

2013 HOUSE JUDICIARY

HCR 3006

2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HCR 3006
Job 18298
DATE February 5, 2013

Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to prohibition of the imposition of sales or transfer taxes on the transfer of real property

Minutes:

Testimony 1,2,3

Chairman Kim Koppelman: Opened HCR 3006.

Rep. Louser: Time on tape .40 to 8:45. Introduced the HCR 3006. Handout #1. The wording adds is a referred measure to the people of North Dakota to vote on the following language - the state and any county township, city or any other political subdivision of the state may not impose any sales or transfer tax on the transfer of real property. A tax is punitive and/or opportunity for a political subdivision or a state to raise money. Property owners are already paying a tax monthly or yearly in property taxes. In all cases they pay currently on a value yet to be realized. Property tax reform is due although it is not a part of this bill. We asked people what mattered to them most and lower taxes were the number one response. Infrastructure, roads and bridges, gas and oil revenues, education and schools, the number five was the cost of housing. Most people say our property taxes are too high, 57% surveyed said this, 38% said about right. Perhaps some of those people were renters. This proposition was put forth in five states; there are 37 states plus the District of Columbia that currently allow for a transfer tax on the sale of real estate. Leaving thirteen that do not have a transfer tax in their state, five of those thirteen have already done a Constitutional Amendment to ban transfer taxes when it comes to real estate.

Rep. Lois Delmore: There will be a significant loss in revenue? Would we take that out of general funds, what would we do to replace the funds to the School of Medicine, which is also important to the state?

Rep. Louser: There is no transfer tax in ND right now so we wouldn't be taking anything away. There is a one mil property tax that we are not proposing to reform property tax here we are talking about a deed stamp or transfer tax, a sales tax.

Rep. Ben Hanson: I didn't know this actually banned sales tax on transfer of real property which is a good idea. Could you speak to examples of sales taxes being imposed by either counties or states that would like to put a ban on those as well.

Rep. Louser: In some states it's called a transfer tax, in some it's a deed stamp, in some it's a mortgage stamp, in some they call it a fee and in some states it's a flat fee and in some it's percentage and in some a stamp on the document that gets recorded. This would ban any type of additional new tax coming on the sale of property.

Vice Chairman Larry Klemin: I can remember seeing stamps in old abstracts, do you know anything about the history of this in ND?

Rep. Louser: In my 15 year career we have not had this as part of transactions.

Claus Lembke, North Dakota Association of Realtors: He introduced Nick Hacker, former state Senator.

Nick Hacker from North Dakota Land Title Association: Time on tape 12:40 to 15:38. There were some questions about transfer stamps, taxes, sales taxes. Depending on the state the taxes are different in could be on a conveyance which doesn't mean there was a physical sale that occurred. Sometime you convey exchange property instead of selling the property. This would ban any sort of tax that would occur on the conveyance of real estate. This is an unforeseen tax to the seller.

Rep. Lois Delmore: Do you think we will see a time that we say we should have left this open as a possibility for the state?

Nick Hacker: Generally speaking if you go into a downward trend you are going to start see real estate prices slide. What you would be doing is compounding the problem because you are going to alienate the value of that home so if your market price is going down and you start to layer on additional taxes that is what I mean about the alienation.

Rep. Bill Kretschmar: Have you heard anything around ND anyone is proposing these types of taxes at this point and time?

Nick Hacker: No we haven't; heard anything new. There used to be transfer taxes in ND in the 1920's and we see them in the old abstracts but they went away at some point and time. But this is a measure to ensure that they are not put against real estate in the future.

Rep. Bill Kretschmar: I believe those were federal taxes, those stamps that were put on deeds.

Scott Breidenbach, ND Association of Realtors: Handout #2, time on tape 18:18 to 21:17.

Greg Larson, ND Association of Realtors: Handout #3, time on tape 21:34 to 23:55.

Rep. Diane Larson: Do you see that this would create a further hardship for people wanting to have the American dream of owning a home?

Greg Larson: We do see that as a hindrance, it's another expense tacked on home ownership.

Vice Chairman Larry Klemin: You referred to the mortgage tax in MN this resolution doesn't talk about that type of thing in the language of the Constitutional Amendment, do you think that would be covered but this prohibition?

Greg Larson: Yes, we do because this is all taxes on the transfer of the deed and title and mortgage.

Vice Chairman Larry Klemin: You also mentioned sales tax on realtor commissions, is that intended to be covered by this?

Greg Larson: We do include sales taxes in Constitutional measure so we think it will.

Vice Chairman Larry Klemin: There are a lot of sales taxes that are charged during the construction of a house for materials and things that goes into the house, if they are paid they would be included in

the price of the house that was sold, does it go to that extent to cover sales taxes on materials that go into the construction of a home?

Greg Larson: No, this is a transfer tax, those are retail sales taxes. Up to 35% of your cost of your home is taxes and fees.

Chairman Kim Koppelman: With the transfer you talked about MN is that accessed by local political subdivisions or is it a state tax?

Greg Larson: It's all state.

Tim Pearson, President of ND Guaranty and Title: I agree with what has been said today also if you look historically in the US the foundation has been the housing market and that is in the sale of real property, being able to borrow against real property, and do things in an equitable easy manner. Transfer tax can hamper an individual's abilities to not only buy real property and transfer it but adds a lot to the closing cost when you have different counties assessing different amounts on it. My company is in support of this.


Chairman Kim Koppelman: No other testimony. Closes the hearing.

2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HCR 3006
Job 19800 30:56
DATE March 12, 2013

Conference Committee



Explanation or reason for introduction of bill/resolution:

Minutes:



Rep. Koppleman: We will open HCR 3006.

