

# MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

1492

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Salvatore Riccardi  
Operator's Signature

10/16/03  
Date

2003 HOUSE POLITICAL SUBDIVISIONS

HB 1492

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Sal Costa Richmond  
Operator's Signature

10/6/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

House Political Subdivisions Committee

☐ Conference Committee

Hearing Date: February 6, 2003

Tape Number	Side A	Side B	Meter #
1		X	21.9-53.9
2	X		0.0-1.8
Committee Clerk Signature <i>Mickie Schmidt</i> 2-20-03			

Minutes:

**TAPE 1: SIDE A:**

**(25.3) CHAIRMAN GLEN FROSETH:** We will open the hearing on HB 1492.

**(26.0) REP. DAVE MONSON:** (Testimony in support) (See attachment #1)

**(29.9) CHAIRMAN GLEN FROSETH:** Are all of these bids collected by written bids or are some still sold at a verbal auction?

**(30.2) REP. DAVE MONSON:** I don't know if they're verbal or not.

**(30.7) REP. NANCY JOHNSON:** Are we going to run into some discrimination?

**(31.1) REP. DAVE MONSON:** I'm not sure that would happen or not. It is permissive. They could say we've got a problem, we don't want to do this. We don't want this person who owes back taxes in Towner County over here. He's got a whole bunch of delinquent properties over there and we have heard about that and he's probably going to do the same thing in our county. I guess each county can set their own policies. I would suggest that the County Commissioners,

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*10/16/03*  
Date

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House Political Subdivisions Committee

Bill/Resolution Number HB 1492

Hearing Date: February 6, 2003

before they refuse anyone from being a qualified bidder, they set a policy and say we're going to set this.

**(32.0) REP. BRUCE ECKRE:** The current law does say the highest bidder right?

**(32.3) REP. DAVE MONSON:** I'm not sure. I know my county seems to be a problem. The States Attorney suggested that we do this.

**(32.6) CHAIRMAN GLEN FROSETH:** Is there any stipulation now that counties use that a successful bidder must pay up any balance before taking position of the property?

**(32.8) REP. DAVE MONSON:** That is the problem as I understand it. There is nothing in law that says before you can bid on this next piece, you've got to clean up your back taxes over here. With the present law, you can just buy a piece and they don't have to pay their property taxes on that ever or at least for five years.

**(33.8) REP. RON IVERSON:** Is there any reason why he's doing this?

**(34.2) REP. DAVE MONSON:** I asked that of my States Attorney, why would this guy do this? We didn't get into great detail on it, but it seemed like this person was probably speculating that maybe there would be some missile sites moving into the area. I think he's just speculating.

**(34.7) REP. GIL HERBEL:** If they let their taxes go for five years, that property gets sold again unless they pay up the one year, not all five years.

**(36.3) CHAIRMAN GLEN FROSETH:** Would you be susceptible to an amendment that would say something like the County Treasurer may not convey the property to the highest bidder until all taxes are paid?

**(37.2) REP. DAVE MONSON:** That's pretty much what this is, that would be more strict.

**(38.8) TERRY TRAYNOR; ASSOCIATION OF COUNTIES:** (Testimony in support)

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House Political Subdivisions Committee

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**(46.7) REP. MIKE GROSZ:** If it does happen where they end up being delinquent, over a dispute and then they want to bid on a parcel of land, is this giving the county unfair stronghold. I don't think that is the intent of the Bill and I'm just wondering that maybe a problem? I understand that it's a minuet chance of happening.

**(47.4) TERRY TRAYNOR:** I guess I haven't thought about that. That would be extremely rare. And I would also think that it would be reasonable to let that person bid on that property and be a qualified bidder if their delinquency was paid.

**(47.8) REP. CAROL NIEMEIER:** If you had a bid from out of state, would you be able to check on that bidder's qualifications as well?

**(48.0) TERRY TRAYNOR:** The only qualification really is that they have no delinquent property in North Dakota.

**(48.3) CHAIRMAN GLEN FROSETH:** Testimony in support? Opposition? Seeing none we will close the hearing on HB 1492. What are the committees wishes?

