

2009 HOUSE FINANCE AND TAXATION

HB 1234

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1234

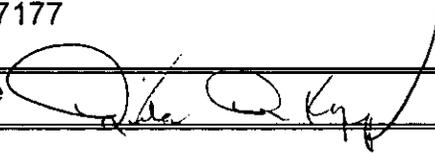
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 19, 2009

Recorder Job Number: 7177

Committee Clerk Signature



Minutes:

Chairman Belter: I call the hearing to order on HB1234.

Representative Dosch: I am here today because I was asked by a citizen of Bismarck, Jeremy Schmidt, to present the bill on his behalf. What the bill does is basically increase the exemption for a home owned or occupied by a blind person. Jeremy, like many of us this last December, found he lived in a more expensive home than we had the day before when he got his tax statement courtesy of the city. Therefore, he asked if I would introduce this legislation which raises the exemption from \$111,000 up to \$160,000 on a home. If you look at the bill, because of the way our tax code is written, this exemption deals with the taxable valuation of property. That is why you see the amount changing from \$5,000 to \$7,200. You in Finance and Tax probably understand that a lot better than I do; but basically when you base it off the taxable valuation, it equates to about 4½% of the true and full value. When you take a \$160,000 home times 4½% to get the true and full value, you come up with that \$7,200 figure. That is the reasoning for \$7,200. I would like to introduce Jeremy Schmidt who would like to say a few words in regards to the bill.

Jeremy Schmidt: Thanks for having me. I appreciate having the time to speak. I spoke with Representative Dosch because the exemption in the bill that is in effect is for \$111,100. The

first condo I had was under that amount; but in Bismarck, it is very difficult to find a house you can live in for under that amount. I think it was in 2006 I heard that the value of houses went up 14%. When I bought this house, it was just barely under this bill. The house was appraised at \$115,800 so the value of property was \$99,000 so the land was about \$15-16,000. My house now went to \$133,000 at one shot, so that is quite a jump in value which means quite a jump in taxable value also. I would just ask that this bill would be voted on favorably. It would make life a lot easier for myself and others who take advantage of this exemption. Does anyone have any questions?

Vice Chairman Drovdal: Any questions for Mr. Schmidt? Seeing none, we thank you for your testimony. Any other testimony in favor of HB1234? Any opposition?

Representative Froseth: This will solve the problem in valuation in this particular situation, but it does not address increases in valuation across the state. A lot of homes have gone up in valuation a lot more than that. Could the Tax Department give us an average valuation of homes taking advantage of this tax incentive? Do we have an average valuation of the people taking advantage of this tax exemption? Is \$160,000 the right value? Should it be higher? Lower?

Marcy Dickerson, State Supervisor of Assessments: We do not have that information, Mr. Chairman. Actually we have never had any discussion or conversation with any taxing authorities about the blind exemption. I don't think there has been much going on with it. The individuals who have it have not been vocal and the assessment authorities haven't said anything. I certainly agree that you can't buy much of a house for \$160,000 in Bismarck any more. I think the average house, not just those owned by blind persons, but the average house in Fargo is about \$150,000+. Some of our other exemptions might need some tweaking also if you see fit to increase the blind exemption. Just for informational purposes, the

paraplegic and disabled vet is \$120,000 true and full value, the person confined to a wheelchair is \$80,000 true and full value, the Homestead credit is currently \$75,000 true and full value. That is not any recommendation. It's just for informational purposes.

Representative Weiler: Maybe we should take a look at some of these situations and try to come up with some ways to change some of these situations.

Vice Chairman Drovdal: Are you volunteering to take a look at some of these valuations?

Representative Weiler: Yes, I would be happy to.

Vice Chairman Drovdal: Is there any other testimony on HB1234? If, not I **appoint**

Representative Weiler and Representative Froseth to look at all these exemptions at one time, as well as Representative Schmidt. I will close the hearing on HB1234.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1234**

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 21, 2009

Recorder Job Number: 7491

Committee Clerk Signature

Minutes:

(General discussion on true and full value computation)

Representative Grande: For some reason, I have a \$150,000 house in my notes, but I don't really have an explanation next to it.

Chairman Belter: Is there a fiscal note on this? I have in my notes here that Weiler, Froseth and Schmidt were going to amend this, but that is not happening? I guess I am open to a motion on 1234.

Representative Weiler: I move a "do pass".

Representative Grande: Second.

Chairman Belter: We have a motion for a "**do pass**" on **HB 1234** from Representative Weiler and a second from Representative Grande. Is there any discussion? If not, will the clerk read the roll for a "do pass" on HB 1234. **(A roll call vote resulted in 11 ayes, 0 naves, 2 absent/not voting /Schmidt and Winrich.) Representative Grande will carry the bill.**

Date: January 21, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1234

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Weiler Seconded By Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich	/	
Vice Chairman David Drovdal	/		Representative Kelsh	/	
Representative Brandenburg	/		Representative Pinkerton	/	
Representative Froseth	/		Representative Schmidt		
Representative Grande	/		Representative Winrich		
Representative Headland	/				
Representative Weiler	/				
Representative Wrangham	/				

Total (Yes) 11 No 0

Absent 2 (Schmidt + Winrich)

Floor Assignment Grande

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

REPORT OF STANDING COMMITTEE (410)
January 21, 2009 8:24 p.m.

Module No: HR-12-0690
Carrier: Grande
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1234: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1234 was placed on the Eleventh order on the calendar.

2009 SENATE FINANCE AND TAXATION

HB 1234

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1234

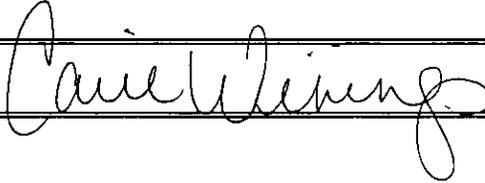
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 03/18/2009

Recorder Job Number: 11163

Committee Clerk Signature



Minutes:

Chairman Cook: Opened the hearing on HB 1234.

Representative Mark Dosch, District 32: Testified as sponsor and in support of the bill.

(Explained the bill)

2.40 Chairman Cook: Any questions? (no) Further testimony? (no)

Senator Dotzenrod: Is there a fiscal note?

Chairman Cook: There will not be. Closed the hearing.

Chairman Cook: Your wishes?

Senator Anderson: Moved a Do Pass.

Senator Oehlke: Seconded.

Chairman Cook: Any discussion?

A Roll Call Vote was taken: Yea 7, Nay 0, Absent 0.

Senator Anderson will carry the bill.

REPORT OF STANDING COMMITTEE (410)
March 18, 2009 9:55 a.m.

Module No: SR-49-5190
Carrier: Anderson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1234: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1234 was placed on the Fourteenth order on the calendar.