Rep. Maragos: I move a do pass on HCR 3006

Rep. Koppleman: We have a motion for a do pass and a second from Rep. Delmore on HCR3006. This would prohibit a sales tax on real estate transactions.

Rep. Delmore: I think Rep. Louser gave and the real estate people gave a good presentation.

Rep. Koppleman: We will vote on the HCR 3006 for a do pass. One of the things we should be doing on these resolutions that we pass is what ballot they are on. Most of them are to be on the general election ballot and that ballot is going as my arm. I am wondering if this could go on the primary ballot.

Rep. Delmore: I don't think it is up to us to decide which ones are more popular than others and should go on a primary.

Rep. Koppleman: I agree with that but we have always looked in the constitutional committee to have a balance.

Rep. Delmore: We may pass some of these out that we think are great ideas there is another house that may not agree.

Rep. Koppleman: The vote carried Yes 13 NO 0 Absent 1 Carrier Rep. Koppleman

Rep. Maragos: If we pass it in the house does it goes on the ballot or does the senate have to act on it?

Rep. Koppleman: The senate has to act on it.

2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HCR 3006
DATE March 13, 2013
JOB 19838

Conference Committee

Carmen Hickle

Explanation or reason for introduction of bill/resolution:

Relating to prohibition of the imposition of sales or transfer taxes on the transfer of real property

Minutes:

Chairman Kim Koppelman: Opens committee work on HCR 3006.

Rep. Randy Boehning: Stated he had talked to Rep. Louser and Claus Lembke and they have requested to have this resolution to be on the primary ballot of June 2014.

Chairman Kim Koppelman: You can make a motion to reconsider the action from yesterday.

Rep. Andy Maragos: Moved to reconsider action on HCR 3006.

Rep. Randy Boehning: Second the motion to reconsider action.

Voice vote carried.

Vice Chairman Larry Klemin: Thirty-seven states have transfer taxes and 13 states don't including North Dakota. I know there are some states that have a tax on mortgages and I asked during the hearing whether this would cover a tax on mortgages. The answer I got was yes but that is not what is says in here. It says on the transfer of real property, if the intention is we are not going to allow taxes on mortgaged real property then it should say that in here. That would be consistent with the people testifying but the transfer does not include mortgages.

There was discussion among committee members.

Rep. Andy Maragos: Made a motion to amend line 10 and 11 removing the word general and replace it with primary.

Rep. Gary Paur: Second the motion.

Voice vote carried.

Rep. Kathy Hogan: In the original testimony it did reference both the transfer tax and mortgage tax from Mr. Larson. They may be assuming they are both transfer taxes.

Vice Chairman Larry Klemin: When you say sales or transfer taxes on the transfer of property to me that does not include a mortgage registration tax.

More discussion held.

Vice Chairman Larry Klemin: Made a motion to further amend, line 16 may not impose any mortgage registration taxes or any sales or transfer taxes on the transfer or mortgage of real property.

Rep. Andy Maragos: Second the motion.

Voice vote

Rep. Lois Delmore: Made a motion for do pass as amended.

Rep. Andy Maragos: Second the motion.

14-0-0

Chairman Kim Koppelman: Will carry the bill.

March 14, 2013

VK
3/14/13

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3006

Page 1, line 2, after the second "of" insert "mortgage taxes or any"

Page 1, line 2, after the second "the" insert "mortgage or"

Page 1, line 6, after "imposing" insert "mortgage taxes or"

Page 1, line 6, after the second "the" insert "mortgage or"

Page 1, line 10, replace "general" with "primary"

Page 1, line 16, after "any" insert "mortgage taxes or any"

Page 1, line 16, after "the" insert "mortgage or"

Renumber accordingly

Date: 3-12-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3006

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Maragos Seconded By Rep. Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman	/		Rep. Lois Delmore	/	
Vice Chairman Lawrence Klemin	/		Rep. Ben Hanson		
Rep. Randy Boehning	/		Rep. Kathy Hogan	/	
Rep. Roger Brabandt	/				
Rep. Karen Karls	/				
Rep. William Kretschmar	/				
Rep. Diane Larson	/				
Rep. Andrew Maragos	/				
Rep. Gary Paur	/				
Rep. Vicky Steiner	/				
Rep. Nathan Toman	/				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Koppelman

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

Date: 3-13-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3006

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Maragos Seconded By Rep. Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman			Rep. Lois Delmore		
Vice Chairman Lawrence Klemin			Rep. Ben Hanson		
Rep. Randy Boehning			Rep. Kathy Hogan		
Rep. Roger Brabandt					
Rep. Karen Karls					
Rep. William Kretschmar					
Rep. Diane Larson					
Rep. Andrew Maragos					
Rep. Gary Paur					
Rep. Vicky Steiner					
Rep. Nathan Toman					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carried

Date: 3-13-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3006

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Maragos Seconded By Rep. Paur

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman			Rep. Lois Delmore		
Vice Chairman Lawrence Klemin			Rep. Ben Hanson		
Rep. Randy Boehning			Rep. Kathy Hogan		
Rep. Roger Brabandt					
Rep. Karen Karls					
Rep. William Kretschmar					
Rep. Diane Larson					
Rep. Andrew Maragos					
Rep. Gary Paur					
Rep. Vicky Steiner					
Rep. Nathan Toman					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Unice vote - carried
line 10 replace general with primary

