

**2021 HOUSE FINANCE AND TAXATION**

**HB 1351**

# 2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Room JW327E, State Capitol

HB 1351  
1/25/2021 am

A bill relating to a sales and use tax exemption for sales made to a senior citizen organization.

**Chairman Headland** opened the hearing at 11:03am.

<b>Representatives</b>	<b>Present</b>
Representative Craig Headland	P
Representative Vicky Steiner	P
Representative Dick Anderson	AB
Representative Glenn Bosch	P
Representative Jason Dockter	P
Representative Sebastian Ertelt	P
Representative Jay Fisher	P
Representative Patrick Hatlestad	AB
Representative Zachary Ista	P
Representative Tom Kading	P
Representative Ben Koppelman	P
Representative Marvin E. Nelson	P
Representative Nathan Toman	P
Representative Wayne A. Trottier	P

## **Discussion Topics:**

- Sales tax exemption for senior citizen organizations
- Qualifying factors for eligibility

**Representative Richter** introduced the bill (#2906).

**Shannon Fleischer, Associate Director of Tax Administration for the Office of the State Tax Commissioner**, answered questions from the committee.

**Chairman Headland** closed the hearing at 11:25am.

*Mary Brucker, Committee Clerk*

House Bill 1351  
Testimony of David Richter  
House Finance and Taxation Committee  
January 25, 2021

Chairman Headland members of the community for the record my name is David Richter representative District 1 Williston

HB 1351 creates state sales tax exemption status for Senior Citizen organizations that provide informational, health, welfare, counseling, and referral services for senior citizens.

Subsections a, b, and c layout the requirements to qualify for the exemption. Subsection a Must be a 501 c 3, Subsection b must be recognized by the North Dakota Secretary of State as a charitable organization. Subsection c must either provide services through ND Ageing Services or receive funds through the Department of Transportation under the federal transit administration's enhanced mobility of seniors and individuals with disabilities program

The organizations that would qualify under this change receive most of their funding from federal, state, county mill levy and donations. So a large majority of their funding is from tax dollars.

These organizations work with ND Aging services and ND DOT and all of them are members of the North Dakota Senior Service Providers network. Some have Supplemental Senior Services funded by state or federal dollars and provide Meals on Wheels program to seniors across the state. Some of the organizations are already exempt from ND sales tax others are not.

In 1977 the legislature NDCC 57-39.2-04 item #29 “Gross receipts from all sales otherwise taxable under this chapter when made to any nonprofit organization for meals, including the containers, packages, and materials used for wrapping food items, for delivery to persons who are confined to their homes by illness or incapacity, including senior citizens and disabled persons, for consumption by such shut-ins in their homes.”

Again, some of the organizations are getting this exemption some of them are not. In conversation with Oliver Packaging, which is one of the largest suppliers, at one time they excepted a letter from the ND Secretary of State, but now they require a tax exempt number .

There is a Fiscal Note

I will stand for any questions

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

HB 1351  
1/25/2021 pm

A bill relating to a sales and use tax exemption for sales made to a senior citizen organization.

**Chairman Headland** opened up for discussion at 2:22pm.

<b>Representatives</b>	<b>Present</b>
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

### **Discussion Topics:**

- Committee discussion
- Tax department forms

Committee discussion.

**Representative Hatlestad** will get more information from the tax department before making any motions.

**Chairman Headland** closed discussion at 2:28pm.

*Mary Brucker, Committee Clerk*

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

HB 1351  
1/27/2021

A bill relating to a sales and use tax exemption for sales made to a senior citizen organization.

**Chairman Headland** opened up for discussion at 2:32pm.

<b>Representatives</b>	<b>Present</b>
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	AB
Representative Marvin E. Nelson	AB
Representative Nathan Toman	AB
Representative Wayne A. Trottier	Y

### Discussion Topics:

- Committee action

Committee discussion.

**Representative Hatlestad** made a motion for a Do Pass.

**Representative Trottier** seconded the motion.

### Roll call vote:

<b>Representatives</b>	<b>Vote</b>
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	N
Representative Jason Dockter	Y
Representative Sebastian Ertelt	N
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y

Representative Zachary Ista	Y
Representative Tom Kading	N
Representative Ben Koppelman	AB
Representative Marvin E. Nelson	AB
Representative Nathan Toman	AB
Representative Wayne A. Trottier	Y

**Motion carried 8-3-3**

**Representative Hatlestad is the bill carrier.**

**Chairman Headland** closed the discussion at 2:35pm.

*Mary Brucker, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1351: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **DO PASS** (8 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING). HB 1351 was placed on the Eleventh order on the calendar.

**2021 SENATE FINANCE AND TAXATION**

**HB 1351**



# 2021 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1351  
3/10/2021

A BILL for an Act to create and enact a new subsection to section 57-39.2-04 and a new subsection to section 57-40.2-04 of the North Dakota Century Code, relating to a sales and use tax exemption for sales made to a senior citizen organization; and to provide an effective date.

**Chair Bell** calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [09:30]

### Discussion Topics:

- Sales tax exemption
- Service delivery
- Regions and political subdivisions

**Representative Richter** [9.30] introduces in favor #8445.

**Shannon Fletcher** [9:45] Associate Director, Office of the Tax Commissioner provides information orally.

**Chair Bell** adjourns the hearing [9:46]

**Senator Kannianen** moved DO PASS  
**Senator Meyer** second

Senators	Vote
Senator Jessica Bell	Y
Senator Jordan Kannianen	Y
Senator Scott Meyer	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Jim Roers	Y
Senator Mark Weber	Y

Motion passed 7-0-0

**Senator Kannianen** carries.

**Chair Bell** adjourns the meeting. [9:48]

*Joel Crane, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1351: Finance and Taxation Committee (Sen. Bell, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1351 was placed on the Fourteenth order on the calendar.

House Bill 1351  
Testimony of David Richter  
Senate Finance and Taxation Committee  
March 10, 2021

Madam Chair and members of the community for the record my name is David Richter  
Representative District 1 Williston

HB 1351 creates state sales tax exemption status for Senior Citizen organizations that provide informational, health, welfare, counseling, and referral services for senior citizens. The organizations that would qualify under this change receive most of their funding from federal, state, county mill levy and donations. So a large majority of their funding is from tax dollars.

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Again, some of the organizations are getting this exemption some of them are not. In conversation with Oliver Packaging, which is one of the largest suppliers, at one time they excepted a letter from the ND Secretary of State, but now they require a tax exempt number .

I will stand for any questions