looking for a one-time waiver. This could apply to any city if this happens in the future when they are trying to merge a recreation system with a park district.

Chairman Headland: It says a vote of the qualified electors does not require to discontinue the levy under this section.

Ron Merritt: That's what we're asking to change. Right now it would be required for us to have an election to discontinue using that levy. We wouldn't be using the recreation levy we would be using our general fund.

Dana Schaar Jahner, North Dakota Recreation and Park Association: We stand in support of this bill because it is important for Minot to be able to combine that recreation with the park district. There are less than 20 cities across the state that levy this recreation system mill so it's relatively uncommon as most recreation programs are run by park districts.

Chairman Headland: Should we add an amendment to this to repeal the mill levy that the city is now putting on for recreation to assure the taxpayers in the future that they won't have dual taxation?

Dana Schaar Jahner: I don't think that would be appropriate at this time because there are cities that are doing that. They're using it specifically for recreation programs, they are not in the park district being operated independently. If the city is doing that then I would hope we could give them more notice so they have the ability to work through a merger process like the Minot Park District has done.

Chairman Headland: Further support? Is there opposition? Seeing none we will close the hearing on SB 2232.

Representative Fisher: MADE A MOTION FOR A DO PASS

Representative Dockter: SECONDED

Representative Trottier: Did we hear in testimony that Minot has a six mill and a two mill levy for the two separate units? This would allow them to levy up to 38 mills?

Representative Fisher: I believe the city levies eight mills.

Representative Ertelt: If a city is going to do this merger they ought to get rid of the mill levy authority for the recreation division.

Vice Chairman Grueneich: Is there further discussion?

Representative Fisher: I've been a Minot resident for 40 years and everyone I've talked to wants this to happen. It's a simple merger of these two entities.

Representative Ertelt: I don't understand the difficulty with the two working together with the existing levy authority for either one.

Ron Merritt: The city can't zero out the levy without a vote of the people. When we merge the plan is to zero out the levy and we will then levy the six mills that they are currently levying.

Representative Ertelt: What is the limitation between the two entities with their respective funds available?

Ron Merritt: The city doesn't have a limitation right now, it's the Minot Park District who has a limitation. We can't increase our general fund levy more than 12% in one year so we want to make a one-time transfer of these mills to the Minot Park District to our general fund. We are currently levying at 25 mills and we want to transfer eight mills for one time.

Vice Chairman Grueneich: Is that levy dedicated toward that particular purpose?

Ron Merritt: Yes. There are things you can use it for recreation purposes but it has to be recreation programming. That is the whole reason for combining together so we can turn the recreation portion over to the Minot Park District.

Chairman Headland: Would you have any objection to sunset this in order to use it for your situation? I don't know that we want to put ourselves in a situation where we're opening up opportunity for additional property taxes to be levied because we've zeroed out somebody's levy and transferred it over to somebody else who was limited already. If we allow this one-time, then I don't really have an objection to that.

Ron Merritt: We are only asking for this one time in this specific situation.

Chairman Headland: The committee can discuss this further.

Representative Kading: You'd be transferring six mills from the park district over to the city but you'd be authorized up to 38 mills so could you change the mills from six to 12 mills under this bill if you wanted?

Ron Merritt: The mills will get transferred from the city to the park district. The city is currently levying those mills. We're levying 25 in our general fund so we will be adding eight more to that for one time bypassing the 12% increase for one year. I don't know how else you can write it.

Chairman Headland: How long would it take for you to do it 12% at a time?

Ron Merritt: It would take three or four years.

Representative Trottier: Could you see that you would automatically go to the 38 mills right away?

Ron Merritt: No sir.

Chairman Headland: We have a motion on the table. I'm going to resist the motion because there may need to be an amendment added.

Representative Fisher: WITHDREW MOTION

Representative Dockter: WITHDREW SECOND

Chairman Headland: Is there a way we can make this bill so that it only works for this one situation?