Date: 3-13-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3006

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Klemin Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman			Rep. Lois Delmore		
Vice Chairman Lawrence Klemin			Rep. Ben Hanson		
Rep. Randy Boehning			Rep. Kathy Hogan		
Rep. Roger Brabandt					
Rep. Karen Karls					
Rep. William Kretschmar					
Rep. Diane Larson					
Rep. Andrew Maragos					
Rep. Gary Paur					
Rep. Vicky Steiner					
Rep. Nathan Toman					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote Carried

*Line 16 after "any" insert "mortgage taxes
any" - after "the" insert "mortgage"*

Date: 3-13-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3006

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Delmore Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman	/		Rep. Lois Delmore	/	
Vice Chairman Lawrence Klemin	/		Rep. Ben Hanson	/	
Rep. Randy Boehning	/		Rep. Kathy Hogan	/	
Rep. Roger Brabandt	/				
Rep. Karen Karls	/				
Rep. William Kretschmar	/				
Rep. Diane Larson	/				
Rep. Andrew Maragos	/				
Rep. Gary Paur	/				
Rep. Vicky Steiner	/				
Rep. Nathan Toman	/				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Koppelman

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

REPORT OF STANDING COMMITTEE

HCR 3006: Judiciary Committee (Rep. K. Koppelman, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3006 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second "of" insert "mortgage taxes or any"

Page 1, line 2, after the second "the" insert "mortgage or"

Page 1, line 6, after "imposing" insert "mortgage taxes or"

Page 1, line 6, after the second "the" insert "mortgage or"

Page 1, line 10, replace "general" with "primary"

Page 1, line 16, after "any" insert "mortgage taxes or any"

Page 1, line 16, after "the" insert "mortgage or"

Renumber accordingly

2013 SENATE JUDICIARY

HCR 3006

2013 SENATE STANDING COMMITTEE MINUTES

Senate Judiciary Committee
Fort Lincoln Room, State Capitol

HCR3006
3/26/2013
Job #20487

Conference Committee

Committee Clerk Signature	
---------------------------	---

Minutes:

Attached testimony

Relating to prohibition of the imposition of mortgage taxes or any sales or transfer taxes on the mortgage or transfer of real property

Senator David Hogue - Chairman

Representative Scott Louser - District 5 - Introduces the bill and explains its intent. He speaks of engaged members of the Real Estate community. He gives a presentation on questions asked of North Dakotans on property taxes. He gives out a map of the States that color codes those States that have a real estate transfer tax and their rates. **(1)** The committee asks him about different taxes on real estate. Senator Hogue asks if the tax would increase the price of real estate.

Clause Lembke - North Dakota Association of Realtors - See written testimony **(2)**.

Greg Larson - Realtor, Bismarck - See written testimony **(3)**.

Opposition - none

Neutral - none

Marci Dickerson - State Supervisor of Assessments - She feels there are too many things brought forward this session as constitutional amendments. She said this doesn't measure up to the level of importance that should be put in a constitution. She has no problem with it as legislation. She discusses revenue stamps.


Close the hearing

2013 SENATE STANDING COMMITTEE MINUTES

Senate Judiciary Committee
Fort Lincoln Room, State Capitol

HCR3006
4/3/2013
Job #20835

Conference Committee

Committee Clerk Signature 

Minutes:

Vote

Senator David Hogue - Chairman

Committee work

Senator Hogue explains the intent of this resolution and says there are many States with this tax and although it is not needed now he would hate to see this happen in revenue lean years. He believes this should go on the general ballot because people will support this.

Senator Armstrong moves the amendment 13.3046.002001
Senator Lyson seconded

Discussion

Senator Grabinger believes we are putting too much on the ballot and this isn't necessary. Senator Hogue disagrees and thinks this would be a good one for the general. Senator Armstrong relates the State has been broke before and probably will be again some day and this would put real estate completely off limits.

Verbal vote - 6 yes, 1 no

Senator Armstrong moves a do pass as amended
Senator Sitte seconded

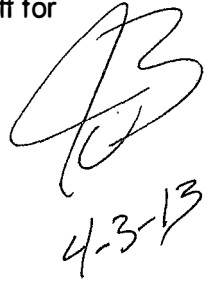
Vote - 5 yes, 2 no
Motion passes

Senator Armstrong will carry

13.3046.02001
Title.03000

Prepared by the Legislative Council staff for
Senator Hogue

April 2, 2013

A handwritten signature in black ink, appearing to be 'B' with a flourish, and the date '4-3-13' written below it.

PROPOSED AMENDMENTS TO ENGROSSED
HOUSE CONCURRENT RESOLUTION NO. 3006

Page 1, line 11, replace "primary" with "general"

Re-number accordingly

Date: 4-3-13
 Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 3006**

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number 13. 3046.02001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By S. Armstrong Seconded By S. Lyson

Senators	Yes	No	Senator	Yes	No
Chairman David Hogue			Senator Carolyn Nelson		
Vice Chairman Margaret Sitte		Senator John Grabinger			
Senator Stanley Lyson					
Senator Spencer Berry					
Senator Kelly Armstrong					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Verbal yes - motion passes

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

Date: 4-3-13
 Roll Call Vote #: 2

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 3606**

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By S. Armstrong Seconded By S. Sitte

Senators	Yes	No	Senator	Yes	No
Chairman David Hogue	X		Senator Carolyn Nelson		X
Vice Chairman Margaret Sitte	X		Senator John Grabinger		X
Senator Stanley Lyson	X				
Senator Spencer Berry	X				
Senator Kelly Armstrong	X				

Total (Yes) 5 No 2

Absent _____

Floor Assignment S. Armstrong

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

REPORT OF STANDING COMMITTEE

HCR 3006, as engrossed: Judiciary Committee (Sen. Hogue, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HCR 3006 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "primary" with "general"

