

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3010

2001 HOUSE FINANCE AND TAXATION

HCR 3010

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3010

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 22, 2001

Tape Number	Side A	Side B	Meter #
2	X		3,800
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

**REP. AL CARLSON, CHAIRMAN**, Opened the hearing.

**REP. KENTON ONSTAD**, Introduced the resolution which relates to the Indian Housing Authority. See attached written testimony.

**REP. CARLSON** They feel that state statute has done this, and the federal government feels that they are not involved at all?

**REP. ONSTAD** We don't get a clear answer where that comes from. HUD officials say, that is state law. In prior years, the communities approached the state and they said that is federal statute. The question is they aren't even sure if it is tribal government. At the present time, the Housing Authority will purchase property, it goes off that tax roll, but stays in their name. They act just like FMHA does. They buy property that is on the reservation, but it comes off the tax rolls because they put it in their name, but they will turn around and sell it to Rep. Kelsh and he pays accordingly, but in the meantime, it has been a loss to the community and to the county.

It is very complicated. Where is the criteria, the federal or the state.

**REP. CARLSON** Asked whether there are any other communities beside the two mentioned that has that problem.

**REP. ONSTAD** Stated, not that he was aware of.

**REP. SCHMIDT** Stated in his area, it wasn't the housing that was a problem, they were buying land that was going off the tax rolls.

**REP. ONSTAD** When Indian Housing comes in, that part is not clear.

With no further testimony, the hearing was closed.

**COMMITTEE ACTION** 2-5-01, Tape #2, Side A, Meter 5366

**REP. LLOYD** Made a motion for a **DO PASS**.

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

13 YES      1 NO      1 ABSENT

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

Date: 2-5-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3010

House FINANCE & TAXATION Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

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

Action Taken Do Pass

Motion Made By Rep. Lloyd Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON		✓	SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	✓				

Total (Yes) 13 No 1

Absent 1

Floor Assignment Rep. Kroeber

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

**REPORT OF STANDING COMMITTEE (410)**  
February 6, 2001 8:18 a.m.

**Module No: HR-21-2437**  
**Carrier: Kroeber**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HCR 3010: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO PASS (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HCR 3010 was placed on the Eleventh order on the calendar.**

2001 SENATE FINANCE AND TAXATION

HCR 3010

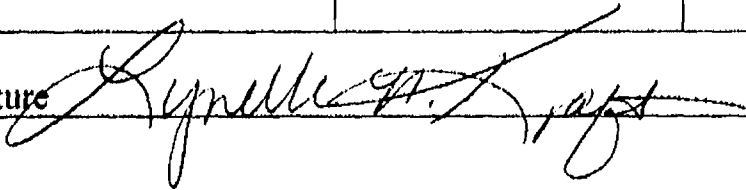
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 3010

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date 2/20/01

Tape Number	Side A	Side B	Meter #
1		x	1.9-10
3/6/01 - 2	x		17.7-19.2
Committee Clerk Signature 			

Minutes:

Senator Urlacher: Opened the hearing on HCR 3010, directing Legislative Council to study the property tax exemptions for public housing authorities.

Representative Kenton Onstad: Co-sponsored the bill, testified in support. Written testimony attached.

Senator Nichols: This would call for a study for all housing?

Representative Kenton Onstad: Right.

Loren Hoffman: City Auditor of Parshall, testified in support.

Senator Nichols: With regard to the \$150 per unit, per year, are those paid by the tribes?

Loren Hoffman: That is federal money from HUD.

Senator Nichols: Are there any other dollars coming in to help make up for the losses or is just \$150, that's it?

Loren Hoffman: That's it.



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Senate Finance and Taxation Committee

Bill/Resolution Number 3010

Hearing Date 2/20/01

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 3/6/01. Meter number 17.7-19.2.

COMMITTEE ACTION:

Motion made by Senator Stenehjem for a DO PASS & BE PLACED ON THE  
CONSENT CALENDER, Seconded by Senator Christmann. Vote was 6 yeas, 0 nays, 0 absent  
and not voting. Bill carrier was Senator Nichols.

Date: 3/6/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 3010

Senate Finance and Taxation Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

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

Action Taken Approval 's. Put on Consent Calendar (voice vote)

Motion Made By Stenehjem Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman					
Senator Wardner-Vice Chairman					
Senator Christmann					
Senator Stenehjem					
Senator Kroeplin					
Senator Nichols					

Total (Yes) 6 No 0

Absent 0

Floor Assignment Nichols

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

**REPORT OF STANDING COMMITTEE (410)**  
March 6, 2001 4:56 p.m.

Module No: SR-38-4962  
Carrier: Nichols  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HCR 3010: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).** HCR 3010 was placed on the Tenth order on the calendar.