Linda Leadbetter, State Supervisor of Assessments: Yes, I believe you could put that in. Do you just want it for the city park district? My understanding of the situation is it arose in the city of Minot where a district had a city that was levying for a recreation district under their levy for the city and for the city park. In consolidating those I believe they felt they lost some of their revenue potential but had funds in one that they wanted to be able to transfer to the other trying to impose a different mill levy through this bill.

Chairman Headland: Our committee is concerned about allowing a situation where there's going to be a tax increase in Minot.

Linda Leadbetter: I agree with that. If we're already allowing that to happen if we have a city that's levying as a recreation district they are already levying the same property for that. It is currently being allowed if a city can levy for recreation district and then a park district also has its own levy.

Chairman Headland: The committee fears that if we allow this transfer of this levy authority or the value of it over to the park district then the city can say they aren't levying as many taxes and look to increase their general fund or some other purpose.

Linda Leadbetter: That would potentially be a concern.

Chairman Headland: The park district is limited by 12% and the city is already facing property tax conditions. I think we'll continue talking about this later.

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2232
3/11/2019
33529

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

Relating to levy authority for city public recreation systems and general fund levy limitations in park districts; and to provide an effective date.

Minutes: Attachment 1

Chairman Headland: This is the bill allowing Minot to move their mills. In the limited research I've done I received the current levy for the city of Minot which is only 85 or 87 mills. They have a lot of mill levy authority in their general fund. If they choose to levy these six mills they would be moved over to the park district. They would have to show on their notice that they are raising taxes. I don't know if that's enough protection for this committee or not. What are your wishes with this bill? There are other cities who have this recreation tax on their books but I don't think any of them are major cities. This helps them accomplish what they're trying to do with the park district. I don't necessarily see it as a bad thing overall.

Representative Ertelt: We got resolution on the question about the home rule cities being able to apply that same levy again even if they did remove it here initially. They want to change the law to bring it to a zero balance but they don't have to do this. They can move the funds from one to the other. I don't think the benefit this bill might offer certain cities outweigh the risks. I'll be opposing the bill.

Vice Chairman Grueneich: Distributed proposed amendment, see attachment 1.

Chairman Headland: That would say they can't go and levy these recreation mills anymore.

Representative B. Koppelman: If the voters said you may charge these mills then they can never take them off without a vote of the people. Wouldn't it make sense to allow the political subdivision to discontinue using the mills?

Chairman Headland: Yes and I think that's what this proposed amendment does.

Representative B. Koppelman: If you had that do we need to make the one-time exception to the high limit cap on the park district?

Linda Leadbetter, State Supervisor of Assessments: The amendment is similar to when things changed after the property tax task force we had to put something in law that identified even if you voted on them before at some point they are no longer valid. This would remove something that had been approved by the voters. Because these are two separate political subdivisions that have two separate electing bodies I don't think it doesn't just correct the issue of 12% because the city wouldn't be levying for the recreation service district. A city park district cannot go up by more than 12% than the previous year's levy. In order for them to absorb the total amount that was from the city that 12% cap exists. It wouldn't remove it since it is under a very different section of law for the city park district; they are two separate governing bodies. It is removing it from the city levy authority then putting it into the city park levy.

Representative B. Koppelman: Are you referring to the language in the bill or the amendment?

Linda Leadbetter: Your question as I understood was from the idea that they could just phase it in and that 12% wasn't important but I think that's already in the bill. They are removing that 12% cap to allow that merger to exist to get to that dollar amount they had been proposing.

Representative B. Koppelman: We have a unique situation in Minot where the two want to merge. There might be other circumstances out there and we want to promote efficiency in government so why do we have a mill levy for this recreation district? Is it a set amount or can they tax up to that amount to do this purpose? If they had the ability to reduce it then this bill wouldn't be needed. Is there a broader, longer term fix to allowing cities to charge up to what their voters approve, not mandated to charge the exact amount the voters approve?

