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La Costa Rickford
Operator's Signature

10/3/03
Date

2003 HOUSE FINANCE AND TAXATION

HB 1310

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Lu Costa Rickford
Operator's Signature

10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1310**

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 22, 2003

Tape Number	Side A	Side B	Meter #
2	X		16
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. WESLEY BELTER, CHAIRMAN Called the hearing to order.

REP. CHET POLLERT, DIST. 29 Introduced the bill. The bill deals with the reassessment of the sale of a commercial grain elevator. What is happening in rural North Dakota, is the country grain elevators may come up for public auction, and what we are finding out is, some of the taxes assessed and some of the values are not done as well as we would like to see, or not done at all. In Foster county, there was a grain elevator sold in the town of Carrington, and the assessor came in and done a very fair job. In some counties that has not been happening. There will be a little discussion as to what an arm's length sale is. I think you will find this will be an education as to what someone goes through in the sale process.

KEVIN BLACK, GLENFIELD, ND Testified in support of the bill. He submitted handouts relating to grain elevators, and tax information from Griggs County. He also submitted a handout showing the appraisal of a grain elevator. He gave an account of his experience of

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House Finance and Taxation Committee

Bill/Resolution Number HB 1310

Hearing Date January 22, 2003

purchasing a grain elevator in November, 2000, at Binford, ND. He stated he purchased the elevator for \$27,000 at an auction sale. He related to the assessment value of this elevator for the year 2001, which showed \$134,600. (See attached copy) He stated he spoke to the assessor, the city fathers and the tax director. He pointed out the law which states whenever and wherever there is market data that can be relied upon, assessors should use it. They basically, ignore that. There have been four elevators sold in Griggs County in the past four years, all sold under \$30,000. He referred to the handout showing the 2002 assessment. This assessment still is higher than what the market sale value is. He felt assessors need some direction in assessment, and that is the purpose of this bill.

REP. WINRICH Asked what an "arm's length sale" is.

KEVIN BLACK He stated he is not an attorney, but in his opinion, it is a sale between a willing seller and a willing buyer.

STEVE STREGE, EXECUTIVE VICE-PRESIDENT OF THE NORTH DAKOTA GRAIN DEALERS ASSOCIATION. Testified in support of the bill. He stated there is a need to make an adjustment in the evaluations of non commercial units, why wouldn't we do it for commercial. You see more and more of the grain elevators sold. The value of these elevators is determined more and more whether they have rail service and whether there is a shuttle train loader nearby, then by the actual facility itself. He submitted amendments to committee members. He gave his opinion of an "arm's length sale" as being a sale without relatives involved.

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House Finance and Taxation Committee

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REP. WINRICH This talks about reassessing the property when it is sold, and goes into effect for taxable years after 2002, since Mr. Black already purchased the elevator at that price, that sale is past, and it would have to be sold again before this could be effective?

STEVE STREGE I am not familiar with Mr. Black's situation, all we are saying is, if you are going to change it, all of these elevators are over valued. There is a difference if someone buys it and runs it as a farm elevator, or if someone buys it and runs it as a commercial elevator. Why shouldn't he be treated the same as far as value. If he paid \$35,000, that should be fair market value.

MARCY DICKERSON, SUPERVISOR OF ASSESSMENTS, STATE TAX

DEPARTMENT, Testified in a neutral position. Had a couple of concerns about the bill. See written testimony.

REP. BELTER Asked whether there was a definition of "arm's length sale" in the code.

MARCY DICKERSON Stated there was no definition in the code, the definition of market value, is not in the code either, but in the text books, market value is defined as an arm's length transaction between a willing buyer and a willing seller, both of whom are knowledgeable to the use of which the property may be put.

REP. DROVDAL I can understand the frustration, of the taxpayers in rural areas, when an assessment committee comes in, the taxpayer gets this statement in the mail for \$120,000, and he says this is wrong, somewhere there is an inequity in this system, with this assessment business. It is dictated by the state, and they don't even know what is happening in the rural area.

