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DESCRIPTION

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10/22/03
Date

2003 SENATE NATURAL RESOURCES

SB 2353

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10/22/03

Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2353

Senate Natural Resources Committee

Conference Committee

Hearing Date 2-14-03

Tape Number	Side A	Side B	Meter #
1	X		0.4 - 21.7
1		X	38.7 - 41.8
Committee Clerk Signature <i>Jamit James</i>			

Minutes:

Senator Ben Tollefson, Vice Chairman of the Senate Natural Resources opened the hearing on SB 2353.

All members of the committee were present except Senator John Traynor.

Terry Weis an insurance salesman and estate planner requested SB 2353 and testified in support of the bill (See attached testimony).

Pat Hoffman, a North Dakota resident and landowner testified in support of SB 2353 (See attached testimony).

Mike Donahue representing the North Dakota Wildlife Federation and the United Sportsman of North Dakota testified in support of SB 2353. He submitted an amendment for tweaking the bill and then would suggest a Do Pass.

Harold Neamever (6.0) representing the Cass County Wildlife Club testified in opposition to SB 2353 (See attached testimony).

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Page 2
Senate Natural Resources Committee
Bill/Resolution Number SB 2353
Hearing Date 2-14-03

David Munsch testified in opposition to SB 2352 stating he has nothing against gratis licenses but things seem to be getting out of hand.

Dennis Daniel testified in opposition to SB 2353 stating things should go back to gratis as it was originally given, if you deeded the land you got a license.

Paul Schadewald, Chief of Administrative Services for the North Dakota Game & Fish Department presented the committee with an amendment for SB 2353. This amendment corrects an oversight of the limited family partnerships being included in the bill. He gave some history of the gratis licenses with about 11,000 license being issued each year. The Game & Fish needs direction from the legislature as to how this is handled.

Senator Joel Heitkamp stated that these people who no longer get the gratis license can still get the license through the lottery.

Senator Tollefson closed the hearing on SB 2353.

Tape 1, Side B, 38.7 - 41.8

Senator Thomas Fischer opened discussion on SB 2353.

The Senators discussed their thoughts on gratis licenses.

Senator Joel Heitkamp made a motion to accept amendment 30742.0101.

Senator Ben Tollefson second the motion.

Roll call vote #1 was taken indicating 6 YEAS, 0 NAYS 1 ABSENT OR NOT VOTING.

Senator Heitkamp made a motion for Do Not Pass as Amended of SB 2353.

Senator Every second the motion.

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Dennis Daniel
Operator's Signature

10/22/03
Date

Page 3
Senate Natural Resources Committee
Bill/Resolution Number SB 2353
Hearing Date 2-14-03

Roll call vote # 2 was taken indicating 6 YEAS, 0 NAYS AND 1 ABSENT OR NOT VOTING.

Senator Layton Freborg will carry SB 2353.

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10/22/03
Date

FISCAL NOTE
 Requested by Legislative Council
 01/28/2003

Bill/Resolution No.: SB 2353

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenue						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

There is no significant fiscal impact from this bill.

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:	Paul T. Schadewald	Agency:	ND Game and Fish Department
Phone Number:	328-6328	Date Prepared:	01/28/2003

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Paul T. Schadewald
 Operator's Signature

10/22/03
 Date

30742.0101
Title.

Adopted by the Natural Resources Committee
February 14, 2003

PROPOSED AMENDMENTS TO SENATE BILL NO. 2353

Page 1, line 8, remove the second "or"

Page 1, line 9, after "section 10-06.1-01" insert ". or a partnership, limited partnership, limited liability partnership or limited liability limited partnership whose partners are all related to each other within one of the degrees of kinship or affinity described in subsection 2 of section 10-06.1-12."

Page 2, line 4, after "A" insert "partnership, limited partnership, limited liability partnership, limited liability limited partnership."

Page 2, line 6, after the second "a" insert "partner."