2001 TESTIMONY

HCR 3010

## Testimony of Representative Kenton Onstad Before the Finance and Taxation Committees

Chairman Carlson and Finance and Taxation Committee members;

I come before this committee on behalf of the cities of Parshall, New Town and Mountrail County. My name is Kenton Onstad, I live in Mountrail County and my address is Parshall, ND.

The Concurrent Resolution directing the Legislative Council to study the Property Tax Exemption for Public Housing. The property in question is Indian Housing Authority. Because Indian Housing Authority comes under the statute for Public Housing is the reason why Public Housing is noted.

The reason for concern with this issue is that in our communities Fort Berthold Housing Authority buys property as they become available and, because the property becomes tax-exempt under public housing authority ownership the tax base of the community is substantially diminished overtime.

The law that currently relates to this issue is very complicated and unclear. Legislative Council concludes that this is something definitely needs to be looked at and reviewed.

On one hand The state of North Dakota clearly states it is a federal issue. Yet, North Dakota is only one of two states that gives this special tax-exempt status. HUD officials in Denver have stated it is not federal but state law. The reason we ask what is the correct answer?

Secondly, when the state of North Dakota granted this exemption there was no provision to make up the tax loss to the entities involved. Is the State of North Dakota willing to make up the loss?

At the time this was enacted it did not involve a lot of property. But the concern has grown and it is estimated to be a loss of over \$550,000 to Mountrail County over the last 13 years. In 1999 Parshall will lose \$11,000 and New Town \$35,000. Currently over 30% of the property in the city of Parshall is currently tax-exempt. It is becoming very difficult to run a city and provide the services that all property owners enjoy. There is provisions being provided for some of the property held in Trust by the Three Affiliated Tribes, but no dollars are collected for property held by Fort Berthold Housing Authority..

The current statute is complicated with state, federal and tribal government. I would urge the committee to seriously look at the concerns and ask the Legislative Council to further study the property tax exemption for Indian Housing Authority.

## Testimony of Representative Kenton Onstad Before the Finance and Taxation Committees

Chairman Herb Urlacher and Finance and Taxation Committee members;

I come before this committee on behalf of the cities of Parshall, New Town and Mountrail County. My name is Kenton Onstad, Representative from Dist#4, I live in Mountrail County and my address is Parshall, ND.

House Concurrent Resolution 3010 is asking the Legislative Council to study the Property Tax Exemption for Public Housing. The Housing Authority in question in our area is Indian Housing Authority. Indian Housing Authority comes under the statute for Public Housing, the reason why we ask to look at Public Housing.

North Dakota Century Code Section 23-11-02 provides that a housing Authority is a "public body, corporate and politic" of the city or county. We question whether Fort Berthold Housing Authority falls under this statute. They act very similar to FmHA as they rent and sell this property to individuals.

The law that currently relates to this issue is very complicated and unclear. Legislative Council concurs that this is something definitely needs to be looked at and reviewed.

The reason for concern with this issue is that in our communities Fort Berthold Housing Authority buys property as they become available and, because the property becomes tax-exempt under public housing authority ownership the tax base of the community is substantially diminished overtime.

On one hand The state of North Dakota often states it is a federal issue. Yet, North Dakota is only one of two states that gives this special tax-exempt status. HUD officials in Denver have stated it is not federal but state law. The reason we ask, "What is the correct answer?"

Secondly, when the state of North Dakota granted this exemption there was no provision to make up the tax loss to the entities involved. Is the State of North Dakota willing to make up the loss?

In 1988 when this was enacted it did not involve any property. Starting in 1989 the property in question has grown and it is estimated to be a loss of over \$550,000 to Mountrail County over the last 12 years. In 1999 Parshall will lose \$11,000 and New Town \$35,000. Currently over 30% of the property in the city of Parshall is currently tax-exempt. It is becoming very difficult to run a city and provide the services that all property owners enjoy. There is provisions being provided for some of the property held in Trust by the Three Affiliated Tribes, but no dollars are collected for property held by Fort Berthold Housing Authority..

The current statute is complicated with state, federal and tribal government. I would urge the committee to seriously look at the concerns and ask the Legislative Council to further study the property tax exemption for Indian Housing Authority and make a recommendation.