Linda Leadbetter: Anytime you have a levying authority you are allowed to levy up to the maximum. You can always choose to levy less if their taxable valuation allows them to collect the dollar amount that they would deem necessary. The phase out would be a process to do it if you're going to continue having the recreation service district levy less each year for the next three years to allow the city park district to levy their 12% more so you're just merging them over time.

Representative B. Koppelman: Read the testimony dated March 4, 2019 from the Minot Park District, Mr. Merritt. If it requires an election to discontinue the use of that public recreation district, if we gave them that ability to decrease it, they can phase us in over three years without having a special Minot bill in the century code. Anytime this occurs in the future if you wanted to phase out one in favor of using the other they would be able to do that.

Linda Leadbetter: They haven't had an election to allow them to levy that and has allowed them to levy up to that but it doesn't allow them to just discontinue it. The voters from this election would have allowed them to levy for that. It doesn't allow it to be discontinued according to this law. If they gave them voter approval to levy up to four mills they could levy up to four so maybe one year they only levied three. In law it specifically states that if it wants to be discontinued it requires a vote of the people.

Representative B. Koppelman: What's the minimum amount they can levy?

Linda Leadbetter: It is very specific in the law that to discontinue it requires a vote of the people.

Representative Mitskog: Do you know how many communities have separate park districts in the state?

Linda Leadbetter: I gathered that information identifying which communities had park districts, which were operating under the city recreation levy. I can get that list for the committee.

Representative Mitskog: From your list could this issue come up again?

Linda Leadbetter: Middle size cities are doing both. Minot is the largest one that is doing both. Larger cities just have the city park.

Chairman Headland: I think we can add this proposed amendment and pass the bill out.

Vice Chairman Grueneich: MADE A MOTION TO MOVE THE AMENDMENT

Representative Mitskog: SECONDED

Chairman Headland: Discussion?

VOICE VOTE: MOTION CARRIED

Chairman Headland: We have amended SB 2232 before us.

Representative Mitskog: MADE A MOTION FOR A DO PASS AS AMENDED

Vice Chairman Grueneich: SECONDED

Chairman Headland: Discussion?

ROLL CALL VOTE: 10 YES 4 NO 0 ABSENT

MOTION CARRIED

Vice Chairman Grueneich will carry this bill.

DP 3/11/19

19.0998.01002
Title.02000

Adopted by the House Finance and Taxation Committee

March 11, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2232

Page 1, after line 7 insert "1."

Page 2, after line 3, insert:

"2. A vote that occurred pursuant to subsection 1 before a city public recreation system and a park district merged pursuant to subsection 2 of section 57-15-12 is no longer valid to authorize levying mills for a city public recreation system."

Renumber accordingly

Date: 3-11-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2232

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: attachment #1 - any vote prior to city public recreation and park district merging is no longer able to authorize levying mills for city public recreation system.

Recommendation: ☑ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Grueneich Seconded By Rep. Mitskog

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carried.

Date: 3-11-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2232

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 19.0998.01002

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Mitskog Seconded By Rep. Grueneich

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland	X		Representative Eidson	X	
Vice Chairman Grueneich	X		Representative Mitskog	X	
Representative Blum	X				
Representative Dockter	X				
Representative Ertelt		X			
Representative Fisher	X				
Representative Hatlestad	X				
Representative Kading		X			
Representative Koppelman		X			
Representative Steiner	X				
Representative Toman		X			
Representative Trottier	X				

Total (Yes) 10 No 4

Absent 0

Floor Assignment Rep. Grueneich

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

REPORT OF STANDING COMMITTEE

SB 2232: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). SB 2232 was placed on the Sixth order on the calendar.

Page 1, after line 7 insert "1."

Page 2, after line 3, insert:

"2. A vote that occurred pursuant to subsection 1 before a city public recreation system and a park district merged pursuant to subsection 2 of section 57-15-12 is no longer valid to authorize levying mills for a city public recreation system."