Renumber accordingly

2013 CONFERENCE COMMITTEE

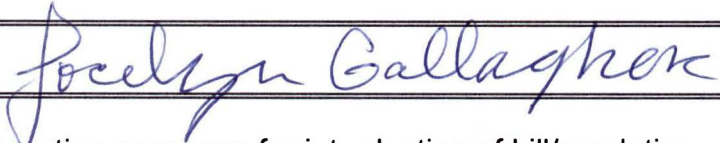
HCR 3006

2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HCR 3006
JOB 21239
Date April 18, 2013

Conference Committee



Explanation or reason for introduction of bill/resolution:

A concurrent resolution to create and enact a new section to article X of the Constitution of North Dakota, relating to prohibition of the imposition of mortgage taxes or any sales or transfer taxes on the mortgage or transfer of real property.

Minutes:

Rep. Andy Maragos: Opened Conference Committee HCR 3006. The Senate decided to put the ballot question on the general election ballot rather than the primary election ballot. Could we have the rationale once again?

Sen. Armstrong: (0:57) Provided the rationale.

Rep. Ben Hanson: How many ballot initiatives are on the general versus the primary?

Sen. Nelson: We killed another one this morning.

Rep. Karen Karls: I have a request into Legislative Council to see who to talk to find out how many there are.

Rep. Andy Maragos: It appears we need a motion since we have the explanation of why the Senate felt they needed to move it from the primary to the general election. A motion is in order to see where we are at.

Sen. Berry: I would move that the House accede to the Senate amendments.

Sen. Armstrong: second the motion.

Rep. Andy Maragos: There has been a motion for the house to accede to the senate amendments, it has been seconded. Any discussion?

Rep. Ben Hanson: So I'm clear the only point of contention on this bill between the house and senate is primary versus general?

Rep. Andy Maragos: I believe that is correct.

Rep. Andy Maragos: If there is no further discussion, clerk will take roll on the house to accede to the senate amendment.

Roll vote, the motion has failed. We need to have further discussions.

Rep. Andy Maragos: We will recess the hearing.

2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee
Prairie Room, State Capitol

HCR 3006
JOB # 21295
Date April 19, 2013

Conference Committee



Minutes:

Rep. Andy Maragos: Reopened Conference Committee on HCR 3006. I will entertain a motion.

Rep. Karen Karls Made a Motion the House accede to Senate Amendments; Seconded by Senator Armstrong

Discussion: None

Roll call Vote: 5 Yes 0 No 1 Absent

Dissolved

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Judiciary

Bill/Resolution No. HCR 3006 as (re) engrossed

Date: April 18, 2013

Roll Call Vote #: 1

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) --

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) _____ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Berry Seconded by: Sen. Armstrong

Representatives	Y	N	A	P	O	S	Senators	Y	N	A	P	O
Rep. Maragos	/						Sen. Berry	/				
Rep. Karls	/						Sen. Armstrong	/				
Rep. Hanson	/						Sen. Nelson	/				

Vote Count Yes: 3 No: 3 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Judiciary

Bill/Resolution No. HCR 3006 as (re) engrossed

Date: April 19, 2013

Roll Call Vote #: 1

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1340 -

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HCR 3006 was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Karls Seconded by: Senator Armstrong

Representatives				Yes	No		Senators			Yes	No
Rep. Maragos	/			/			Sen. Berry	/		/	
Rep. Karls	/			/			Sen. Armstrong	/		/	
Rep. Hanson	/			/			Sen. Nelson				

