

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2346

2001 SENATE FINANCE AND TAXATION

SB 2346

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2346

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/31/01

Tape Number	Side A	Side B	Meter #
1	x		44.1-end
		x	0-5.7
2/6/01 - 2		x	2.3-5.7
Committee Clerk Signature <i>Lynelle M. Trapp</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 2346, relating to exclusion of tax-exempt property from consideration in protests against special improvement project.

Senator Duaine Espegard: Co-sponsored the bill, testified in support. Written testimony attached.

Rod St. Aubyn: Representing himself, Former Senator from this district when this issue came about. Explained the history of the problem in the district.

Senator Nichols: Did the home owners know ahead of time what their burden would be?

Senator Duaine Espegard: They were notified 30 days in advance to protest.

Senator Nichols: There was no attempt on the part of those putting this together to set these costs up more fairly to the home owners?

Senator Duaine Espegard: Not initially.

Bruce Kopp: Representing himself, testified in support. I am one of those home owners in that district that this bill was drafted for. This bill will give an opportunity for taxpayers to make sure their rights are not infringed upon.

Arnold Thomas: President of ND Health Care Assoc., testified in opposition. We represent hospitals in the state. When a special assessment is levied, hospitals even if they are tax exempt are bound by the special assessment provision. This bill would limit our ability to raise a protest in the event we thought a special assessment was inappropriate. We would be happy to work with the sponsors relative to our concerns to be exempted out. If not, we would urge a do not pass.

Senator Duaine Espgaard: It was not the intention of the sponsors to include hospitals and we would be glad to work with them to get them exempt.

Jerry Hjelmsted: ND League of Cities, testified neutrally with a recommended change. Suggested an amendment.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 2/6/01. Meter number 2.3-5.7.

AMENDMENT ACTION:

Motion made by Senator Stenehjem, Seconded by Senator Nichols, to move amendment numbered 10519.0102. Voice Vote taken. All in favor, amendment adopted.

COMMITTEE ACTION: 2/6/01

Motion made by Senator Christmann for a DO PASS AS AMENDED, Seconded by Senator Kroeplin. Vote was 5 yeas, 1 nay, 0 absent and not voting. Bill carrier was Senator Kroeplin.

10519.0102
Title.

Prepared by the Legislative Council staff for
Senator Espegard
January 31, 2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2346

Page 1, line 9, remove "taxable" and after the comma insert "not including property owned by a political subdivision."

Page 1, line 12, remove "the taxable property included within"

Page 1, line 13, after the comma insert "not including property owned by a political subdivision."

Renumber accordingly

Date: 2/16/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2346

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 10519.0102

Action Taken Move Amendment (voice vote)

Motion Made By Stenehjem Seconded By Nichols

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: 2/10/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2216

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Christmann Seconded By Kroeplin

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

Total (Yes) 5 No 1

Absent 0

Floor Assignment Kroeplin

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

REPORT OF STANDING COMMITTEE

SB 2346: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2346 was placed on the Sixth order on the calendar.

Page 1, line 9, remove "taxable" and after the comma insert "not including property owned by a political subdivision."

Page 1, line 12, remove "the taxable property included within"

Page 1, line 13, after the comma insert "not including property owned by a political subdivision."

Renumber accordingly

2001 HOUSE FINANCE AND TAXATION

SB 2346

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2346

House Finance and Taxation Committee

Conference Committee

Hearing Date March 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	0
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing.

ROD ST. AUBYN, TESTIFIED IN PLACE OF SEN. DUAINÉ ESPEGARD, DIST. 43,

GRAND FORKS, Introduced the bill as the prime sponsor. See written testimony. Mr. St.

Aubyn gave history from his personal experience.

REP. CARLSON Agreed that there are many political subdivisions that also pay special assessments, for example, the park districts pay special assessments, the Fargo schools pay special assessments when their land has services brought to it.

ROD ST. AUBYN Clarified, that even though they pay, who ultimately pays, it is the taxpayer. Who is supporting the park districts and the school systems? Those funds are coming from the taxpayer.

REP. CARLSON My point is, it should be distributed fairly. We don't have the opportunity to stop the project. It should be spread properly.

