

2013 SENATE FINANCE AND TAXATION

SB 2105

2013 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee

Lewis and Clark Room, State Capitol

SB2105

1/14/2013

Job Number 17125

☐ Conference Committee

Committee Clerk Signature

Angela Rittmiller

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact paragraph 5 of subdivision b of subsection 2 of section 57-62-02 of the North Dakota Century Code, relating to reimbursement of coal severance tax allocated to a non-coal-producing county; and to provide an effective date.

Minutes:

Testimony Attached

Chairman Cook opened the hearing on SB 2105.

Jeb Oehlke - See attached testimony 1.

Chairman Cook - How does it get the funds out to the political subdivisions, Morton County more quickly?

Jeb Oehlke - It doesn't get it to Morton County more quickly, it gets it to Oliver county more quickly. The way it's written right now we take the 50% of what was paid to Morton county and its political subdivisions during the previous calendar year and then we would pay that to Oliver county and the city of Center and then the school districts, divided up into 12 payments and then pay it. This will get it to them all in one lump sum.

Chairman Cook - So it doesn't affect Morton County.

Jeb Oehlke - It doesn't affect Morton County. The New Salem and Glen Ullin school districts will get a little bit of the money because they have part of the school districts are in Oliver County.

Senator Dotzenrod - Currently we had some monthly distribution and even though the law that we have, or the bill we have in front of us does not refer to monthly, on line 15 where you overstrike 'at the time and in the manner funds are distributed under this section' that is where the monthly is defined, evidentially in that section so it probably may or may not have been a conscience effort at the time that this was drawn up to distribute monthly but they just referred to how other distributions are made and thought that would be fine. It turns out to be that kind of requires a lot of bother. It's a lot of checks to write for something that you feel really, you might as well get it over with and write one check and that's what this bill will accomplish.

Jeb Oehlke - That is correct.

Senator Miller - Do you think there is any other part in government where something like this should apply? Something where we could go from making many payments down to one and essentially accomplish the same thing.

Jeb Oehlke - Not that I've run across yet. As of right now this is the only distribution I know of that is a distribution of general fund dollars. Most of the distributions we have we wait for the monies to come in and then ship them out after they are in the treasury.

Senator Triplett - This is really sort of an early one situation version of impact funds right? Before we had oil and gas impact funds, this was a little tiny example of a coal country fund where it was set up basically to reimburse one county out of the general funds so there is really no relationship between the dollars that Oliver County gets. It's not taking anything away from Morton County. It's kind of just acknowledging that there is also impact in Oliver County. Is that right?

Jeb Oehlke - That is correct.

Chairman Cook - Anymore testimony in support? Any testimony opposed? Anymore testimony?

Chairman Cook closed the hearing.

Chairman Cook - A motion for a Do Pass by **Senator Triplett**. Seconded by **Senator Oehlke**. Discussion? I'll ask the clerk to take the roll.

Roll Call Vote: 6 yeas, 0 nays, 1 absent and not voting.

Carried by **Chairman Cook**.

Date: 1-14-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2105

Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Senator Triplett Seconded By Senator Oehlke

Senators	Yes	No	Senator	Yes	No
Chairman Dwight Cook	X		Senator Jim Dotzenrod	X	
Vice Chairman Tom Campbell	X		Senator Connie Triplett	X	
Senator Joe Miller	X				
Senator Dave Oehlke	X				
Senator Randy Burckhard					

Total (Yes) 6 No 0

Absent 1

Floor Assignment Senator Cook

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

REPORT OF STANDING COMMITTEE

SB 2105: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2105 was placed on the Eleventh order on the calendar.

2013 HOUSE FINANCE AND TAXATION

SB 2105

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2105
March 11, 2013
Job #19677

☐ Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to reimbursement of coal severance tax allocated to a non-coal producing county.

Minutes:

Attached testimony #1

Chairman Belter: Opened hearing on SB 2105.

Jeb Oehlke, Deputy State Treasurer: See attached testimony #1.

Chairman Belter: How many dollars are we talking about in these distributions?

Jeb Oehlke: Our biennial appropriation for this is in the neighborhood of \$255,000 so it's about \$127,000 a year.

Representative Klein: Is this the old Morton County that we discussed years ago?