Page 2, line 7, after "license." insert "The individual who is a partner, shareholder or member designated to receive the license, if a nonresident, must pay the fee required for a nonresident big game license."

Renumber accordingly

Date: 2-14
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2353

Senate Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken to 30740.0161

Motion Made By Huit Seconded By Toll

Senators	Yes	No	Senators	Yes	No
Senator Thomas Fischer	✓		Senator Michael A. Every	✓	
Senator Ben Tollefson	✓		Senator Joel C. Heitkamp	✓	
Senator Layton Freborg	✓				
Senator Stanley W. Lyson	✓				
Senator John T. Traynor					

Total (Yes) 6 No 0

Absent 1

Floor Assignment _____

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

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Deanna Hall 10/22/03
Operator's Signature Date

30742.0103
Title.0200

Adopted by the Natural Resources
Committee
February 14, 2003

JFB
2-14-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2353

Page 1, line 8, after the first underscored comma insert "a" and remove the second "or"

Page 1, line 9, after "10-06.1-01" insert "or a partnership, limited partnership, limited liability partnership, or limited liability limited partnership in which the partners are all related to each other within one of the degrees of kinship or affinity described in subsection 2 of section 10-06.1-12."

Page 2, line 4, after "A" insert "partnership, limited partnership, limited liability partnership, limited liability limited partnership."

Page 2, line 5, after "corporation" insert an underscored comma

Page 2, line 6, after the second "a" insert "partner." and after "shareholder" insert an underscored comma

Page 2 line 7, after the underscored period insert "If the individual who is a partner, shareholder, or member designated to receive the license is a nonresident, that individual shall pay the fee required for a nonresident big game license."

Renumber accordingly

Page No. 1

30742.0103

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Deanna Waller
Operator's Signature

10/22/03
Date

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

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2353

Senate Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass as Amend

Motion Made By Niit Seconded By Every

Senators	Yes	No	Senators	Yes	No
Senator Thomas Fischer	✓		Senator Michael A. Every	✓	
Senator Ben Tollefson	✓		Senator Joel C. Heitkamp	✓	
Senator Layton Freborg	✓				
Senator Stanley W. Lyson	✓				
Senator John T. Traynor					

Total (Yes) 6 No 0

Absent 1

Floor Assignment Fruborg

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

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Deanna Hall Date 10/22/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
February 17, 2003 3:49 p.m.

Module No: SR-30-2972
Carrier: Freborg
Insert LC: 30742.0103 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2353: Natural Resources Committee (Sen. Fischer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2353 was placed on the Sixth order on the calendar.

Page 1, line 8, after the first underscored comma insert "a" and remove the second "or"

Page 1, line 9, after "10-06.1-01" insert ", or a partnership, limited partnership, limited liability partnership, or limited liability limited partnership in which the partners are all related to each other within one of the degrees of kinship or affinity described in subsection 2 of section 10-06.1-12."

Page 2, line 4, after "A" insert "partnership, limited partnership, limited liability partnership, limited liability limited partnership."

Page 2, line 5, after "corporation" insert an underscored comma

Page 2, line 6, after the second "a" insert "partner." and after "shareholder" insert an underscored comma

Page 2 line 7, after the underscored period insert "If the individual who is a partner, shareholder, or member designated to receive the license is a nonresident, that individual shall pay the fee required for a nonresident big game license."

Renumber accordingly

2003 TESTIMONY

SB 2353

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10/22/03

Date

**TESTIMONY SUPPORTING SB 2353
BY
TERRY WEIS
February 14, 2003
8:30 AM
Senate Natural Resources Committee
Tom Fischer Chairman**

Good morning, Mr. Chairman and members of the Senate Natural Resources Committee.

For the record, my name is Terry Weis, and I have asked that this bill be drafted because of the unintended consequences of Estate Planning with Farmers and Ranchers.