Vote Count Yes: 5 No: 0 Absent: 1

House Carrier Rep. Maragos Senate Carrier Sen. Berry

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

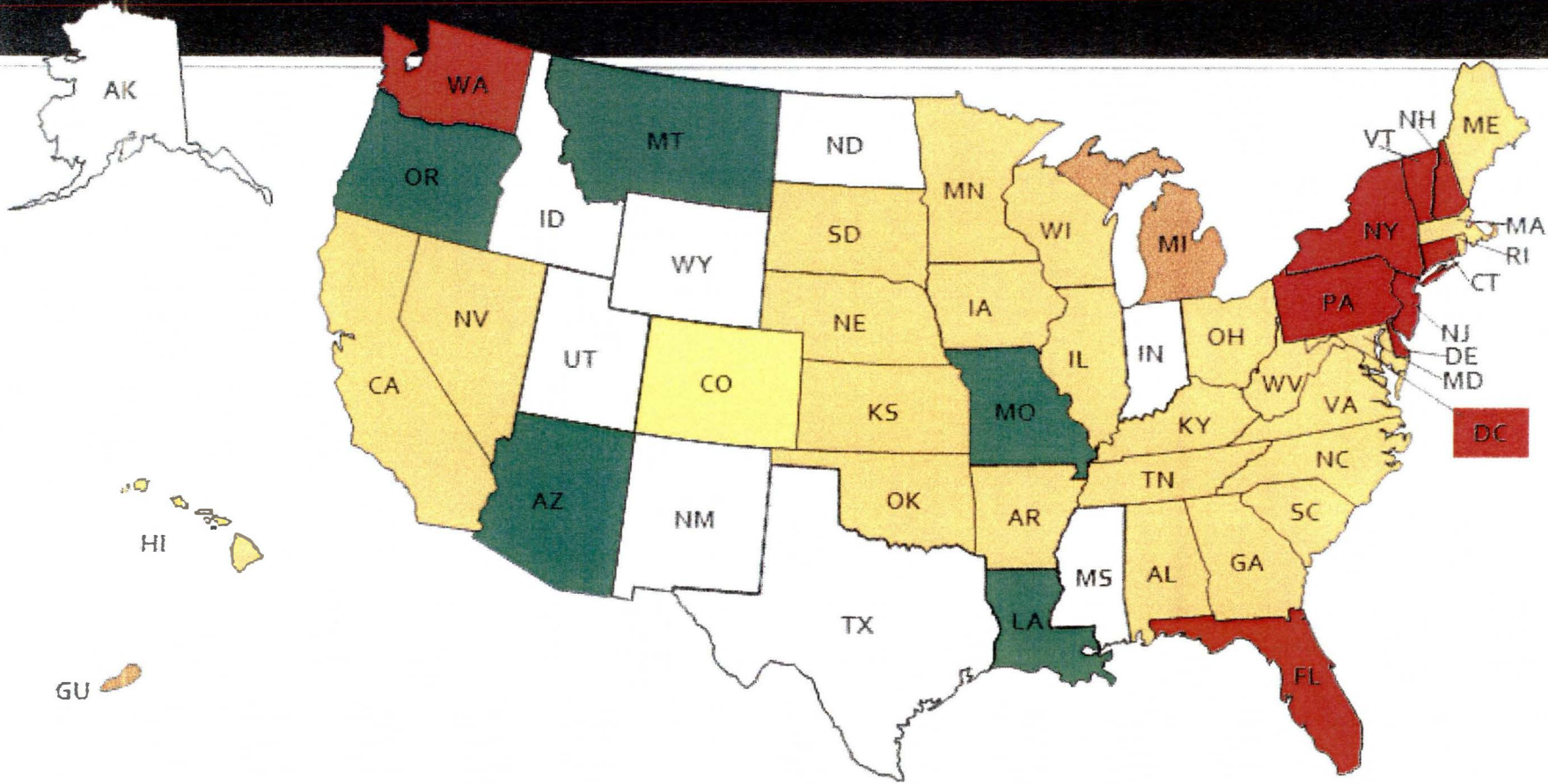
HCR 3006, as engrossed: Your conference committee (Sens. Berry, Armstrong, Nelson and Reps. Maragos, Karls, Hanson) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1340 and place HCR 3006 on the Seventh order.







Engrossed HCR 3006 was placed on the Seventh order of business on the calendar.



2013 TESTIMONY

HCR 3006

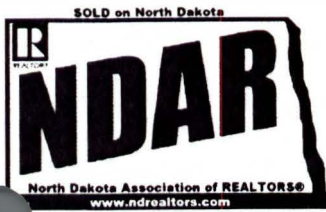
Real Estate Transfer Tax Rates



Tax Rate			
	No Tax or Prohibition		Constitutional Prohibition
	0.01% to 0.09%		0.1% to 0.49%
	0.5% to 0.99%		1.0% or more

PR  VI 

(AK, HI, and territories not drawn to scale)



North Dakota Association of REALTORS®

318 West Apollo Avenue – Bismarck, ND 58503-1404

Phone: 701-355-1010 or 800-279-2361 – Fax: 866-665-1011

www.ndrealtors.com

info@ndrealtors.com

2

2013 BOARD OF DIRECTORS

PRESIDENT

Scott Breidenbach, GRI

PRESIDENT ELECT

Vicki Roller, CRS, GRI

VICE PRESIDENT

Greg Larson, GRI

DIRECTOR AT LARGE

Cindy Harvey, ABR, CRS, ePro, SRES

PAST PRESIDENT

Diana Zietz, ABR, CRS, GRI, SFR

NATIONAL DIRECTORS

Daryl Braham, CRB, GRI

Dewey Uhler, ABR, CRS, GRI

REGIONAL VICE PRESIDENT

Daryl Braham, CRB, GRI

LOCAL BOARD REPS

Badlands:

Lorrie Nantt, ABR, SFR

Bismarck-Mandan:

Kristi Bohl, GRI

Bob Johnson, GRI

Dennis Kaiser, GRI

Mary Shelkey Miller, SFR

Fargo-Moorhead:

Kevin Fisher, CRS, GRI

Jeff Shipley, GRI

Todd Anhorn

Peggy Isakson, ABR, CRS

Bob Lee, ePRO, GRI, SFR

DeAnn Mason

Grand Forks:

David Blumkin, ABR, CRS, GRI

Weezie Potter, ABR, GRI

Laurel Haake, GRI

Jamestown:

Alison Schumann

Minot:

Ashleigh Collins

Danette Krumwiede

Wahpeton-Breckenridge:

Steve Diederick, GRI, CRS

Williston:

Kassie Groder

STAFF:

Jill Beck, *Chief Executive Officer*

Jill@ndrealtors.com

Suzanne Wetz, *Executive Assistant*

Suzanne@ndrealtors.com

Claus Lembke, *Gov't Affairs Director*

Claus@ndrealtors.com

Testimony for HCR 3006

House Judiciary Committee

February 5, 2013

Mr. Chairman and Members of the House Judiciary Committee:

My name is Scott Breidenbach, I am the President of the North Dakota Association of REALTORS® and a REALTOR® affiliated with Park Company, REALTORS® in Fargo.

We are asking for your support knowing full well that right now you, as Legislators, are not really looking at any tax increases. The same cannot be said about our cities, counties, school boards and townships or the state at some future date. We don't know of any local political subdivision that could not use more income for the ever increasing needs of local services. If the Legislature would enable these subdivisions to establish some sort of sales tax on property transfers we believe many, if not most, would look at such opportunity of increased income.