**(48.8) REP. BRUCE ECKRE:** Do you know, do many do a verbal bid on the Court house steps?

**(49.1) REP. ALON WIELAND:** I'm not aware of any counties that do verbal. For the most part they do a written. They have to have them in by a certain time. They just shut off the bidding process and then they take a look at the bids. There is ample time to check on something. There are people who buy these things for the nuisance value. They think they're going to have an advantage over the city. For example, they have a terrible building on it, they know that the city has plans to tear it down, so they lie and think maybe the city will pay a little extra so that they

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Hearing Date: February 6, 2003

could get it back sooner. It does create a problem. I think each county should develop their own policy and deal with it in their own way.

**(51.5) REP. GIL HERBEL:** I was involved in two sales of Ag. land that was done by the Federal Marshall this past year. (53.9)

**TAPE 2; SIDE A:**

**(0.0) REP. NANCY JOHNSON:** You're putting a lot of responsibility and liability issues on that County Treasurer and they're making that decision. It doesn't say that the County Commission will set a policy, it says the County Treasurer will.

**(0.2) REP. CAROL NIEMEIER:** If this goes through, we're not closing the door on an enterprise or an individual who is under the law. And there's already a mechanism in statute that will correct delinquent taxes and they probably know that the property will be taken away in five years if they don't pay their taxes. How can you say that it's illegal to go in and bid on something?

**(0.7) CHAIRMAN GLEN FROSETH:** I was thinking of changing "may" to "shall." I think it should be left permissive. We will hold this and work on it. Rep.'s Eckre; Wieland and Terry Traynor will work on it.

**(1.1) REP. ALON WIELAND:** I think County Treasurer should be eliminated and maybe we should just limit it to incorporated or unincorporated cities and leave Ag land out of it. That may resolve something that I don't think happens.

**(1.5) CHAIRMAN GLEN FROSETH:** We will close the hearing on HB 1492. (1.8)

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

House Political Subdivisions Committee

☐ Conference Committee

Hearing Date: February 6, 2003 3:00 p.m.

Tape Number	Side A	Side B	Meter #
3	X		10.6
Committee Clerk Signature			

Minutes:

**TAPE 3; SIDE A:**

**(10.6) CHAIRMAN GLEN FROSETH:** We will open the hearing on HB 1492.

**(11.2) TERRY TRAYNOR; ASSOCIATION OF COUNTIES:** (Testimony in support) (See attachment #1) Explained the amendments.

**(12.4) REP. BRUCE ECKRE:** I WOULD MOVE THE AMENDMENT.

**(12.5) REP. CAROL NEIMEIER:** I SECOND IT.

**(12.6) CHAIRMAN GLEN FROSETH:** Any further discussion? We'll take a voice vote on the amendment: All in favor say I: 14-y; 0-n; amendment carries.

**(12.9) REP. ALON WIELAND:** I WOULD MOVE A DO PASS AS AMENDED.

**(12.9) REP. BRUCE ECKRE:** I SECOND IT.

**(13.0) CHAIRMAN GLEN FROSETH:** Any further discussion? Seeing none, I'll have the clerk call the Roll Call Vote: 14-y; 0-n; 0-absent; Carrier; Rep. Eckre. The motion carries.

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Yolanda Richardson  
Operator's Signature

10/16/03  
Date

30556.0201  
Title.0300

Adopted by the Political Subdivisions  
Committee

February 6, 2003

VR  
2/7/03

HOUSE

AMENDMENTS TO HOUSE BILL NO. 1492 Po1 Sub 2-10-03

Page 2, line 8, remove "county treasurer may deem a", after "person" insert "is", and after  
"bidder" insert "for property classified as residential or commercial"

Renumber accordingly

Page No. 1

30556.0201

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Salvatore Riccardi  
Operator's Signature

10/16/03  
Date



Date: 2-6-03 3:00 pm

Roll Call Vote #: 3

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 492

House "POLITICAL SUBDIVISION" Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30556.0201 0300

Action Taken Do Pass As Amended

Motion Made By Rep. Wieland Seconded By Rep. Niemeier

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	✓				
Vice-Chairman Nancy Johnson	✓				
Mike Grosz	✓				
Gil Herbel	✓				
Ron Iverson	✓				
William E. Kretschmar	✓				
Andrew Maragos	✓				
Dale Severson	✓				
Alon Wieland	✓				
Bruce Eckre	✓				
Mary Ekstrom	✓				
Carol A. Niemeier	✓				
Sally M. Sandvig	✓				
Vonnie Pietsch	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Eckre

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

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Almeta Rickford  
Operator's Signature

10/16/03  
Date

REPORT OF STANDING COMMITTEE (410)  
February 10, 2003 8:32 a.m.

