

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2103

2005 SENATE FINANCE AND TAXATION

SB 2103

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2103

Senate Finance and Taxation Committee

Conference Committee

Hearing Date January 11, 2005

Tape Number	Side A	Side B	Meter #
#1	X		0.2 - 4.9
Committee Clerk Signature <i>Sharon Longrow</i>			

Minutes: All committee members present.

**SEN. URLACHER:** Called the meeting to order and opened the hearing on SB 2103.

**SUSAN SISK,** Director of Finance for the Judiciary appeared in favor with written testimony stating this will allow the state courts, collectively through the State Court Administrator, to be considered a "claimant agency" and participate in offsetting income tax refunds to collect court-ordered fines, fees, or costs due the state.

**SEN. WARDNER:** So you feel the \$8,000 will be picked up by the Judiciary and really will not affect the general fund.

**SUSAN SISK:** With regard to the \$8000 expenses that we have to pay, we did not include that in our appropriation but we feel we can absorb that.

**WARDNER:** So up till now the courts have not been able to do this, is that correct?

**ANSWER:** Yes, this is just an authorization.

**NO OPPOSITION.**

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Senate Finance and Taxation Committee

Bill/Resolution Number SB 2103

Hearing Date January 11, 2005

**SEN. WARDNER:** noted that the request is well founded and made a motion for DO PASS, seconded by Sen. Cook.

**DISCUSSION:** noted that it needs to be rereferred to Appropriations, because supposedly there is an \$8,000 general fund and noted that Sen. Wardner and Sen. Cook's Motion and Second includes that. Solely Noted.

There being no further discussion the roll call vote was taken. 6-0-0, Sen. Every will carry the bill.

Hearing closed.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2103

Senate Finance and Taxation Committee

Conference Committee

Hearing Date January 17, 2005

Tape Number	Side A	Side B	Meter #
#1	X		23.6 - 25.8
Committee Clerk Signature <i>Sharon Kenyon</i>			

Minutes: All committee members present.

**SEN. URLACHER:** called the committee back to order for the purpose of reconsidering our actions which we previously made on SB 2103.

**SEN. WARDNER:** made a motion to RECONSIDER OUR ACTIONS on SB 2103, seconded by Sen. Every. Voice vote: 6-0-0.

**SEN. WARDNER:** stated the reason we have to reconsider our actions is because it does not have to go to appropriations.

**SEN. WARDNER:** made a motion for DO PASS, seconded by Sen. Cook..

Roll call vote: 6-0-0, Sen. Every will carry the bill.

**FISCAL NOTE**  
**Requested by Legislative Council**  
 12/20/2004

Bill/Resolution No.: SB 2103

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$8,000			
<b>Appropriations</b>						

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

SB 2103 allows the supreme court to participate in the income tax refund debt setoff for purposes of court-ordered fines, fees, or costs due the state.

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.*

After visiting with the Tax Department, it was determined that it was not possible to estimate the anticipated revenues.

Revenues collected will be deposited to the State Tuition Fund, the General fund or the Indigent Defense Administration Fund.

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.*

An estimate of \$8,000 is anticipated for the Tax Department to modify their system to allow participation by the Supreme Court. This amount will be absorbed by the Supreme Court budget and is not being requested as an increase in the appropriation.

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.*

<b>Name:</b>	Ted Gladden	<b>Agency:</b>	Supreme Court
<b>Phone Number:</b>	328-4216	<b>Date</b>	12/22/2004
		<b>Prepared:</b>	



**REPORT OF STANDING COMMITTEE (410)**  
January 11, 2005 11:36 a.m.

**Module No: SR-06-0262**  
**Carrier: Every**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2103: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2103 was rereferred to the Appropriations Committee.**





**REPORT OF STANDING COMMITTEE (410)**  
January 17, 2005 10:32 a.m.

**Module No: SR-10-0522**  
**Carrier: Every**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2103: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2103 was placed on the Eleventh order on the calendar.**

2005 HOUSE FINANCE AND TAXATION

SB 2103

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2103

House Finance and Taxation Committee

Conference Committee

Hearing Date February 15, 2005

Tape Number	Side A	Side B	Meter #
1	X		11.7
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

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

**SUSAN SISK, DIRECTOR OF FINANCE FOR THE JUDICIARY** Testified in support of the bill. See attached written testimony.

**REP. BELTER** You will absorb this \$8,000 cost within?

**SUSAN SISK** That is correct.

With no further testimony, the committee hearing was closed.

**COMMITTEE ACTION**

**REP. GRANDE** Made a motion for a **do pass**.

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

**REP. WRANGHAM** Asked a question of Jill Weigel, State Tax Department, he wanted to know how much money they are talking about here.

**JILL WEIGEL** She explained how the collections were done. In 2004, between the various agencies, they had 4,872 taxpayers with refunds of over a half million dollars. The agencies involved in those collection processes, are the state tax department accounts receivable, child support, is primary, and after that offsets to the Bank of North Dakota, Job Service, Worker's Comp, housing authority, and this will now add the Supreme Court.

**REP. WRANGHAM** Asked what the Supreme Court had outstanding.

**SUSAN SISK** Answered, stating they had approximately four million dollars in outstanding debts.

**REP. WRANGHAM** Asked if she had an idea of what goes uncollected.

**SUSAN SISK** Stated they are taking a look at that right now, there are some people you never collect from.

The motion for a **do pass** carried with **10 yes 1 no 3 absent**

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

Date: 2-15-05  
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2103

House FINANCE & TAXATION Committee

Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Rep. Grande Seconded By Rep. Iverson

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

Total (Yes) 10 No 1

Absent 3

Floor Assignment Rep. Iverson

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

**REPORT OF STANDING COMMITTEE (410)**  
February 15, 2005 11:22 a.m.

**Module No: HR-30-2929**  
**Carrier: Iverson**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2103: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (10 YEAS, 1 NAY, 3 ABSENT AND NOT VOTING). SB 2103 was placed on the Fourteenth order on the calendar.**

2005 TESTIMONY

SB 2103

*Same given to the House*

**Senate Finance and Taxation Committee  
SB 2103**

Mr. Chairman, members of the Committee, my name is Susan Sisk. I am the Director of Finance for the judiciary and am testifying in support of SB 2103.

SB 2103 will allow the state courts, collectively through the State Court Administrator, to be considered a "claimant agency" and participate in offsetting income tax refunds to collect court-ordered fines, fees, or costs due the state.

The amendment in Section 2 (page 3, lines 11 and 12) would exclude subdivisions f, g, and h of subsection 4 from applying to setoffs requested by the courts. These provisions allow a taxpayer an opportunity to contest the setoff and request a hearing. Since these fines, fees, or costs are court-ordered and have already gone through a hearing process, these subdivisions should not be applicable to the court. However, the exception to this is in the case of a joint return (subsection 5, pages 2 and 3), in order to protect an innocent spouse for whom a hearing process would be available.

If a hearing or an appeal from a hearing is requested in the case of a joint return, the process would be governed by supreme court rule. The rule would be developed if the legislation is enacted.

A cost of \$8,000 is estimated for the Tax Department to modify their system to allow participation by the state courts. This amount will be absorbed by the Supreme Court budget and is not being requested as an increase to the appropriation.

It is not possible to estimate the revenues that will be generated through this process. Any revenues collected will be deposited to the State Common Schools Trust Fund, the General Fund or the Indigent Defense Administration Fund, depending on the type of revenue collected.

Thank you.