Renumber accordingly

2019 TESTIMONY

SB 2232

1/23 SB 2232 #1 pg. 1

Testimony of Ron Merritt, Executive Director of the Minot Park District
To the Senate Finance and Taxation Committee
In Support of SB 2232, General Fund levy limitations for Park Districts
And levy authority for city public recreation systems for purpose of merger
Wednesday, February 23rd, 2019

Chairman Cook and members of the Committee, My name is Ron Merritt, and I am the Executive Director of the Minot Park District. I appreciate the opportunity to testify in support of SB 2232. The Minot Park District serves the city of Minot and the surrounding area, and I am here to discuss the merger of the City Recreation Department with the Minot Park District.

This merger has been discussed in Minot for over 20 years, and the time is now for it to happen. The Minot City Council, the Minot Park District, and the Minot Recreation Commission have all voted in favor of the merger and the enabling language to make it happen. A joint powers agreement is being formed to allow for the transfer this year of the mills the City has levied for the recreation program over to the Minot Park District. The issue we run into is Park Districts have a general fund cap of 12% per year increase. It would take a period of 3 years of incrementally increasing our general fund as the City decreases their levy for the recreation program until we could levy the entire amount in our general fund.

The first item being asked for is to waive the election requirement for the City of Minot to discontinue the city public recreation system levy due to the merger. Right now the language is such that an election would be needed to discontinue using the levy. In our case that does not make sense, so we are asking that the requirement be waived specifically as a result of a merger between a park district and a city public recreation system.

The second item being asked for is a waiver of the levy limitation in the specific case where a City recreation system is being merged with a Park District. The mills are already being levied in Minot for the City public recreation system, we just want the levy transferred to the Park District from the City. When the 2020 budget is being prepared, the mills being levied by the City to run the recreation system would go to zero, and the Park District would levy that amount in our general fund. The language is simple and we feel it helps us accomplish our goal of merging the recreation department with the Minot Park District.

Some language cleanup has been suggested by legislative council and that is included as well. We ask for your support as we move forward, merging two entities that belong together, and providing the citizens of Minot a one stop shop for all of their park and recreation needs. Thank you.

#1
SB 2232
3-4-19

Testimony of Ron Merritt, Executive Director of the Minot Park District
To the House Finance and Taxation Committee
In Support of SB 2232, General Fund levy limitations for Park Districts
And levy authority for city public recreation systems for purpose of merger
Monday, March 4th, 2019

Chairman Headland and members of the Committee, My name is Ron Merritt, and I am the Executive Director of the Minot Park District. I appreciate the opportunity to testify in support of SB 2232. The Minot Park District serves the city of Minot and the surrounding area, and I am here to discuss the merger of the City Recreation Department with the Minot Park District.

This merger has been discussed in Minot for over 20 years, and the time is now for it to happen. The Minot City Council, the Minot Park District, and the Minot Recreation Commission have all voted in favor of the merger and the enabling language to make it happen. A joint powers agreement has been formed to allow for the transfer this year of the mills the City has levied for the recreation program over to the Minot Park District. The issue we run into is Park Districts have a general fund cap of 12% per year increase. It would take a period of 3 years of incrementally increasing our general fund as the City decreases their levy for the recreation program until we could levy the entire amount in our general fund.

The first item being asked for is to waive the election requirement for the City of Minot to discontinue the city public recreation system levy due to the merger. Right now the language is such that an election would be needed to discontinue using the levy. In our case that does not make sense, so we are asking that the requirement be waived specifically as a result of a merger between a park district and a city public recreation system.

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#1
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3-11-19

2. Any vote that occurred pursuant to subsection 1 of section 40-55-09 prior to a city public recreation system and a park district merging pursuant to subsection 2 of section 57-15-12 is no longer valid to authorize levying mills for a city public recreation system.