Module No: HR-25-2069  
Carrier: Eckre  
Insert LC: 30556.0201 Title: .0300

**REPORT OF STANDING COMMITTEE**

**HB 1492: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1492 was placed on the Sixth order on the calendar.**

Page 2, line 8, remove "county treasurer may deem a", after "person" insert "is", and after "bidder" insert "for property classified as residential or commercial"

Renumber accordingly

2003 SENATE POLITICAL SUBDIVISIONS

HB 1492

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Almeta Rickford  
Operator's Signature

10/6/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date March, 14, 2003

Tape Number	Side A	Side B	Meter #
1	X		0 - 1576
1		X	879-2530
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

**CHAIRMAN COOK** called the committee to order. All members (6) were present.

**CHAIRMAN COOK** opened the hearing on HB 1492 relating to bidders at annual sales of land acquired by tax deeds.

**REPRESENTATIVE MONSON**, District 10, introduced HB 1492 (See attached testimony)

**SENATOR JUDY LEE** question why agricultural property would be exempt , why wouldn't someone owning back taxes, who had the finances available to buy additional farm land just pay the back taxes and get it over with. Why would people be buying properties for taxes and not doing anything with it?

**REPRESENTATIVE MONSON**, answered that he didn't know why the agriculture property should be exempted. The main problems are in the cities or towns. People are buying property on speculation. They think things may open up again. Another thing is people buying houses in

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Senate Political Subdivisions Committee

Bill/Resolution Number HB 1492

Hearing Date March 14, 2003

small towns for hunting purposes and don't do anything to the property. They can go for five years before the taxes come up for a sale.

**Testimony in support of HB 1492.**

**Terry Traynor**, Association of Counties, supports HB 1492. This is something the county auditors, tax directors, and county commissioners think is a good idea. There seems to be more problems with this and this bill would help get a handle on this.

**CHAIRMAN COOK** asked if Mr Traynor supported the original bill as introduced in the house.

**Mr Traynor** answered yes they did. They were as mystified as Representative Monson as to why it wasn't left at all property.

**Neutral testimony on HB 1492**

**Leon Samuel**, Tax Director, Morton County, appeared neutral, to give an example of a situation in Morton County. A few years ago some delinquent property went back for taxes. The county took them, they weren't purchased at the county level, so sold them back to the city for a dollar per lot. There were specials against them. The city in turn advertised them to sell them for a dollar and pay the specials.. So an individual purchased them and that is as far as it got, they paid a dollar per lot and left them for another five years and they became delinquent again and they began the whole process again. People just buy lots on speculation and if nothing happens they let them go back for taxes again.

**SENATOR COOK** asked how the county auditor would go about verifying whether a bidder was a qualified bidder. Would he go to the Secretary of State?

Page 3  
Senate Political Subdivisions Committee  
Bill/Resolution Number HB 1492  
Hearing Date March 14, 2003

**REPRESENTATIVE MONSON**, answered that each county has their own list of delinquent taxes and they send it to the Secretary of State. The Secretary of State said this should work as they have all the information.

**CHAIRMAN COOK** asked if this would apply to out of state bidders also.

**REP. MONSON** answered that it would, only if he is delinquent in taxes in North Dakota.

No further testimony.

**CHAIRMAN COOK** closed the hearing on HB 1492.

Discussion

**CHAIRMAN COOK** reminded the committee that there was some discussion during testimony as far as the merits of having this just for residential or commercial property.

**SENATOR JUDY LEE** said she had a hard time exempting agriculture property. She thinks that if somebody is going to bid on property that is being sold because of back taxes whether it is residential or agriculture land shouldn't make any difference. She would like to see that made a little more inclusive.

**SENATOR GARY LEE** is not sure why it would be excluded.

**SENATOR POLOVITZ** as he understands it if he were a property owner in the county and lived next door to the city he could have taxes that he had not paid on his property in the county and doesn't own any property in the city, he could still bid on a house in the city.

**SENATOR COOK** said the way he reads it if you owe back taxes you can still bid on agriculture property but can not bid on residential or commercial.

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Senate Political Subdivisions Committee

Bill/Resolution Number HB 1492

Hearing Date March 14, 2003

**SENATOR POLOVITZ** read in the bill that a person is unqualified to be the highest bidder for property classified as residential or commercial if the person owns delinquent taxes to any county. He said that answered his previous question..