Jeb Oehlke: Yes. Mine is in Oliver County and Morton County gets a share.

Chairman Belter: Is Morton County the only one?

Jeb Oehlke: Yes. Currently Morton County is the only county that gets anything.

Representative Drovdal: So this bill reduces it from 12 payments to 1 payment?

Jeb Oehlke: That is correct.

Chairman Belter: Further testimony in support of 2105? Any testimony in opposition? Any neutral testimony? If not, we will close the hearing on 2105. What are the committee's wishes?

Representative Klein: Made a motion for a Do Pass.

Representative Owens: Seconded.

House Finance and Taxation Committee

SB 2105

March 11, 2013

Page 2

ROLL CALL VOTE: 13 YES 0 NO 1 ABSENT

Representative Schmidt will carry this bill.

Date: 3-11-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2105

House Finance and Taxation 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. Klein Seconded By Rep. Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter	✓		Rep. Scot Kelsh	✓	
Vice Chairman Craig Headland	✓		Rep. Steve Zaiser	✓	
Rep. Matthew Klein	✓		Rep. Jessica Haak	✓	
Rep. David Drovdal	✓		Rep. Marie Strinden	AB	
Rep. Glen Froseth	✓				
Rep. Mark Owens	✓				
Rep. Patrick Hatlestad	✓				
Rep. Wayne Trottier	✓				
Rep. Jason Dockter	✓				
Rep. Jim Schmidt	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Schmidt

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

REPORT OF STANDING COMMITTEE

SB 2105: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2105 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

SB 2105



STATE OF NORTH DAKOTA
OFFICE OF STATE TREASURER
Kelly L. Schmidt, State Treasurer

Senate Bill 2105
Testimony in Support
Committee: Senate Finance and Taxation
Date: January 14, 2013
Jeb Oehlke
Deputy Treasurer

Mr. Chairman, members of the committee:

For the record I am Jeb Oehlke, Deputy Treasurer for the Office of State Treasurer. I am here in support of SB 2105, which was submitted by the Treasurer's Office.

NDCC 57-62-02(2)(b)(5) requires the State Treasurer to reimburse a coal-producing county for 50% of the Coal Severance Tax which was distributed to a non-coal-producing county during the previous calendar year as required by NDCC 57-62-02(2)(b). The funds for these reimbursement payments are provided through an appropriation of general fund dollars.

At the present time the Treasurer's Office is required to make the reimbursement payments on a monthly basis. This bill will require us to make a single distribution to a coal-producing county, and its political subdivisions, during the first month of each calendar year to accomplish the reimbursement of funds paid to the non-coal-producing county during the prior calendar year.

Making this change will save time for the Treasurer's Office staff by reducing the number of distributions from twenty-four per biennium to two per biennium. Additionally, it will get the funds out to the political subdivisions more quickly where they can be put to beneficial use.

There is no fiscal impact from this change.

We ask the committee for a Do Pass recommendation.

Thank you.



STATE OF NORTH DAKOTA
OFFICE OF STATE TREASURER
Kelly L. Schmidt, State Treasurer

Senate Bill 2105
Testimony in Support
House Finance and Taxation Committee
Date: March 11, 2013
Jeb Oehlke
Deputy Treasurer

Chairman Belter and committee members:

For the record I am Jeb Oehlke, Deputy Treasurer. I am here in support of SB 2105, which was submitted by the Treasurer's Office.

NDCC 57-62-02(2)(b)(5) requires the State Treasurer to reimburse a coal-producing county for 50% of the Coal Severance Tax which was distributed to a non-coal-producing county during the previous calendar year as required by NDCC 57-62-02(2)(b). The funds for these reimbursement payments are provided through an appropriation of general fund dollars.

At the present time the Treasurer's Office is required to make the reimbursement payments on a monthly basis. The changes made with this bill will require us to make a single distribution to a coal-producing county, and its political subdivisions, during the first month of each calendar year to accomplish the reimbursement of funds paid to the non-coal-producing county during the preceding calendar year.

Making this change will save time for the Treasurer's Office staff by reducing the number of distributions from twenty-four per biennium to two per biennium. Additionally, it will get the funds out to the political subdivisions more quickly where they can be put to beneficial use.

There is no fiscal impact from this change.

We ask the committee for a Do Pass recommendation.

Thank you.