A good example is taking place right next door in South Dakota.

South Dakota passed a real estate transfer tax in 1968 at the rate of \$.50 per \$500.00 of value or \$1.00 per \$1,000 of value. It has not been increased since the original passage. The revenue generated from this transfer fee is distributed 100% to the county general fund. This year, they have two legislative bills in SB 124 and SB 240 that propose increases of rates.

SB 124, proposes an increase of the fee by 1000% raising it to \$5.00 per \$500.00 of value or \$10.00 per \$1,000 of value.

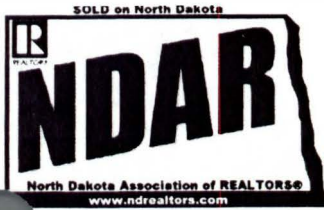
The second bill, SB 240, proposes to allow an organized county township to have the right to impose a real estate transfer fee. The bill reads in part:

"A fee is hereby imposed at the rate of fifty cents for each five hundred dollars of value or fraction thereof upon the privilege of transferring title to real property in the State of South Dakota, which fee shall be paid by the grantor. In addition to the fee imposed by this section, an organized township may impose, by resolution, an additional fee not to exceed two dollars for each five hundred dollars of value or fraction thereof upon the privilege of transferring title to real property within the boundaries of the township, which fee shall be paid by the grantor."

What happened in South Dakota proves our concern. If available, it will be used and expanded time and time again. Please support this bill and give North Dakota voters a chance to vote up or down on the issue of Transfer Taxes.

Mr. Chairman and members of the Judiciary Committee I stand for any questions you might have.





North Dakota Association of REALTORS®

318 West Apollo Avenue – Bismarck, ND 58503-1404
Phone: 701-355-1010 or 800-279-2361 – Fax: 866-665-1011
www.ndrealtors.com info@ndrealtors.com

ml

2013 BOARD OF DIRECTORS

PRESIDENT
Scott Breidenbach, GRI

PRESIDENT ELECT
Vicki Roller, CRS, GRI

VICE PRESIDENT
Greg Larson, GRI

DIRECTOR AT LARGE
Cindy Harvey, ABR, CRS, ePro, SRES

PAST PRESIDENT
Diana Zietz, ABR, CRS, GRI, SFR

NATIONAL DIRECTORS
Daryl Braham, CRB, GRI
Dewey Uhlir, ABR, CRS, GRI

REGIONAL VICE PRESIDENT
Daryl Braham, CRB, GRI

LOCAL BOARD REPS
Badlands:
Lorrie Nantt, ABR, SFR

Bismarck-Mandan:
Kristi Bohl, GRI
Bob Johnson, GRI
Dennis Kaiser, GRI
Mary Shelkey Miller, SFR

Fargo-Moorhead:
Kevin Fisher, CRS, GRI
Jeff Shipley, GRI
Todd Anhorn
Peggy Isakson, ABR, CRS
Bob Lee, ePRO, GRI, SFR
DeAnn Mason

Grand Forks:
David Blumkin, ABR, CRS, GRI
Weezie Potter, ABR, GRI
Laurel Haake, GRI

Jamestown:
Alison Schumann

Minot:
Ashleigh Collins
Danette Krumwiede

Wahpeton-Breckenridge:
Steve Diederick, GRI, CRS

Williston:
Kassie Groder

STAFF:
Jill Beck, *Chief Executive Officer*
Jill@ndrealtors.com

Suzanne Wetz, *Executive Assistant*
Suzanne@ndrealtors.com

Claus Lembke, *Gov't Affairs Director*
Claus@ndrealtors.com

Testimony for HCR 3006
House Judiciary Committee
February 5, 2013

Chairman Koppelman and members of the Judicial Committee:

My name is Greg Larson. I am the Chairman of the Political Affairs Committee for the North Dakota Association of REALTORS® and a REALTOR® with Century 21 Morrison Realty in Bismarck. And yes, this is also my first time that I have had the opportunity to present testimony to Representative Diane Larson, my wife.

We have heard from members and others that support prohibiting a tax on home sales but believe it should not be done through the North Dakota constitution. In light of the many recent constitutional measures before us it has been suggested that has some merits. We respectfully disagree; it must be done through the North Dakota Constitution. Any prohibition that is simply written into state law can be changed at any time the State Legislature meets. The later gives property owners no confidence.

Property owners in North Dakota already pay an annual tax on their properties, which goes to pay for schools, police and other essential services. We feel any transfer tax, whether on the state or local level, is just another tax.

Minnesota is another example of a state where they charge a transfer tax. The costs have gone up in Minnesota over the years and now stand at \$3.30 per \$1,000 which is called a Deed tax. Purchasers with mortgages also pay a Mortgage Registration Tax in the amount of \$2.30 per \$1,000.

