

# MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2298

2001 SENATE FINANCE AND TAXATION

SB 2298

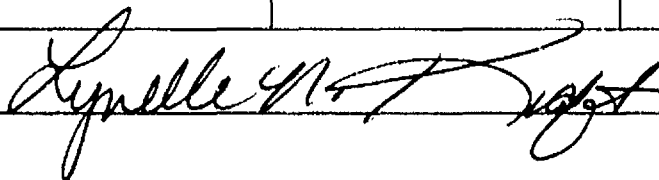
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2298

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/31/01

Tape Number	Side A	Side B	Meter #
1	x		21.1-43.7
2		x	12.4-44.5
Committee Clerk Signature 			

Minutes:

Senator Urlacher: Opened the hearing on SB 2298, relating to special assessment levies by counties.

Senator John Andrist: Co-sponsored the bill, testified in support. ND Assoc. Of Counties asked him to introduce the bill.

Terry Traynor: ND Assoc. Of Counties, testified in support. Written testimony attached.

Senator Stenehjem: This could force a property owner into paying for a road he doesn't want?

Terry Traynor: It cuts both ways. Explains.

Senator Christmann: Couldn't there be a problem with big businesses setting up special assessment projects?

Terry Traynor: That could happen but because of the value of their property, they would be burdened with the majority of the cost of the improvement as well.

Senator Christmann: Well, shouldn't they have all of it? I think this is going to lead to a lot of special assessment projects.

Senator Kroepelin: They could start the process, but at the end it would still be the number of votes that determine whether the project goes through or not?

Terry Traynor: The language of the way they vote is coming up in another bill.

Senator Stenehjem: How do you figure out who pays how much?

Terry Traynor: Assessors figure it based on the benefit to the property.

Senator Urlacher: So that's somewhat negotiable as to the benefits?

Terry Traynor: I believe so.

Dan Kalil: ND County Commissioners Assoc., testified to help explain the bill. We've asked for this legislation so that the county can look at an area, have a hearing, determine the need, & go from there.

Senator Stenehjem: If this bill is passed, how would everybody pay equally?

Dan Kalil: That is a function of the special assessment board. The laws requires that a board be set up to administer the assessment district. As a landowner in that development, you have a right to appear before that board and argue your case.

Wade Moser: ND Stockman's Assoc., testified in opposition. We have some problems with this legislation. It clutters up the system and potentially could raise taxes further. We also have a problem with having to vote no to stop something. One owner could affect all the property owners in the district and there will be problems with how the districts would be set up. As far as calculating the benefits, I don't know you even come close to doing that. It would probably create more problems.

Senator Urlacher: Closed the hearing. Action delayed.

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Senate Finance and Taxation Committee

Bill/Resolution Number 2298

Hearing Date 1/31/01

Discussion held later. Meter number 12.4-44.5.

Terry Traynor: Appeared to propose amendment and explained it.

Senator Stenehjem would like to have a study on all special assessments.

AMENDMENT ACTION:

Motion made by Senator Christmann, Seconded by Senator Stenehjem, to move amendment numbered 10652.0101. Voice Vote taken. All in favor, amendment adopted.

COMMITTEE ACTION:

Motion made by Senator Christmann for a DO PASS AS AMENDED, Seconded by Senator Stenehjem. Vote was 6 yeas, 0 nays, 0 absent and not voting. Bill carrier was Senator Nichols.

Date: 1/31/01  
Roll Call Vote #: |

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2298

Senate Finance and Taxation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number 10652.0101

Action Taken Move Amendment (Voice Vote)

Motion Made By Christmann Seconded By Stenehjem

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman					
Senator Wardner-Vice Chairman					
Senator Christmann					
Senator Stenehjem					
Senator Kroeplin					
Senator Nichols					

Total (Yes) 6 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 1/31/01  
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2298

Senate Finance and Taxation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number 10652.0101

Action Taken Do Pass as Amended

Motion Made By Christmann Seconded By Stenehjem

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroepelin	✓				
Senator Nichols	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Nichols

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

**REPORT OF STANDING COMMITTEE (410)**  
February 2, 2001 7:14 a.m.

**Module No: SR-19-2170**  
**Carrier: Nichols**  
**Insert LC: 10652.0101 Title: .0200**

**REPORT OF STANDING COMMITTEE**

**SB 2298: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2298 was placed on the Sixth order on the calendar.**

Page 1, line 8, remove "signed by owners", remove "property representing", and remove "or more"

Page 1, line 9, remove the overstrike over "landowners" and remove "taxable valuation of property"

Renumber accordingly



2001 HOUSE FINANCE AND TAXATION

SB 2298

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2298

House Finance and Taxation Committee

Conference Committee

Hearing Date March 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	2,167
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

**REP. AL CARLSON, CHAIRMAN** Opened the hearing.

**SEN. JOHN ANDIRST**, Introduced the bill at the request of the Association of Counties.

Harmonizing the process for special assessment districts with the same type of process the cities have used effectively for as long as I can remember, involves creating a resolution, and then giving people an opportunity to opt out. From my experience, it has been a good process, it has adequate protection for city property owners and most cities have used it quite effectively and responsibly.

**TERRY TRAYNOR, LEAGUE OF COUNTIES**, Testified in support of the bill. See written testimony.

**REP. CARLSON** You have full bonding authority?

**TERRY TRAYNOR** Yes

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House Finance and Taxation Committee

Bill/Resolution Number SB 2298

Hearing Date March 19, 2001

**REP. CARLSON** Asked for an example of what the county would need a special improvement district for.

**TERRY TRAYNOR** Most commonly, it comes up in rural subdivisions or street projects.

You may have a rural subdivision that would like to pave their streets, but there is no real mechanism, and it isn't an appropriate cost for the entire county to fund. I believe the special assessment process is also in Ramsey County, south of Devils Lake, for a sewer project in the Lakewood area.

