

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1187

2005 HOUSE FINANCE AND TAXATION

HB 1187

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1187**

House Finance and Taxation Committee

Conference Committee

Hearing Date **January 18, 2005**

Tape Number	Side A	Side B	Meter #
1	X		0.4

Committee Clerk Signature



Minutes:

**REP. WES BELTER, CHAIRMAN** Called the committee hearing to order.

**REP. TODD PORTER, DIST. 34, MANDAN** Introduced the bill. This bill came about from a great deal of frustration. Gave a brief explanation where the bill came from. Explained how his family bought property along Lake Isabel. The cabin has had eighteen owners. The taxable values in the last three years have almost doubled every year. There are 1960 trailer houses valued at \$80,000. What has bothered me in this non recognized community of one hundred fifty cabins, are the services provided by the local government, which is nothing. A couple years ago, we needed 9 1 1 signs to hang up so the ambulances and fire departments could find the non recognized streets or roads around this lake, and the county commission and township said, go ahead and put them up. The roads on the lake, are right off of state highway #3, they are not a recognized road, so there are no services provided by the county, as far as snow removal or any other services that the residents of Steele or Dawson receive from the county.

From the lake's standpoint, we looked at a walking trail that is available to us through a grant from the Department of Transportation. The local cost share on that grant would be around \$30,000. That would be something that would go from the lake into the city of Dawson, which would keep people off the highway. This walking trail was not looked upon favorably by the local government entities. This year when I got my tax slips, for our family cabin and the township taxes were forty dollars for the year. You can argue about the school tax and the county tax, but the one that irritated me the most is the forty dollars, because we have received anything from this township since 1971. In 2003, this particular township had \$26,000 in the bank of my money. In 2004, they had \$30,000 in the bank, and still aren't providing services for these 150 people. I have the legislative council doing some checking, they haven't gotten back to me yet, on the number of electors in that township. I am guessing the number of electors in this township is somewhere around ten. This township is saving the money from the recreational residents for no obvious purpose. It really bothers me this amount of money being banked. Checking further, townships do fall under the same restrictions as a city or county government, where they can only hold over at the seventy five percentile level. They have to be justifying their holdover. The purpose of the bill, as it came in, we established a lake recreational district some time ago, to allow areas such as Lake Isabel, to come up with a way to tax and to use their own money in a way they see fit. The limit is one mill of taxable value. The way this bill works, is if a recreational district is formed, the townships, like a city, could not be taxed. As I put the bill in, the intent was to treat a recreational district more as a municipal form of government, because it has electors also. The method the bill has, would not work for the Lake Metigoshe area. I am envious of that situation, because it works up there, their township is very receptive,

they work hand in hand with the township, they have walking trails and other services provided by their township, and on top of it, they have a recreational district that takes care of their garbage and sewer and other concerns of the cabin owners.

He stated he was having some amendments drafted for the bill. He stated they are looking at changing the statute to allow one member of a lake or recreational district to be on the township board, so as they are setting their budget, there is input from the other taxable party. They are also looking at changing the definition of a elector when it comes to townships, to include any owners of property in the township, so that it takes away the taxation without representation problem.

**REP. DROVDAL** You mentioned you are paying forty dollars in township taxes, do you know the mill levy in the township and also the mill levy from the county?

**REP. PORTER** No I don't, legislative council is getting that to me.

**REP. CONRAD** Have you thought about a study resolution? In Ward County, we have Rice Lake, which does pretty well with the township and the people at the lake, but there are issues that could be addressed better. One of them is the quality of water, once you get into it, you might find a whole lot of issues.

**REP. PORTER** I really wasn't going to give them another two years to hold my money.

**REP. BELTER** What is the township board's reaction to any of your claims?

**REP. PORTER** They won't necessarily talk to an individual, they have not been very receptive. This last year, the association met with the county commission and it was the first time since 1971 that they actually came in with a grader to blade the road. I think they had enough pressure over the amount we are paying for Kidder County schools and the operation of

the Kidder County government. But, none of that money, as far as I know, came from this township.

**REP. WEILER** Even though over the last several years, there has been no money put back into it from the township, there are still nice things out there, and a nice place to buy a cabin.