Many times when planning to reduce the Estate Taxes the Estate Planning Attorney will suggest using a **FAMILY LIMITED PARTERSHIP** as a tool to freeze the value of the farm or ranch assets. This reduces the value of the land by 20 % to 25 % from Dad (the general partner), to Children, (the Limited partners).

The problem has come the following year when these individuals apply for a gratis deer permit on their land. Game and Fish has been unable to issue these farmers and ranchers a gratis permit because of the tile of the land.

All of a sudden those involved with the Estate Planning Process have caused an unintended consequence.

The way the bill reads now Family Limited Partnerships are not included and I believe that there are some amendments that would rectify the problem so SB 2353 would allow these farmers and ranchers to get a gratis license.

SB 2353 WOULD ALLOW PARTNERS IN A FAMILY LIMITED PARTNERSHIP THE ABILITY TO GET A GRATIS DEER LICENSE.

I ask for your support for a **DO PASS** from the committee.

I would be happy to answer any questions that you might have.

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Dennis Walcott
Operator's Signature

10/22/03
Date

TESTIMONY TO AMEND AND SUPPORT SENATE BILL NO. 2353

By: Patrick Hoffman

February 13, 2003

9:00 AM

NATURAL RESOURCES COMMITTEE

Tom Fischer, Chairman

Good morning Mr. Chairman and members of the committee.

For the record, my name is Patrick Hoffman. I am a North Dakota resident and landowner.

A Family Limited Partnership (F.L.P.) is an estate-planning tool, approved by the Internal Revenue Service. The single purpose of a Family Limited Partnership is for parents to reduce the estate tax burden by transferring ownership of their assets to their children or children's family. This will make it easier for the children to retain ownership of the family assets, and continue farming or ranching.

Under current interpretation, a family who takes advantage of a Family Limited Partnership may not be granted a ND gratis permits.

Example: A rancher owns several sections of land on which he has raised his family. He and his wife intend to leave their assets to their children. Their two children are now actively ranching with him. They are each eligible for a gratis permit, and can hunt together on the family ranch.

To lessen the estate tax burden, the parents create a Family Limited Partnership and begin transferring ownership of the ranch to the children. Under current law, no gratis permits can now be issued to the parents or the children. Nothing has changed except the family planning for the future.

A family who plans for the future and attempts to insure retained ownership of their assets should not be treated differently than any other landowner in ND.

I ask you to support SB 2353 with the amendment to allow gratis permits for members of a Family Limited Partnership ~~only~~.

Thank you for your consideration. I will be happy to address any questions.

**TESTIMONY REFERENCING SB 2353
By Mike Donahue, Lobbyist #215
February 13, 2003**

Senate Natural Resources Committee

The United Sportsmen of North Dakota and the N.D. Wildlife Federation support this bill.

The bill needs a little tweaking.

Page 1

Line 8 after "individual" insert "or a" before farming.

Line 8 after "farming or" insert "a" before ranching.

Line 9 after "farming or" insert "a".

Page 2

Line 7 after "license." insert "if the shareholder or member is a nonresident then the nonresident big game license fee must be paid to the department."

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Mike Donahue
Operator's Signature

10/22/03

Date



Cass County
WILDLIFE CLUB

Box 336
Casselton, ND 58012

TESTIMONY OF HAROLD NEAMEYER
CASS COUNTY WILDLIFE CLUB
PRESENTED TO THE SENATE NATURAL RESOURCE COMMITTEE
ON SB 2353, FEBRUARY 13, 2003

Mr. Chairman and Members of the Committee:

I am Harold Neameyer speaking on behalf of the Cass County Wildlife Club. The Cass County Wildlife Club is opposed to SB 2353 because the bill seems to be an effort to dilute the intent of the gratis license.

The gratis was originally put in place to provide a benefit to the individual farmers or rancher who support the wildlife. We fear that if this bill passes, next time there will be a request for more and more gratis licenses for the corporate members.

It may well be fear of the unknown that causes the club to oppose this bill.



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