

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1464

2001 HOUSE FINANCE AND TAXATION

HB 1464

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1464

House Finance and Taxation Committee

Conference Committee

Hearing Date January 30, 2001

Tape Number	Side A	Side B	Meter #
1		X	1,957
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing and read the fiscal note.

REP. TOM BRUSEGAARD, DIST. 19. Introduced the bill as the prime sponsor. See written testimony.

REP. RENNER Currently, once a non farm income exceeds forty thousand dollars, you lose your exemption on your residence, and you are proposing to increase that number?

REP. BRUSEGAARD I am proposing to eliminate that number.

If you are a farmer, you would not pay taxes.

REP. CARLSON This is about the third bill dealing with this particular issue. As a committee, we are going to take all of those at one time. Some adjust numbers, your's removes all numbers.

REP. HERBEL What would define a person being a farmer then?

REP. BRUSEGAARD Page 2, line 20.

Page 2
House Finance and Taxation Committee
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REP. CARLSON I noticed you took out the beginning farmer language. was there any reason for that?

REP. BRUSEGAARD The beginning farmer language is in the code, because they were not required to meet these requirements.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 2-6-01, TAPE #1, SIDE B, METER #3992

After Rep. Carlson gave a review of the bill

REP. CLARK Made a motion for a **DO NOT PASS.**

REP. WINRICH Second the motion. **MOTION CARRIED.**

14 YES 0 NO 1 ABSENT

REP. CLARK Was given the floor assignment.

FISCAL NOTE
 Requested by Legislative Council
 01/23/2001

Bill/Resolution No.: HB 1464

Amendment to:

1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1464, if enacted, will eliminate the income limitation for the tax exemption for farm residences which may result in a reduction of the total taxable value of political subdivisions. While HB 1464 could decrease the value of taxable property of counties, cities, and school districts, it does not mandate a decrease in property taxes. Any change in revenue will be the result of decisions as to the level at which local government services will be funded, and not as a result of the passage of HB 1464. This bill alone causes no fiscal effect to the counties, cities, or school districts. There will be an indeterminable decrease in property tax revenue for the one-mill state medical center levy.

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.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/29/2001

Date: 2-6-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1464

House FINANCE & TAXATION Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Clark Seconded By Rep. Winrich

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Clark

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

REPORT OF STANDING COMMITTEE (410)
February 7, 2001 8:14 a.m.

Module No: HR-22-2547
Carrier: Clark
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1464: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1464 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HB 1464

HOUSE FINANCE AND TAX JAN. 30, 2001

Mr. Chairman and members of the Committee:

My name is Rep. Tom Brusegaard. I represent district 19 (most of rural Grand Forks County). I have brought HB 1464 for discussion, debate, and hopefully a DO PASS recommendation.

1464 is a bill I sponsored on behalf of a constituent. To briefly explain it, most farmers receive a property tax exemption on their farm house. In order to qualify under current law, that farmer must receive 50% of income from the farm, and the farmer and spouse's combined off farm income must not exceed \$40,000.

Simply put, our code picks "good" and "bad" farmers and rewards or punishes them accordingly. This legislation would treat all farmers as farmers, no matter who they marry. I think this is a fairness issue. Please help me in leveling the playing field. Thank you.

Rep. Tom Brusegaard