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House Finance and Taxation Committee

Bill/Resolution Number SB 2346

Hearing Date March 19, 2001

REP. WINRICH It is my understanding that, UND makes payments in lieu of taxes to the city of Grand Forks, for many of the services they have. In essence, the property that the university holds, does participate in the assessments.

ROD ST. AUBYN That is true, but I also sat on appropriations many times, where we actually appropriated those dollars for the special assessment. We bonded for some of those in the past.

REP. WINRICH I don't dispute that, but I don't think we should take that voice away. It is not just the taxpayers in that special assessment district that are paying that UND special assessment, it is taxpayers all over the state. In dealing with these kinds of protest, etc., the representatives of UND have to be cognizant of that and represent those interests.

ROD ST. AUBYN The situation in this particular case, the university was asked, and they had the ability to sign the protest, they are in a very awkward situation, because they support the Alerus Center, because of football. They recognize that they will need some other benefits from that, so it puts them in a very awkward situation, even though they know the ultimate cost of this facility. It ended up working out fine, because what the city ended up doing after almost an uprising, it was a situation where they backed off and spread some of the costs back to the Alerus project, itself. They reduced the overall assessment cost. It would be very simple, if someone wanted to, you could take a special assessment, define the special assessment district to a particular subdivision or a city, if they want a particular project, and it is adjacent to property they own, they could, basically, force the issue. John Walstad and myself talked about that, you could maybe leave the law the way it was and also, for every property owner, no matter how much property they own, they would have one vote and the small homeowner would have one

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House Finance and Taxation Committee

Bill/Resolution Number SB 2346

Hearing Date March 19, 2001

vote. If it is a majority of either that formula, or this formula, either one, they would have the right to protest. That was not real workable. It is a very difficult situation.

REP. CARLSON Actually, I like the bill better in the original form better than the present form, where it talks about taxable property, the people would get to voice a protest on this.

ROD ST. AUBYN One of the problems also, in an area not too far away, was the hospital, which is tax exempt, but they still pay property taxes.

JERRY HJELMSTAD, NORTH DAKOTA LEAGUE OF CITIES, Testified in opposition of the bill. Gave an explanation of why the Senate made a change on the original bill. The reason the Senate made a change was it was taking away the right to protest from churches, hospitals, etc., who do not pay taxes but do pay special assessments. They were not allowed to protest even though they would have to pay the special assessments. So the Senate changed it to political subdivisions, when they did that, we think they overshot just a little bit, because they are now taking away the right of other groups, such as counties, townships, park districts, and school districts, to be able to protest the special assessments. We can understand if a city would set up a district that included a majority of city property, but obviously, the city setting up that district is not going to protest that special assessment. Explained the amendments which were submitted. The amendment would not include the property of the political subdivision who is levying that special assessment, but all other property would be included so other political subdivisions could still retain their right to protest that special assessment which they felt was not fair. Related to the situation in Grand Forks.

REP. CARLSON Asked him to explain how the amendments will make the situation better.

JERRY HJELMSTAD The amendment, where they now say that property in the district would not include property owned by a political subdivision, the amendment will provide that the property in the district owned by a political subdivision, it will not include a political subdivision levying the special assessment. So that in a city, where they set up a special assessment district, and for instance, if the city owned two thirds of the property within the district, that property would not be included in the protest ability.

REP. CARLSON Let's take the example in Grand Forks with the golf course, would that have solved that problem?

JERRY HJELMSTAD In Grand Forks, I believe, the golf course was university property, so that would not be included under this. That is a situation where, if they were not allowed to protest, what happened there, that the university also felt the assessment was too high and they raised objections with the city, and the problem was ultimately corrected.

REP. CARLSON My question is, is this any better then current law?

JERRY HJELMSTAD The change with current law and the amendment I presented, is that, this would prevent a situation where the city would be able to set up a district that contained over half city property and thereby prevent anybody from being able to protest.

STEVE VOGELPOHL, ATTORNEY IN BISMARCK Did not testify for or against the bill, just offered information. What caught my attention on the language of this bill is that, I thought the intent was to limit the ability of certain political subdivisions from filing a protest against specials. Related to Chapter 40-22, I think to limit that ability, you will need to amend 40-22-17, if within thirty days, after the first publication, the owners of any property, can file a protest. All I think this bill does in its present language, is reduce the amount of the total area of the

