

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

4045

2001 SENATE FINANCE AND TAXATION

SCR 4045

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 4045

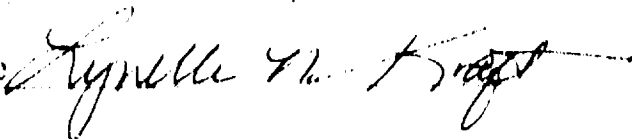
Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date 2/28/01

Tape Number	Side A	Side B	Meter #
2	X		5.1-32.7
		X	9.7-12.7

Committee Clerk Signature



Minutes:

Senator Urlacher: Opened the hearing on SCR 4045, relating to the taxable status of land held for conservation or wildlife purposes.

Senator Steve Tomac: Co-sponsored the bill, testified in support. This is a constitutional amendment with the intent to remove the gray language out of the constitution so that if a groups is nonprofit but is not charitable, which most conservation groups are not, this would allow the legislature to tax them if they so see fit.

Wade Williams: ND Assoc. of Counties, testified in support. Written testimony attached.

Senator Urlacher: The Forest Service pays taxes in kind, but they don't really meet existing taxation?

Wade Williams: I think if it was privately held, the payment would be more for than that land than what they're getting from the federal government. The Forest Service is probably the

closest to coming up with the amount of money that would be assessed if it was in private ownership.

Senator Christmann: Stated concern over problem with some of the wording. The way it's written it sounds like they're not exempt in the first place.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held later.

John Walstad: Legislative Council, appeared to explain the language of the resolution.

Senator Wardner: Does this say what we want it to? That these people have to pay their property taxes?

John Walstad: That's exactly what it does. The legislature would still have to decide, but it would not be dictated by this little phrase that nobody understands in the constitution anymore.

Senator Christmann: People might have a hard time reading this with this language. Can we change some language?

John Walstad: Offers a suggestion on how to change it.

Senator Christmann: Are we jumping ourselves with taking this right to a constitutional measure instead of getting a favorable Attorney General's ruling?

John Walstad: An Attorney General opinion on what public purposes means it not binding. On the Supreme Court can issue a binding decision on what something in the constitution means. Amending the constitution to make clear what the legislature thinks the policy should be is probably the best route.

Discussion on amendment language.

John Walstad went to draft amendment and came back with it.

Committee agreed with the amendment.

Page 3
Senate Finance and Taxation Committee
Bill/Resolution Number 4045
Hearing Date 2/28/01

AMENDMENT ACTION:

Motion made by Senator Stenehjem, Seconded by Senator Wardner, to adopt amendment 13090.0101. Voice Vote taken. All present in favor, 1 absent. Amendment adopted.

COMMITTEE ACTION:

Motion made by Senator Stenehjem for a DO PASS AS AMENDED, Seconded by Senator Christmann. Vote was 6 yeas, 0 nays, 0 absent and not voting. Bill carrier was Senator Stenehjem.

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4045

Page 1, line 24, replace "The legislative assembly" with "Real property used for conservation or wildlife purposes is not exempt from taxation unless an exemption is provided by the legislative assembly."

Page 1, remove line 25

Page 2, remove line 1

Renumber accordingly

Date: 2/28/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4045

Senate Finance and Taxation Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number 13090.0101

Action Taken Move Amendment (Voice Vote)

Motion Made By Stenehjem

Seconded
By

Wardner

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

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

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

Date: 2/28/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4045

Senate Finance and Taxation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

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 Stenehjem

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

REPORT OF STANDING COMMITTEE (410)
March 1, 2001 9:42 a.m.

Module No: SR-35-4575
Carrier: Stenehjem
Insert LC: 13090.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SCR 4045: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4045 was placed on the Sixth order on the calendar.

Page 1, line 24, replace "The legislative assembly" with "Real property used for conservation or wildlife purposes is not exempt from taxation unless an exemption is provided by the legislative assembly."