**CHAIRMAN COOK** asked Senator Syverson to read the original bill. He said the only change from the first bill and what they did is the language in that subsection seven.

**SENATOR SYVERSON** read the first bill and he feels that they are leaving a big loop hole in the bill at present.

**SENATOR COOK** said over the years he has seen data that shows the amount of dollars that are not being paid is growing. These are taxes that half should be going into schools.

**SENATOR JUDY LEE** said she has seen it where someone will go five years without paying taxes and the last week before the official foreclosure proceedings start the person will come in and pay one years tax and they can keep on doing that until the end of time because then they will never be five years delinquent. So it continues to be an on going circumstance where they are four years behind. She does not feel any one who does this should be able to bid on anything else.

**CHAIRMAN COOK** asked the committee what they wanted to do with HB 1492.

**SENATOR JUDY LEE** moved to amend HB 1492. To remove line 8 and 9 on page 2 and reinstate the original language with a change that it would say shall be the person to be unqualified. Or maybe the alternative is to just eliminate the phrase classified as residential or commercial which ever way, she wants to make sure that they are not limiting to only residential.

**SENATOR SYVERSON** seconded the motion.

Roll call vote: Yes 6 No 0 Absent 0

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Senate Political Subdivisions Committee

Bill/Resolution Number HB 1492

Hearing Date March 14, 2003

**SENATOR JUDY LEE** moved a **DO PASS AS AMENDED**.

**SENATOR CHRISTENSON** seconded the motion.

Roll call vote: Yes 6 No 0 Absent 0

Carrier: **SENATOR GARY LEE**



2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date March 20, 2003

Tape Number	Side A	Side B	Meter #
2	X		218 - 295

Committee Clerk Signature

*Shirley Borg*

Minutes:

CHAIRMAN COOK informed the committee Senator Gary Lee asked for a reconsideration on HB 1492.

SENATOR GARY LEE moved that we bring back HB 1492 for reconsideration as when he reviewed the testimony to carry the bill, he discovered there was some information that was not accurate.

SENATOR CHRISTENSON seconded the motion.

VOICE VOTE All in favor.

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*Y. Costa Richardson*  
Operator's Signature

*10/6/03*  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1492

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date March 21, 2003

Tape Number	Side A	Side B	Meter #
I		X	1641 - 2610
		X	3309 - 3600
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

**CHAIRMAN COOK** called the committee to order. All members (6) present.

**CHAIRMAN COOK** reminded the committee that the committee reconsidered their action on HB 1492.

**SENATOR GARY LEE** HB 1492 deals with qualified bidder and the definition of qualified bidder as it related to acquiring property that is up for auction because of delinquent taxes. When he looked at what the committee had passed and what the testimony was and why he thought we passed it was that the secretary of state had the ability to collate all that information from the counties to know who had delinquent taxes and he does not. Each county knows who is delinquent in their county but they don't report that to the secretary of state because there is not a mechanism in place currently to do that. So he thought it was important to reconsider based on that knowledge. Senator G Lee had the legislative council together with Representative Monson,

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*Richard Costa*  
Operator's Signature

*10/16/03*  
Date

Page 2

Senate Political Subdivisions Committee

Bill/Resolution Number HB 1492

Hearing Date March 21, 2003

sponsor of the bill prepare some amendments that would help put this mechanism in place and the secretary of state also concurs that this would happen. It isn't a big thing to make happen. (See attached amendment) Section 3 would be a new section added to chapter 57-28 which would have the tax delinquent taxes be reported to the secretary of state by a computerized central indexing system. The secretary of state will prescribe a form to be used by the county officials when notices of delinquent taxes owed to a county are entered in the central indexing system.

**SENATOR CHRISTENSON** asked if Senator G Lee had checked with the Secretary of State.

**SENATOR GARY LEE** answered yes he talked to the Secretary of State and so did

Representative Dave Monson in terms of drafting this amendment. These were languages that we all agreed to. The secretary of state says that they pay a significant amount of money each month for this indexing system that isn't used that much. They feel this would be another way to get some use out of the system.

