

1999 SENATE FINANCE AND TAXATION

SB 2259

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2259

Senate Finance and Taxation Committee

Conference Committee

Hearing Date January 26, 1999

Tape Number	Side A	Side B	Meter #
1	x		3110-4530
Committee Clerk Signature <i>Shirley Ward</i>			

Minutes:

SENATOR URLACHER opened the hearing on SB2259: A BILL RELATING TO THE EXEMPTION OF PURCHASES BY NONRESIDENTS FROM COUNTY HOME RULE SALES TAX.

SENATOR NAADEN stated if the counties are allowed to put in a sales tax, a suggestion would be that those from out of the county should have an exemption from paying the county tax. This bill would allow them to do that by simply showing an identification and the fact that they do not live in the county where the sales tax is being collected in. If this bill were in effect, then a county sales tax would be legitimate, because the people from the particular county would be agreeing to this sales tax, in lieu of property tax. It may be less of an incentive to put on a sales tax if they all knew that they were going to have to pay for it completely within their jurisdiction.

BONNIE JOHNSON, Cass County Coordinator, testified in opposition of SB2259. (See attached testimony)

MARK JOHNSON, ND Association of Counties, testified in opposition of SB2259. In the interest of equity, please keep this sales tax at a local level.

SENATOR SCHOBINGER asked what the impact would be in our communities that have air bases.

MARK JOHNSON replied they would appear to be exempt from paying sales tax.

SENATOR WARDNER asked when a city puts on a sales tax, was it the city allowing people coming in and buying farm machinery, and would the county be able to set its own standards as far as dealing with the agriculture sector.

MARK JOHNSON replied how ever that Home Rule Charter is presented to the citizens, however the tax is structured, if there are exemptions for large purchases or there could be an exemption for a portion of a farming activity that farmers pay for. This would go on the ballot in a structured way so that the people would have an understanding of what they are voting on relative to the expansion or the contraction of a 1-cent sales tax. If a county sales tax is looked at, there probably would be more of a tendency to recognize rural constituencies.

SENATOR WARDNER asked if there is protection on certain goods that are not taxed.

MARK JOHNSON stated there is protection for basic essentials, such as drugs and food.

RON NESS, ND Retail Association, testified in opposition of SB2259.

JERRY HJELMSTED, ND League of Cities, testified in opposition of SB2259. Cities do not have this type of restriction on their city sales tax, and if counties had a charter approved by their

Page 3
Senate Finance and Taxation Committee
Bill/Resolution Number Sb 2259
Hearing Date January 26, 1999

county, they should not have this type of restriction. All city Home Rule Charters do have a cap on the amount of sales tax that they can collect on individual purchases.

MARK JOHNSON stated Jerry Hjelmsted's comments should be considered seriously, because it does take away a large impact on other large purchases.

SENATOR URLACHER closed the hearing on SB2259.

DISCUSSION ON 2-1-99 TAPE 3156-4800-A, MOTION TO DO PASS BY SEN

CHRISTMANN AND SECONDED BY SEN KINNOIN VOTE 4 Y 3 N . CARRIER IS SEN
CHRISTMANN.

Date: 2-1-99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2259

Senate Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Christmann Seconded By Kinnoin

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER		✓			
SENATOR STENEHJEM		✓			
SENATOR WARDNER		✓			
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total (Yes) 4 No 3

Absent _____

Floor Assignment Sen Christmann

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

REPORT OF STANDING COMMITTEE (410)
February 2, 1999 12:45 p.m.

Module No: SR-21-1686
Carrier: Christmann
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2259: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2259 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

SB 2259

Testimony for Senate Bill 2259

My name is Bonnie Johnson and I serve as Cass County Coordinator. I am here today on behalf of Cass County Government to speak in opposition to SB2259.

This bill seeks to limit a county's authority to collect sales tax to only residents of that county. To date, no county in North Dakota has even adopted a county sales tax, but numerous cities, including Fargo, have. No city sales tax is subject to similar restriction and I suggest equal treatment for counties.

Exempting non-county residents from an approved tax would be a cash register nightmare for any vendor obligated to make such collections.