Page 1, remove line 25

Page 2, remove line 1

Renumber accordingly

2001 HOUSE FINANCE AND TAXATION

SCR 4045

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4045

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date March 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	4,227
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

SEN. STEVE TOMAC, DIST. 31, Introduced the resolution which is a constitutional change. This resolution is a companion bill to SB 2185, which you have heard and the House has passed. When you heard SB 2185, I referred to SCR 4045, what it will do, if the voters of North Dakota will accept this, it will take out of the constitution, a fuzzy area of which non profit groups cannot be taxed. There is some grey area, if you are a non profit group, and you own property, do you owe property taxes or are you exempt. This resolution will clarify that. It will allow the legislature to determine which non profit groups pay property taxes and which don't. Those non profit groups which are not charitable, such as the 5013C groups, if they own property, they probably should pay property tax. I think this is a step in the right direction.

REP. CARLSON How does it determine which ballot it goes on, if passed.

SEN. TOMAC I don't know, my understanding is, once it is passed, it comes on the first one that is available, unless otherwise specified. The problem we had with the other bill, we did pass

it, and the wildlife groups were in favor of that, the reason we wanted a constitutional amendment on it is because of the grey area. In the eyes of some attorney, they say, if somebody really challenged that, could we stand the test in Court. The Legislative Council thinks we can, but this would clarify it.

REP. CARLSON You would not mind if we specify an election which it would go on?

SEN. TOMAC I would not mind that, it was not asked on the Senate side.

REP. CARLSON My concern is, I watched the result of some of the other ones, and we actually made the decision with very few voters in our primary election, and I would like to have as many people vote as possible, when you do a constitutional change.

REP. KELSH In looking at the bill, on line 12, it says the general election.

REP. CARLSON I think we are covered then.

REP. WINRICH Is it conceivable that a church or other religious organization or something might own property that might be dedicated to conservation or something like that, if that were the case, would that be subject to taxation by this amendment?

SEN. TOMAC I believe that it is possible, I think some churches do own farm land. I don't know how that would be interpreted. Anytime ownership changes, the property could be taken off the tax rolls, maybe John Walstad can answer that question.

WADE WILLIAMS, ASSOCIATION OF COUNTIES, Testified in support of the resolution. See written testimony. Commented that when charitable organizations were exempted from taxes, they did not have in their mind that those organizations would own land. The legislature could take care of that.

Page 3
House Finance and Taxation Committee
Bill/Resolution Number SCR 4045
Hearing Date March 19, 2001

REP. LLOYD Asked whether this is a full account on property taxes or does it include in lieu of taxes?

REP. CARLSON In my understanding, it would mean in lieu of, as well. It doesn't specify the type, both are taxation. We could have that checked.

BILL PFEIFER, NORTH DAKOTA CHAPTER OF THE WILDLIFE SOCIETY,

Testified in support of the resolution. See written testimony.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 3-19-01, TAPE #2, SIDE A, METER #0

REP. BRANDENBURG Made a motion for a **DO PASS AND HAVE IT PLACED ON THE CONSENT CALENDAR.**

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

13 YES 1 NO 1 ABSENT

Date: 3-19-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4045

House FINANCE & TAXATION

Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken

Do Pass

Motion Made By

Rep. Brandenburg

Seconded By

Rep. Lloyd

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON		1	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. Carlson

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

REPORT OF STANDING COMMITTEE (410)
March 19, 2001 4:38 p.m.

Module No: HR-47-6079
Carrier: Carlson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4045, as engrossed: Finance and Taxation Committee (Rep. Carlson, Chairman)
recommends DO PASS (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).
Engrossed SCR 4045 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SCR 4045

**TESTIMONY TO THE
SENATE FINANCE & TAXATION COMMITTEE
Prepared January 22, 2001 by the
North Dakota Association of Counties
Wade Williams, NDACo Government Affairs**

Concerning Senate Concurrent Resolution 4045

Chairman Urlacher and members of the committee, I am here on behalf of North Dakota's counties to express our support for Senate Concurrent Resolution 4045. We believe it provides equity to those school districts; counties, fire districts and townships that are and will be affected by these purchases.

The question is: Should organizations who purchase land for conservation purposes be required to make full property tax payments, and is it constitutional? I do not believe that the framers of our constitution when they exempted charitable organization had any idea that that exemption would include charitable organizations that purchase land for conservation uses. To my knowledge all of the groups who have purchased land to date have agreed to pay the property taxes but are not required to do so. Our concern is if they should decide not to pay in the future without this amendment there is little recourse for the taxing districts.