**REP. PORTER** The locals around the lake, take very good care of their property. Some of this money could be used to go after some federal grants.

**REP. BRANDENBURG** There is a provision where you could protest.

**REP. GLEN FROSETH, DIST. 6** Testified in opposition of the bill. He stated as this bill is written, if you read lines 11 and 12, the new language there, notwithstanding any other provision of law, property taxes levied by a township do not apply to any property within a recreation service district that imposes a levy under this section. What that would do, a township would not be allowed to levy their property tax in that recreation service district and unknowing, would tax only one mill that a recreation service district is allowed to impose. There would be very little money in Lake Metigoshe, one mill brings in about thirty five hundred dollars. It would be quite limiting to the townships. I understand Rep. Porter's problems with that certain township, but if this bill passes, there would be more problems trying to get township support.

Rep. Froseth submitted testimony from Leonard Mcquire of Bottineau, who is the chairman of the Roland township board. See attached testimony.

**SEN. DAVE O'CONNELL, BOTTINEAU** , Testified in opposition of the bill. Rep. Froseth did an excellent job explaining why this bill would probably not work in our area.

**ALAN ERICKSON, NORTH DAKOTA TOWNSHIP OFFICER'S ASSOCIATION**

Testified in opposition of the bill. See written testimony.

**REP. WEILER** Being a township officer, could you explain why this part of this township has not received anything in the last several years, even though they continue to pay taxes.

**ALAN ERICKSON** I can't answer that.

**ROGER NELSON, LAKE METIGOSHE SERVICE DISTRICT** Testified in opposition of the bill. Stated he has serviced on the board for twenty plus years and has a good working understanding of what a recreation service district does, how it operates and where it goes. Our service district was established in 1978/79 for the purpose of collection of garbage and sewer operation. In 1982, we completed our sewer operation with an 82% federal grant and tax assessments to the people for about \$732, which was spread over about ten years. In the 90's, we did a project for the township, we had the ability to special assess, at that time, the townships didn't. We paved fifteen miles of road around the Lake Metigoshe and the recreation service district. That was put on a special assessment, and the assessment continues, based on property ties and that. Currently, we have a property assessment to the property owners there of about three hundred twenty dollars per year. Our recreation service district budget is about \$270,000. We have twenty seven miles of sewer line, three hundred eighty two pumps at a cost of about \$1,800 a pump, to maintain. We have an intensive budget. We have a board of nine, one of which is located within the service district, eight others are not. With this bill, we would have two options, #1, to get rid of our one mill, which is about \$3,000, which doesn't begin to cover our administrative costs. #2, take on the responsibilities of the township within the service district, which would be pretty much, an impossible task, with the present situation that we have with the board members. We can't plow the roads, trim the trees, and do what the township does. We have a great working relationship with the township, there are times the property

owners get frustrated with the township and the county, looking at the amount of money we pay.

Our service district has a taxable valuation greater than the city of Bottineau. We have six hundred to seven hundred million dollar cabins at the lake. We are responsible for providing some services, but we do not want to do all of the services. We do not want to become a city.

The county becomes our bill collector. This bill is not workable for us, and it is not workable for Roland Township.

**TERRY TRAYNOR, NORTH DAKOTA ASSOCIATION OF COUNTIES** Testified in a neutral position. He stated they were a little concerned the way the bill is now, there would be a difficult time administering how the taxes should be collected and distributed, and that is there job. We will wait to see how the amendments turn out.

With no further testimony, the hearing was closed.



2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1187**

House Finance and Taxation Committee

Conference Committee

Hearing Date **January 24, 2005**

Tape Number	Side A	Side B	Meter #
1		X	1.5

Committee Clerk Signature

Minutes:

**COMMITTEE ACTION**

Committee members reviewed the amendments, but no motion was made to adopt the amendments as presented.

