

**1999 SENATE FINANCE AND TAXATION**

**SB 2100**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2100

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 01/06/99

Tape Number	Side A	Side B	Meter #
2	X		0-825
Committee Clerk Signature <i>Shula Wald</i>			

Minutes:

CHAIRMAN URLACHER-OPENED THE HEARING ON SB 2100, A BILL RELATING TO PERSONAL PROPERTY TAXES, ON FIREWORKS AND TO DELETE DUPLICATE REFERENCE TO MILL LEVY LIMITS AND EFFECTIVE DATE.

BARRY HASTI- STATE SUPERVISOR OF ASSESSMENTS SUBMITTED TESTIMONY.

BARRY HASTI FINISHED HIS TESTIMONY AND SENATOR URLACHER ASKED FOR ANY QUESTION?

SENATOR WARDNER-TWO THINGS HAPPENING HERE, 1] CLEANING UP THE CODE AND 2] WE ARE SIMPLIFYING THE FORM THAT YOU CALCULATE FOR THE PROPERTY TAX.

BARRY HASTI- THAT IS CORRECT, SENATOR.

SENATOR URLACHER-ANY FURTHER TESTIMONY FOR OR AGAINST? ANY

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Senate Finance and Taxation Committee

Bill/Resolution Number Sb 2100

Hearing Date 01/06/99

COMMITTEE DISCUSSION? I CAN HOLD THE VOTE OPEN, IF YOU WANT TO THINK ABOUT IT, OR TAKE ACTION.

SENATOR CHRISTMANN-DOES ANYONE WANT TO RESEARCH THE BILL?

SENATOR KROEPLIN-I WOULD LIKE TO CONTACT THE COUNTY AUDITOR.

SENATOR URLACHER-WE CAN CARRY IT OVER, IF YOU WANT TO CONTACT THE COUNTY AUDITOR. WE WILL HOLD THE BILL. ANY FURTHER QUESTIONS? IF

NOT WE WILL CLOSE THE MEETING ON BILL 2100.

COMMITTEE ACTION ~~01/12/99~~ SEN. KROEPLIN REPORTED TO THE MEETING

THAT HE HAD SPOKEN WITH COUNTY AUDITOR. HE INDICATED THAT HE WAS

GLAD TO SEE IT GO. NO FURTHER DISCUSSION. MOTION FOR DO PASS WAS

MADE BY SEN. WARDNER, AND SECONDED BY SEN. CHRISTMANN. COMM. VOTE

7 YEA 0 NAY 0 ABSENT, OR NOT VOTING. CARRIER-SEN. WARDNER.

## FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2100

Amendment to: \_\_\_\_\_

Requested by Legislative Council

Date of Request: 12-31-98

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

**Narrative:** SB 2100, if enacted, will remove obsolete language relating to assessment of personal property and remove duplicative provisions in calculating maximum property tax levies. These technical changes have no fiscal effect.

- State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	0	0	0	0	0	0
<b>Expenditures</b>	0	0	0	0	0	0

What, if any, is the effect of this measure on the budget for your agency or department:

- For rest of 1997-99 biennium: 0  
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- For the 1999-2001 biennium: 0  
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
- For the 2001-03 biennium: 0

- County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed  
attach a supplemental sheet.

Signed: *Kathryn L. Strombeck*

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: 1-5-99

Phone Number: 328-3402

Date 1-12-99

Roll call vote # 1

Please type or use black pen to complete

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2100

Senate Finance & Tax Committee

Subcommittee on \_\_\_\_\_ ( Identify or

Conference Committee \_\_\_\_\_ ( check where appropriate

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

Action Taken Do Pass

Motion Made By Sen. Wardner Seconded By Sen. Christmann

Senators	Yes	No	Senators	Yes	No
<del>SENATOR URLACHER</del>	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM	✓				
SENATOR WARDNER	✓				
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total 7 0  
(Yes) (No)

Absent 0

Floor Assignment Sen Wardner

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

**REPORT OF STANDING COMMITTEE (410)**  
January 12, 1999 12:50 p.m.

**Module No: SR-06-0498**  
**Carrier: Wardner**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2100: Finance and Taxation Committee (Sen. Urlacher, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2100 was placed on the Eleventh order on the calendar.

**1999 HOUSE FINANCE AND TAXATION**

**SB 2100**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2100

House Finance and Taxation Committee

Conference Committee

Hearing Date February 24, 1999

Tape Number	Side A	Side B	Meter #
1		x	9.7
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

BARRY HASTI, SUPERVISOR OF ASSESSMENTS, OFFICE OF THE STATE TAX

COMMISSIONER, Testified in support of the bill, see written testimony. This is a technical bill which helps with administration.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 2-24-99, Tape #2, Side A, Meter #0.5

REP. WINRICH Made a motion for a DO PASS.