**SENATOR GARY LEE** moved the amendments be adopted on HB 1492. # 30556.0303

**SENATOR SYVERSON** seconded the motion.

Roll Call Vote: Yes 6 No 0 Absent 0

**SENATOR GARY LEE** moved a DO PASS AS AMENDED.

**SENATOR POLOVITZ** seconded the motion.

Roll call vote: Yes 6 No 0 absent 0

CARRIER: **SENATOR GARY LEE**

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*Richard Costa*  
Operator's Signature

*10/6/03*  
Date

30556.0301  
Title.0400

Adopted by the Political Subdivisions  
Committee

March 14, 2003

*[Handwritten signature]*  
3-14-03

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1492

Page 2, line 8, replace "A" with "The county treasurer shall deem a", remove "is", and remove  
"for property classified as"

Page 2, line 9, remove "residential or commercial"

Renumber accordingly

Page No. 1

30556.0301

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*Salvatore Riccardi*  
Operator's Signature

10/6/03  
Date

Date: 3-14-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1492

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30556.0301

Action Taken Adopt Amendment

Motion Made By Senator Judy Lee Seconded By Senator Syverson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator John O. Syverson, V C	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment -

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

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Yolanda Rickford  
Operator's Signature

10/6/03  
Date

Date: 3-14-03  
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1492

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30556.0301

Action Taken Do Pass as Amended

Motion Made By Senator Judy Lee Seconded By Senator Christenson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator John O. Syverson, V C	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Gary Lee

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

REPORT OF STANDING COMMITTEE (410)  
March 17, 2003 9:07 a.m.

Module No: SR-47-4869  
Carrier: G. Lee  
Insert LC: 30556.0301 Title: .0400

**REPORT OF STANDING COMMITTEE**

HB 1492, as engrossed: Political Subdivisions Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1492 was placed on the Sixth order on the calendar.

Page 2, line 8, replace "A" with "The county treasurer shall deem a", remove "is", and remove "for property classified as"

Page 2, line 9, remove "residential or commercial"

Renumber accordingly

Sal Costa Rickford  
Operator's Signature

10/16/03  
Date

30556.0303  
Title.0500

Prepared by the Legislative Council staff for  
Senator G. Lee  
March 21, 2003

*JB*  
3-25-03

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1492

Page 1, line 1, after "to" insert "create and enact a new section to chapter 57-28 of the North Dakota Century Code, relating to filing of tax delinquencies in the central notice system; and to" and after "reenact" insert "subsection 1 of section 54-09-09 and"

Page 1, line 2, after "deeds" insert "and tax delinquency filings in the central notice system"

Page 1, after line 3, insert:

**"SECTION 1. AMENDMENT.** Subsection 1 of section 54-09-09 of the North Dakota Century Code is amended and reenacted as follows:

1. The secretary of state shall maintain a computerized central indexing system that contains the information filed with the office of the secretary of state or with any of the offices of the recorder in this state pursuant to sections 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, 35-34-04, 35-34-06, 41-09-72, section 3 of this Act, 57-38-49, 57-39.2-13, 57-40.2-16, 57-40.3-07.1, 57-43.1-17.4, 57-43.2-16.3, and 57-51-11. The system must connect each recorder's office to the secretary of state's office through the information technology department. The system must allow access to financing statement information by equipment that conforms to requirements determined by the information technology department. The system must have safeguards to allow access to information that is in the system relating to security interests or liens and to prevent unauthorized alteration or deletion of that information and to allow access to other information in the system as prescribed by the secretary of state."

Page 2, line 8, remove "classified as"

Page 2, line 9, remove "residential or commercial"

Page 2, after line 9, insert:

**"SECTION 3.** A new section to chapter 57-28 of the North Dakota Century Code is created and enacted as follows:

**Notice of tax delinquency - Central indexing system.** The secretary of state shall prescribe a form to be used by county officials when notices of delinquent taxes owed to a county are entered in the central indexing system."

Renumber accordingly



Date: 3-21-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1492

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30556.0303

Action Taken Adopt Amendments

Motion Made By Senator Gary Lee Seconded By Senator Syverson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator John O. Syverson, V C	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 6 No 0

Absent 0

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

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

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Salvatore Riccardi  
Operator's Signature

10/16/03  
Date

12

Date: 3-21-03  
Roll Call Vote #: 2

**2003 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. HB 1492**

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30556.0303

Action Taken Do Pass 2s Amended

Motion Made By Senator Gary Lee Seconded By Senator Polovitz

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator John O. Syverson, V C	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Gary Lee

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

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In Costa Richard  
Operator's Signature

10/6/03  
Date

REPORT OF STANDING COMMITTEE (410)  
March 26, 2003 8:38 a.m.