**REP. BRANDENBURG** Made a motion for a **Do Not Pass**.

**REP. CONRAD** Second the motion **Motion Carried**.

9 Yes      1 No      4 Absent

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

Date: 1-24-05  
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1187

House FINANCE & TAXATION

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Not Pass

Motion Made By

Rep. Brandenburg

Seconded By

Rep. Conrad

Representatives	Yes	No	Representatives	Yes	No
BELTER, WES, CHAIRMAN	✓				
DROVDAL, DAVID, V-CHAIR	✓				
BRANDENBURG, MICHAEL	✓				
CONRAD, KARI	✓				
FROELICH, ROD	✓				
GRANDE, BETTE	✓				
HEADLAND, CRAIG	✓				
IVERSON, RONALD	✓				
KELSH, SCOT	✓				
NICHOLAS, EUGENE	✓				
OWENS, MARK	✓				
SCHMIDT, ARLO	✓				
WEILER, DAVE	✓				
WRANGHAM, DWIGHT	✓	✓			

Total (Yes) 9 No 1

Absent

Floor Assignment

4  
Rep. Brandenburg

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

**REPORT OF STANDING COMMITTEE (410)**  
January 24, 2005 3:52 p.m.


**Module No: HR-15-0958**  
**Carrier: Brandenburg**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1187: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO NOT PASS (9 YEAS, 1 NAY, 4 ABSENT AND NOT VOTING). HB 1187 was placed on the Eleventh order on the calendar.**

2005 TESTIMONY

HB 1187



**Froseth, Glen A.**



**From:** Lenny McGuire [mcguire@utma.com]

**Sent:** Monday, January 17, 2005 4:42 PM

**To:** Froseth, Glen A.

**Subject:** house bill 1187

Glen I forwarded my first message to you regarding this bill. My letter to the committee would be as follows. My name is Leonard McGuire. I am chairman of Roland Township board. We have the largest recreation service district in the state located within our township at Lake Metigoshe. We have a very good working relationship with the service district. They handle the sewer and garbage which effects only the district. The district did a paving project of the districts roads because they can create a special assessment district. They turned the roads over to the township and we maintain them with the rest of our roads, because everyone can use the roads. The township regulates the zoning and the policing because both of those effect the whole township. We also work with the property values which are at about 100M. Both of these groups have value to the people within the district and within the township. I'm opposed to this bill because it looks to me that it is a personal issue, either someone doesn't want to pay property taxes or someone wants control of a township and can't get elected to the township board. Either way a bill like this could adversely affect a district and a township that have it working very well. Please kill this bill in committee. Leonard McGuire



1/18/2005

ALAN ERICKSON ND TOWNSHIP OFFICERS ASSOCIATION  
HB1187 TOWNSHIP PROPERTY TAXES WOULD NOT APPLY  
IN RECREATION SERVICE DISTRICTS.THIS BILL WOULD  
TAKE MILL LEVIES AWAY FROM TOWNSHIPS AND COULD  
PUT IT INTO A RECREATION SERVICE DISTRICT.IN A  
RECREATION SERVICE DISTRICT THE BOARD MEMBERS  
PERMANENT ADDRESS OR VOTING PLACE DOES NOT  
HAVE TO BE IN THE RECREATION SERVICE DISTRICT FOR  
THEM TO SERVE ON THE BOARD.The PURPOSE OF THE  
RECREATION SERVICE DISTRICT IS TO HELP WITH  
IMPROVEMENTS AROUND A LAKE OR RECREATION  
AREA.THE LAKE METEGOSHE RECREATION SERVICE  
DISTRICT HAS USED THIS FOR PUTTING SPECIAL  
ASSESSMENTS ON FOR SEWER AND PAVING OF  
ROADS.SOME OF THE BOARD MEMBERS ON THE LAKE  
METEGOSHI SERVICE DISTRICT ARE CANADIAN.THE  
DISTRICT CAN ONLY LEVY ONE MILL WHICH IS TO BE  
USED FOR START UP AND OPERATING EXPENSES.I  
BELIEVE THIS BILL GOES TO FAR IN THAT IT TAKES  
MONEY AWAY FROM AN ELECTED TOWNSHIP BOARD  
AND GIVES IT A BOARD THAT IS NOT ELECTED BY THE  
VOTERS OF THE TOWNSHIP.  
I RECOMMEND A DO NOT PASS ON THIS BILL.