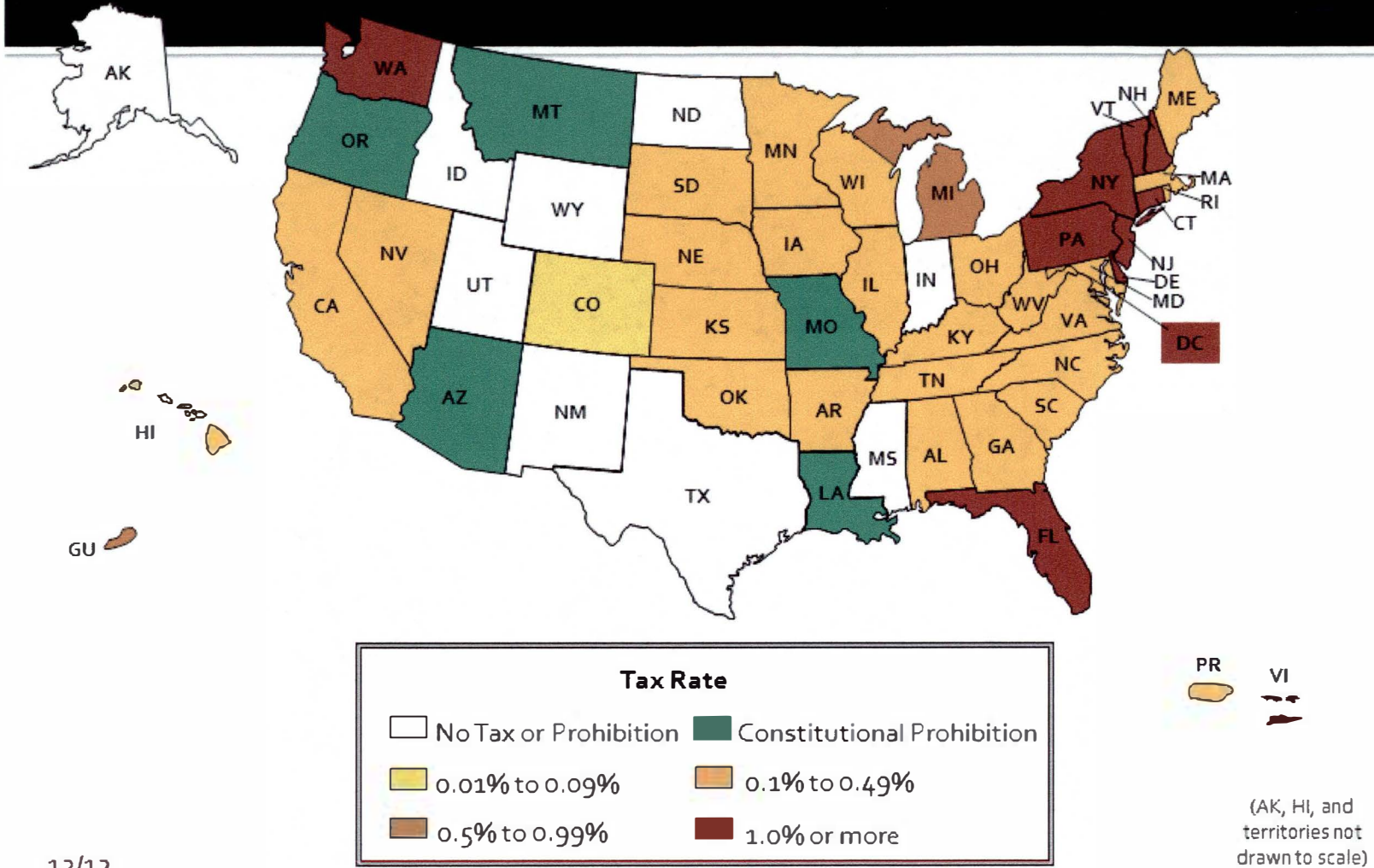
On a \$200,000 home sale with an 80% mortgage the transfer tax would be \$660 in Deed Tax and \$360 in Mortgage Registration Tax. Those are substantial hurdles against affordable homeownership. One might call that an Affordability Tax.

We hope that you will support HCR 3006 and give the North Dakota voters a chance to weigh in on the issue.

Mr. Chairman and members of the Judiciary committee I stand ready for any questions you might have.



Real Estate Transfer Tax Rates





North Dakota Association of REALTORS®

318 West Apollo Avenue – Bismarck, ND 58503-1404
Phone: 701-355-1010 or 800-279-2361 – Fax: 866-665-1011
www.ndrealtors.com info@ndrealtors.com

(2)

2013 BOARD OF DIRECTORS

PRESIDENT
Scott Breidenbach, GRI

PRESIDENT ELECT
Vicki Roller, CRS, GRI

VICE PRESIDENT
Greg Larson, GRI

DIRECTOR AT LARGE
Cindy Harvey, ABR, CRS, ePro, SRES

PAST PRESIDENT
Diana Zietz, ABR, CRS, GRI, SFR

NATIONAL DIRECTORS
Daryl Braham, CRB, GRI
Dewey Uhlir, ABR, CRS, GRI

REGIONAL VICE PRESIDENT
Daryl Braham, CRB, GRI

LOCAL BOARD REPS
Badlands:
Lorrie Nantt, ABR, SFR

Bismarck-Mandan:
Kristi Bohl, GRI
Bob Johnson, GRI
Dennis Kaiser, GRI
Mary Shelley Miller, SFR

Fargo-Moorhead:
Kevin Fisher, CRS, GRI
Jeff Shipley, GRI
Todd Anhorn
Peggy Isakson, ABR, CRS
Bob Lee, ePRO, GRI, SFR
DeAnn Mason

Grand Forks:
David Blumkin, ABR, CRS, GRI
Weezie Potter, ABR, GRI
Laurel Haake, GRI

Jamestown:
Alison Schumann

Minot:
Ashleigh Collins
Danette Krumwiede

Wahpeton-Breckenridge:
Steve Diederick, GRI, CRS

Williston:
Kassie Groder

STAFF:
Jill Beck, *Chief Executive Officer*
Jill@ndrealtors.com

Suzanne Wetz, *Executive Assistant*
Suzanne@ndrealtors.com

Claus Lembke, *Gov't Affairs Director*
Claus@ndrealtors.com

Testimony for HCR 3006
Senate Judiciary Committee
March 26, 2013

Mr. Chairman and Members of the Senate Judiciary Committee:

My name is Claus Lembke. I represent the North Dakota Association of REALTORS® as their Government Affairs Director.