REP. KROEBER Second the motion. MOTION CARRIED

13 Yes 0 No 2 Absent

REP. KROEBER Was given the floor assignment.



Please type or use black pen to complete

Date 2-24-99

Roll call vote # 1

### 1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2100

House HOUSE FINANCE & TAX Committee

- Subcommittee on \_\_\_\_\_
- Conference Committee

} Identify or check where appropriate

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

Action Taken Do Pass

Motion Made By Rep. Winrich Seconded By Rep. Kroeber

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	A				
FROELICH	✓				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	A				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 13 0  
(Yes) (No)

Absent 2

Floor Assignment Rep. Kroeber

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

**REPORT OF STANDING COMMITTEE (410)**  
**February 24, 1999 3:55 p.m.**

**Module No: HR-33-3497**  
**Carrier: Kroeber**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2100: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2100 was placed on the Fourteenth order on the calendar.**

**1999 TESTIMONY**

**SB 2100**

**Testimony Before the Senate Finance and Taxation Committee**

**January 6, 1999**

**Senate Bill 2100**

**Barry Hasti, State Supervisor of Assessments**

Chairman Urlacher and committee members, I am Barry Hasti, State Supervisor of Assessments and director of the Property Tax Division of the Office of State Tax Commissioner. I am here to explain Senate Bill 2100, a technical bill.

Section one of the bill removes obsolete language referring to the assessment of personal property. Merchandise has not been assessed since the 1969 legislature exempted personal property from tax.

Section two deletes subsection four of the existing maximum property tax levy provisions because it duplicates the effect of the provision beginning on page four, line 14, stating, "or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section." Subsection four allows a taxing district to increase the dollars levied in the any of the three preceding years by the amount of mills authorized but not used in that year. In other words, if a taxing district did not levy all of the otherwise authorized mills in a year, the district may increase the amount levied to equal the amount of tax dollars raised by the using the full number of otherwise authorized mills.

The concept contained in subsection four of adding the revenue from previous years unused mills was included in the original Senate Bill 2323 in the 1981 session. The provision allowing a taxing district to "levy up to the mill levy limitations otherwise provided by law" was added by the 1985 legislative session.

**Senate Bill 2100**  
**Testimony of Barry Hasti**  
**Page 2**

It appears that subsection four and the 1985 addition accomplish the same result, a taxing district may levy an amount equal to the levy of the “mill levy limitations otherwise provided by law.” Removing subsection four is suggested to simplify the calculation of the maximum levy.

The current Maximum Levy Worksheet is attached. The provisions of subsection four are calculated on lines 12 through 24. The provision for “mill levy limitations otherwise provided by law” is on line 28. If Senate Bill 2001 is enacted, lines 12 through 24 can be eliminated from the worksheet making it easier to use and understand.

This concludes my testimony, I am available for any questions at this time.

County Of \_\_\_\_\_  
 1997 - 1998 Maximum Levy Worksheet - For Tax Year \_\_\_\_\_

Taxing District \_\_\_\_\_ Fund \_\_\_\_\_

Base Year Method

1. Taxes levied in the last three years (Final levy from Maximum Levy Worksheets):
  - a. last year \$ \_\_\_\_\_, b. two years ago \$ \_\_\_\_\_, c. three years ago \$ \_\_\_\_\_
2. Base year taxes levied (item 1a, 1b, or 1c, whichever is greatest) .....\$ \_\_\_\_\_
3. Temporary increased or excess levies in effect for the base year but now expired .....( \_\_\_\_\_)
4. Base year taxes excluding expired levies (line 2 minus line 3) .....\$ \_\_\_\_\_
5. Base year taxable value .....\$ \_\_\_\_\_
6. Mill rate for taxes levied the base year (line 4 divided by line 5) ..... \_\_\_\_\_
7. Taxable value of property taxable in the base year which is not assessed in the current year .....\$ \_\_\_\_\_
8. Adjustment for property no longer taxable (line 6 times line 7) .....( \_\_\_\_\_)
9. Taxable value of property which was not assessed in the base year .....\$ \_\_\_\_\_
10. Adjustment for property added since the base year (line 6 times line 9) .....\$ \_\_\_\_\_
11. Maximum allowable base year levy (line 4 minus line 8 plus line 10) .....\$ \_\_\_\_\_