Political subdivisions provide services for the benefit of those owning, leasing and living on all land in the state. Currently, taxes or "payments-in-lieu" of taxes, are paid on land owned or leased by the State Game and Fish Department; the North Dakota National Guard; land acquired by the State Land Board after January 1, 1980; as well as, Federal Grasslands; Fish and Wildlife Land; and other Federal property. If there is no requirement to pay the full amount of tax, local government could possibly and most likely will be providing services such as plowing and maintaining of the roads, fire protection and weed control, just to name a few, with the cost of these services being paid by neighboring landowners with increased property taxes on their land.

Mr. Chairman and members of the committee, this amendment requires full payment of property taxes and could possibly provide property tax relief to landowners in those counties where there already is ownership of land that this bill is trying to address. I urge a "DO PASS" recommendation on Senate Concurrent Resolution 4045.

**TESTIMONY TO THE
HOUSE FINANCE & TAXATION COMMITTEE
Prepared March 19, 2001 by the
North Dakota Association of Counties
Wade Williams, NDACo Government Relations**

Concerning Senate Concurrent Resolution 4045

Chairman Carlson and members of the committee, I am here on behalf of North Dakota's counties to express our support for Senate Concurrent Resolution 4045. We believe it provides equity to those school districts; counties, fire districts and townships that are and will be affected by these purchases.

The question is: Should organizations who purchase land for conservation purposes be required to make full property tax payments, and is it constitutional? I do not believe that the framers of our constitution when they exempted charitable organization had any idea that that exemption would include charitable organizations that purchase land for conservation uses. To my knowledge all of the groups who have purchased land to date have agreed to pay the property taxes but are not required to do so. Our concern is if they should decide not to pay in the future without this amendment there is little recourse for the taxing districts.

Political subdivisions provide services for the benefit of those owning, leasing and living on all land in the state. Currently, taxes or "payments-in-lieu" of taxes, are paid on land owned or leased by the State Game and Fish Department; the North Dakota National Guard; land acquired by the State Land Board after January 1, 1980; as well as, Federal Grasslands; Fish and Wildlife Land; and other Federal property. If there is no requirement to pay the full amount of tax, local government could possibly and most likely will be providing services such as plowing and maintaining of the roads, fire protection and weed control, just to name a few, with the cost of these services being paid by neighboring landowners with increased property taxes on their land.

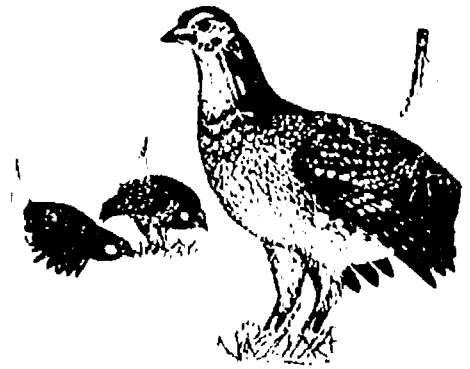
Mr. Chairman and members of the committee, this amendment requires full payment of property taxes and could possibly provide property tax relief to landowners in those counties where there already is ownership of land that this resolution is trying to address. I urge a "DO PASS" recommendation on Senate Concurrent Resolution 4045.



North Dakota Chapter

THE WILDLIFE SOCIETY

P.O. BOX 1442 • BISMARCK, ND 58502



**TESTIMONY OF BILL PFEIFER
NORTH DAKOTA CHAPTER OF THE WILDLIFE SOCIETY
PRESENTED TO THE HOUSE FINANCE AND TAXATION COMMITTEE
ON SCR 4045, MARCH 19, 2001**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I'm Bill Pfeifer representing the North Dakota Chapter of The Wildlife Society. The Wildlife Society supports SCR 4045.

During recent testimony concerning SB 2185, a companion Bill which would require nonprofit conservation organizations to pay in-lieu property taxes, the question of constitutionality arose. Could the state require these organizations to pay taxes?

The introduction of SB 2185 was the result of these organizations coordinating efforts with legislators to assure full property taxes would be paid. The Wildlife Society also strongly supported SB 2185.

Passing SCR 4045, and the following approval by the voters, will remove the constitutionality issue and assure that full property taxes will be paid.

The Wildlife Society supports SCR 4045 and requests you give this resolution a unanimous DO PASS.