Module No: SR-54-5772  
Carrier: G. Lee  
Insert LC: 30556.0303 Title: .0500

**REPORT OF STANDING COMMITTEE**

**HB 1492, as engrossed: Political Subdivisions Committee (Sen. Cook, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends  
**DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1492  
was placed on the Sixth order on the calendar.

Page 1, line 1, after "to" insert "create and enact a new section to chapter 57-28 of the North Dakota Century Code, relating to filing of tax delinquencies in the central notice system; and to" and after "reenact" insert "subsection 1 of section 54-09-09 and"

Page 1, line 2, after "deeds" insert "and tax delinquency filings in the central notice system"

Page 1, after line 3, insert:

**"SECTION 1. AMENDMENT.** Subsection 1 of section 54-09-09 of the North Dakota Century Code is amended and reenacted as follows:

1. The secretary of state shall maintain a computerized central indexing system that contains the information filed with the office of the secretary of state or with any of the offices of the recorder in this state pursuant to sections 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, 35-34-04, 35-34-06, 41-09-72, section 3 of this Act, 57-38-49, 57-39.2-13, 57-40.2-16, 57-40.3-07.1, 57-43.1-17.4, 57-43.2-16.3, and 57-51-11. The system must connect each recorder's office to the secretary of state's office through the information technology department. The system must allow access to financing statement information by equipment that conforms to requirements determined by the information technology department. The system must have safeguards to allow access to information that is in the system relating to security interests or liens and to prevent unauthorized alteration or deletion of that information and to allow access to other information in the system as prescribed by the secretary of state."

Page 2, line 8, remove "classified as"

Page 2, line 9, remove "residential or commercial"

Page 2, after line 9, insert:

**"SECTION 3.** A new section to chapter 57-28 of the North Dakota Century Code is created and enacted as follows:

Notice of tax delinquency - Central indexing system. The secretary of state shall prescribe a form to be used by county officials when notices of delinquent taxes owed to a county are entered in the central indexing system."

Renumber accordingly

2003 TESTIMONY

HB 1492

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Yolanda Richardson  
Operator's Signature

10/16/03  
Date

#1 2-6-03

3:00 pm

Proposed Amendments to House Bill No. 1492

Page 2, line 8, remove "county treasurer may deem a" and after "person" insert "is"

Page 2, line 8, after "bidder" insert "for property classified as residential or commercial"

Renumber accordingly

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The new sentence would then read as follows:

7. A person is unqualified to be the highest bidder for property classified as residential or commercial if the person owes delinquent taxes to any county.

Prepared at Committee Request  
February 6, 2003  
ND Association of Counties

Testimony on HB1492  
Rep. David Monson

Good morning Mr. Chairman and members of the Senate Political Subs Committee. For the record, I am Rep. David Monson of Dist. 10.

This bill is the idea of my Cavalier County State's Attorney. He informed me of a situation in our county where a person from another state would bid on certain pieces of property that were up for sale due to delinquent taxes. In present law, he could be the highest bidder and purchase the property for a very small amount of money. Then he could go for a number of years without paying his taxes before the property would be up for sale for delinquent taxes again. This presented a problem for some of our towns and the county because the property was tied up for a number of years with any buildings usually just getting more and more run down. If a bona fide business wanted to come to the town or county and create a few jobs by putting a business on that property, or if the county wanted to do something with that property, it was effectively off limits until the back taxes built up to the point where it could be sold for back taxes again. That same person can presently go from town to town and county to county and keep buying such land without ever paying taxes, and there is no way to stop that person from doing this.

Our State's Attorney suggested that we change the definition of a qualified bidder to be someone who does not owe back taxes in the county. I talked to Secretary of State Jaeger and asked if we could expand this to someone who owed back taxes in any county of the state. I thought it would be a big job to check each county. Mr. Jaeger suggested it would not be a big problem since each county reports this information to the state already and that it could easily be accessed for the purpose in this bill. In other words, we already have the capability to do this but no one is using this information. This bill could be a way to use this information to keep deadbeat bidders from speculating on cheap run down property in a county and tying that property up from being used for a useful purpose by a town or county or other taxpaying citizen.

The new language in the last part of this bill disqualifies a bidder if he or she owes back taxes somewhere in the state already. In short this bill is simply a tool for a county to use if they are having a problem like my county has been having.