Use the taxable value for the year selected for line 2

Unused Mills Method

	<u>Last year</u>	<u>Two years ago</u>	<u>Three years ago</u>
12. Maximum mill rate otherwise provided by law including temporary levies .....	_____	_____	_____
13. Adjustment for temporary mill levies in effect in the previous year(s) that have expired .....	_____	_____	_____
14. Adjusted maximum mill rate available (line 12 minus line 13) .....	_____	_____	_____
15. Total dollars actually levied including temporary levies (line 1) .....	\$ _____	\$ _____	\$ _____
16. Adjustment for dollars of temporary levies in the previous year(s) that have expired .....	\$ _____	\$ _____	\$ _____
17. Adjusted dollars levied (line 15 minus line 16) .....	\$ _____	\$ _____	\$ _____
18. Taxable values .....	\$ _____	\$ _____	\$ _____
19. Mill rate for adjusted dollars levied (line 17 ÷ line 18) .....	\$ _____	\$ _____	\$ _____
20. Unused mill levy authority (line 14 minus line 19) .....	\$ _____	\$ _____	\$ _____
21. Current year taxable value .....	\$ _____		
22. Allowable increase for unused mills (line 20 x line 21) .....	\$ _____	\$ _____	\$ _____
23. Allowable levy in dollars (line 17 + line 22) .....	\$ _____	\$ _____	\$ _____
24. Maximum allowable levy including unused levies (greatest amount on line 23) .....	\$ _____		

Maximum Levy Calculation

25. Maximum levy before new levies (line 11 or 24, whichever is greater) .....\$ \_\_\_\_\_
26. New, increased, or excess levies authorized by the legislature or the electors ( \_\_\_\_\_ mills times line 21) .....\$ \_\_\_\_\_
27. Total (line 25 plus line 26) .....\$ \_\_\_\_\_
28. Maximum levy otherwise provided by law including increased or excess levies approved by the voters ( \_\_\_\_\_ mills times line 21) .....\$ \_\_\_\_\_
29. Total allowable maximum levy (line 27 or line 28, whichever is greater) .....\$ \_\_\_\_\_
30. Levy certified by the taxing district for the current year .....\$ \_\_\_\_\_
31. Final levy (line 29 or line 30, whichever is less) .....\$ \_\_\_\_\_
32. Final mill rate (line 31 divided by line 21) ..... \_\_\_\_\_ mills

*Instructions For Maximum Levy Worksheet*

For Tax Years 1997 and 1998

This worksheet can be used to calculate the maximum dollars that can be levied for a given fund in a given taxing district. One worksheet should be completed for the general fund of each taxing district and for each special fund of each taxing district.

Following are instructions for specific line numbers:

1. Enter the dollar amount of taxes actually levied for this fund shown as the Final Levy on the Maximum Levy Worksheet for each of the years shown.
2. The "base year" is the tax year with the highest amount levied in dollars in property taxes, of the three tax years immediately preceding.
3. Enter the dollar amount of any temporary increased or excess levy that was in effect for the base year but is not in effect for the current year. Start with the dollar amount of the increased or excess levy as approved by the voters and apply any percentage increases that were added as authorized by the legislature.
5. The total taxable value of all property for the base year, including locally assessed real property and state assessed railroad and utility property. Use the same base year as line 2.
7. Enter the reduction in taxable value in the tax base from the base year to the current year caused by one or more of the following reasons: destruction of property, demolition, removal of structures or improvements, loss by annexation to another district, loss in taxable value by the property, including telecommunications property, being assessed in the base year but not assessed for the current year. Do not include loss in tax base caused by reassessment or by change in classification or by changes made by local, county, or state boards of equalization. Do not include loss in tax base caused by exempting railroad personal property. Also do not include loss in tax base of agricultural land caused by changes in assessment law.
9. Enter the increases in taxable value in the current year tax base over the base year tax base due to newly taxable property. Examples of property that is newly taxable for the current year include new construction, gains caused by annexation, and property that was exempt for the base year but is assessed for the current year. Do not include increases in the tax base caused by reassessment or by changes in classification or changes made by local, county, and state boards of equalization. This figure can be obtained by examining the supplementary abstracts for the years from the base year to the current year. Also do not include increase in tax base of agricultural land caused by changes in assessment law.
12. Enter the maximum mill rate provided by permanent legislation for each year including any temporary increased or excess levies approved by the voters.
13. Enter any temporary mill levies that were in effect in each year but have since expired.
18. Enter the taxable values of all property in the taxing district subject to ad valorem tax. This includes locally assessed real property and state assessed railroad and utility property. This is the total property tax base for this district.
26. Enter any increased, additional, or excess mill levy authorized by the legislature or the voters that is effective for the first time in current year.
28. Enter the maximum mill levy otherwise authorized by law for the current year, including any increased or excess mill levies approved by the voters.
30. The amount in dollars certified by the taxing district to be levied in the current year for this fund.