We are asking for your support knowing full well that right now you, as Legislators are not really looking at any tax increases. The same cannot be said about our cities, counties, school boards and townships or the state at some future date. We don't know of any local political subdivision that could not use more income for the ever increasing needs of local services. If the Legislature would enable these subdivisions to establish some sort of sales tax on property transfers we believe many, if not most, would look at such opportunity of increased income.

A good example is taking place right next door in South Dakota.

South Dakota passed a real estate transfer tax in 1968 at the rate of \$1.00 per \$1,000 of value. It has not been increased since the original passage. The revenue generated from this transfer fee is distributed 100% to the county general fund. This year, they have two legislative bills in SB 124 and SB 240 that propose increases of rates.

SB 124, proposes an increase of the fee by 1000% raising it to \$10.00 per \$1,000 of value.

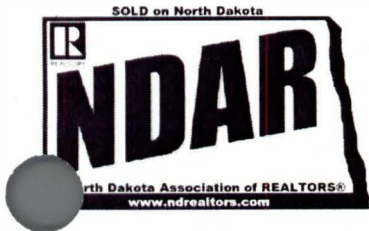
The second bill, SB 240, proposes to allow an organized county township to have the right to impose a real estate transfer fee. The bill reads in part:

"A fee is hereby imposed at the rate of fifty cents for each five hundred dollars of value or fraction thereof upon the privilege of transferring title to real property in the State of South Dakota, which fee shall be paid by the grantor. In addition to the fee imposed by this section, an organized township may impose, by resolution, an additional fee not to exceed two dollars for each five hundred dollars of value or fraction thereof upon the privilege of transferring title to real property within the boundaries of the township, which fee shall be paid by the grantor."

What happened in South Dakota proves our concern. If available, it will be used and expanded time and time again. Please support this bill and give North Dakota voters a chance to vote up or down on the issue of Transfer Taxes.

Mr. Chairman and members of the Judiciary Committee I stand for any questions you might have.





North Dakota Association of REALTORS®

318 West Apollo Avenue – Bismarck, ND 58503-1404
Phone: 701-355-1010 or 800-279-2361 – Fax: 866-665-1011
www.ndrealtors.com info@ndrealtors.com

3

2013 BOARD OF DIRECTORS

PRESIDENT
Scott Breidenbach, GRI

PRESIDENT ELECT
Vicki Roller, CRS, GRI

VICE PRESIDENT
Greg Larson, GRI

DIRECTOR AT LARGE
Cindy Harvey, ABR, CRS, ePro, SRES

PAST PRESIDENT
Diana Zietz, ABR, CRS, GRI, SFR

NATIONAL DIRECTORS
Daryl Braham, CRB, GRI
Dewey Uhler, ABR, CRS, GRI

REGIONAL VICE PRESIDENT
Daryl Braham, CRB, GRI

LOCAL BOARD REPS
Badlands:
Lorrie Nantt, ABR, SFR

Bismarck-Mandan:
Kristi Bohl, GRI
Bob Johnson, GRI
Dennis Kaiser, GRI
Mary Shelkey Miller, SFR

Fargo-Moorhead:
Kevin Fisher, CRS, GRI
Jeff Shipley, GRI
Todd Anhorn
Peggy Isakson, ABR, CRS
Bob Lee, ePRO, GRI, SFR
DeAnn Mason

Grand Forks:
David Blumkin, ABR, CRS, GRI
Weezie Potter, ABR, GRI
Laurel Haake, GRI

Jamestown:
Alison Schumann

Minot:
Ashleigh Collins
Danette Krumwiede

Wahpeton-Breckenridge:
Steve Diederick, GRI, CRS

Williston:
Kassie Groder

STAFF:
Jill Beck, *Chief Executive Officer*
Jill@ndrealtors.com

Suzanne Wetz, *Executive Assistant*
Suzanne@ndrealtors.com

Claus Lembke, *Gov't Affairs Director*
Claus@ndrealtors.com

Testimony for HCR 3006
Senate Judiciary Committee
March 26, 2013

Chairman Hogue and members of the Senate Judicial Committee,

My name is Greg Larson. I am the Chairman of the Political Affairs Committee for the North Dakota Association of REALTORS® and a REALTOR® with Century 21 Morrison Realty in Bismarck.

We have heard from members and others that support prohibiting a tax on home sales but believe it should not be done through the North Dakota constitution. In light of the many recent constitutional measures before us it has been suggested that has some merits. We respectfully disagree; it must be done through the North Dakota Constitution. Any prohibition that is simply written into state law can be changed at any time the State Legislature meets. The later gives property owners no confidence.

Property owners in North Dakota already pay an annual tax on their properties, which goes to pay for schools, police and other essential services. We feel any transfer tax, whether on the state or local level is just another tax.

Minnesota is another example of a state where they charge a transfer tax. The costs have gone up in Minnesota over the years and now stand at \$3.30 per \$1,000 which is called a Deed tax. Purchasers with mortgages also pay a Mortgage Registration Tax in the amount of \$2.30 per \$1,000.

On a \$200,000 home sale with an 80% mortgage the transfer tax would be \$660 in Deed Tax and \$360 in Mortgage Registration Tax. Those are substantial hurdles against affordable homeownership. One might call that an Affordability Tax.

We hope that you will support HCR 3006 and give the North Dakota voters a chance to weigh in on the issue.

Mr. Chairman and members of the Judiciary committee I stand ready for any questions you might have.