**CLAUS LEMPKE, REPRESENTING THE ASSOCIATION OF REALTORS,** Testified in

support of the bill. As a rule, we see more and more people moving out in to the subdivisions, and this would be an excellent tool that the counties could do this. My other hat is as county commissioner, we see that a lot. We did seven or eight projects last year, by the request of the citizens, where they had to gather the signatures. We feel the life of an average pavement is about twenty years. And twenty years from now, somewhere along the line, maybe a two inch lift, at a cost of about fifty thousand dollars, which would extend the life of that pavement another sixteen years, perhaps. If you don't do that, what would happen is a cost two or three times as much, and the citizens wouldn't know that. In Burleigh County, we have an analysis done of every mile of pavement we have, no matter where it is, county roads or township roads. We know exactly what the remaining life of that pavement is. It is an excellent tool.

With no further testimony, the hearing was closed.

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House Finance and Taxation Committee  
Bill/Resolution Number SB 2298  
Hearing Date March 19, 2001

**COMMITTEE ACTION 3-19-01, TAPE #2, SIDE A, METER #720**

**REP. CARLSON** Reviewed the bill with committee members

**REP. WINRICH** Made a motion for a **DO PASS**

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

13 YES      1 NO      1 ABSENT

**REP. WIKENHEISER** Was given the floor assignment.

Date: 3-19-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2298

House FINANCE & TAXATION Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken Do Pass

Motion Made By Rep. Winnich Seconded By Rep. Wikenheiser

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) 13 No 1

Absent 1

Floor Assignment Rep. Wikenheiser

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

**REPORT OF STANDING COMMITTEE (410)**  
March 19, 2001 1:07 p.m.

**Module No: HR-47-6017**  
**Carrier: Wikenheiser**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2298, as engrossed: Finance and Taxation Committee (Rep. Carlson, Chairman)**  
**recommends DO PASS (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).**  
Engrossed SB 2298 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SB 2298

**Testimony to the  
SENATE FINANCE & TAXATION COMMITTEE**

**Prepared January 31, 2001 by the  
North Dakota Association of Counties  
Terry Traynor, NDACo Assistant Director**

**REGARDING SENATE BILL 2298**

Chairman Urlacher and members of the committee, I appear before you to request your support of Senate Bill 2298. Our Association requested this bill, and we feel it is important in making our State's special assessment statutes more understandable and consistent.

Currently, the last two sentences of 11-11-55.1 state that counties must comply with all of the provisions of the statutes governing city special assessment projects and county officials must take the same actions required of their city counterparts, once a project is initiated. This is the key, currently the method of initiating such a project differs between counties and cities, and the differences have created difficulties.

Cities may begin a special assessment project by resolution of the governing body, with a subsequent protest hearing where citizens representing a majority of the property in the proposed district can halt the project. At the county level, the governing body cannot initiate this process, and must wait for landowners to petition the commission, and this petition must contain the names of 60% of landowners, regardless of whether they own 5 or 95 percent of the property in the proposed project. It is my understanding that in at least one instance, a single landowner subdivided his property and sold it to multiple relatives in order to increase the number of landowners and thereby affect the outcome of a proposed county project.

This bill has been introduced to clearly make the city and county processes consistent, and to allow a project to proceed if the property owners that will be paying the majority of the specials are in agreement. But at the same time, this bill will provide the protections that are afforded to city residents, and if the property owners that would be responsible for a majority of the costs are opposed, they can also exercise their rights to halt the project, even if a larger number of landowners wish to proceed.

Mr. Chairman and Committee members, I urge a Do Pass recommendation of Senate Bill 2298.



**Testimony to the  
HOUSE FINANCE & TAXATION COMMITTEE  
Prepared March 19, 2001 by the  
North Dakota Association of Counties  
Terry Traynor, NDACo Assistant Director**

**REGARDING ENGROSSED SENATE BILL 2298**

Chairman Carlson and members of the committee, I appear before you to request your support of Engrossed Senate Bill 2298. Our Association requested this bill, and we feel it is important in making our State's special assessment statutes more understandable and consistent.

NDCC 11-11-55.1 contains basically all of the statutory provisions specific to county special assessments. As you can see, the last two sentences of existing law state that counties must comply with all of the provisions of the statutes governing city special assessment projects and county officials must take the same actions required of their city counterparts, once a project is initiated. This is the key, currently the method of initiating such a project differs between counties and cities, and the differences have created difficulties.

Cities may begin a special assessment project by resolution of the governing body, with a subsequent protest hearing where citizens representing a majority of the property in the proposed district can halt the project. At the county level, the governing body cannot initiate this process, and must wait for landowners to petition the commission. This petition must contain the names of 60% of landowners, regardless of whether they own 5 or 95 percent of the property in the proposed project. It is difficult for this process to work, as those landowners have no clear idea at this point of the extent or costs of a proposed project.

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**NET**

**NEXT FICHE**

Most city projects begin by council resolution, allowing the city can undergo the engineering cost estimates and proposed design phase, so that when the project is brought to the affected residents, they have something to which they can react. At that point the project can be continued, modified, or halted, consistent with the wishes of the affected landowners.

This bill has been introduced to clearly make the city and county processes consistent, but at the same time, preserve all of the protections that are now afforded to both county and city residents.

Mr. Chairman and Committee members, I urge a Do Pass recommendation of Engrossed Senate Bill 2298.