MARCY DICKERSON It is not dictated by the state. The closest it is dictated by the state, is on the agricultural land where the university has to establish an average value per acre and the

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House Finance and Taxation Committee

Bill/Resolution Number HB 1310

Hearing Date January 22, 2003

counties have to come with that as a value. That has nothing, whatsoever, to do with commercial assessment.

REP. DROVDAL It may not be dictated in code, like we have our agricultural land, but in reality, it is. Call my assessor back in Watford City, and she will tell you she is governed by the action she gets from the state. I think this reflects that same problem.

MARCY DICKERSON The state only gets involved so far as the sale's ratio set goes. We conduct a study every year, that compares selling prices of properties that sold with the commercial values the assessors have placed on them. For a county or major city, it is handled in bulk. Some of them will be really close, some won't be so close. If the sale ratio study indicates the properties, overall, are over assessed or under assessed, then the State Board of Equilization will recommend that the counties make an adjustment. If the counties don't make an adjustment, then the state board will make an adjustment to bring them up to market value. In the case of this elevator that you are talking about, assuming that this assessor was at \$134,000, and the sale price was \$25,000 to whatever it was, they would look at that, except, the statute requires that an auction sale not be counted. If that had been just a private sale, verified by the county people, but it was an arm's length transaction, that would show that that assessment was way out of line.

REP. DROVDAL In small towns, there are no sales on main street, for many years. They are not using actual figures, and they keep saying they can't adjust it because, in my particular case, I had a building that I wanted adjusted, and they wouldn't do it, finally I petitioned to the county commissioners, and they asked the auditor where he got the figures, there was only one building sold in the last ten years, she still insisted that she couldn't change it, because of this percentage

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House Finance and Taxation Committee

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that you just mentioned. There is a problem with the assessments in rural North Dakota, and it is affecting people who are trying to make the best use of some of these older buildings.

MARCY DICKERSON At the risk of infuriating some local people, some of them kind of pass the buck and say, the state made me do it. Sometimes, it isn't quite the way they describe it. I would agree with you, to a certain extent, that commercial property probably is being over assessed in those areas. There is a great reluctance on the part of some of the local officials, city and county, to reduce values, because they really are trying to maintain their tax base. They have to have somebody to tax, the farmland values have been going up, but obviously, the agricultural interests are not happy with that. If all of your commercial and residential values are going down, there is no tax base.

WADE WILLIAMS, NORTH DAKOTA ASSOCIATION OF COUNTIES Testified in opposition of the bill. He stated their concern with this bill is, what happens if the sale is greater than what it is assessed. We would like the tables to go the other way. Related to Century Code 57-02-11.1, Section 1, that section says, assessors cannot use the value of a piece of property which has sold at auction, and use that value. Maybe something needs to be addressed there. With no further testimony, the hearing was closed.

COMMITTEE ACTION 1-29-03, Tape #1, Side B, Meter #21

REP. HEADLAND Presented and explained amendments prepared by Rep. Pollert. The amendments would allow public auction sale bids, to be an arm's length sale.

REP. HEADLAND Made a motion to adopt the amendments as presented.

REP. IVERSON Second the motion. Motion carried by voice vote.

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House Finance and Taxation Committee

Bill/Resolution Number HB 1310

Hearing Date January 22, 2003

REP. SCHMIDT Felt the bill should also be amended to say "three or more" sealed bids, as one bid, would probably not constitute true market value.

REP. WINRICH Felt committee members should probably address Marcy Dickerson's concerns in her testimony.

REP. HEADLAND Made a motion for a **DO PASS AS AMENDED.**

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

12 YES 1 NO 1 ABSENT

REP. HEADLAND Was given the floor assignment.

Date: 1-29-03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1310

House FINANCE & TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep. Headland Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
BELTER, CHAIRMAN	✓				
DROVDAL, VICE-CHAIR	✓				
CLARK	✓				
FROELICH	✓				
GROSZ	✓				
HEADLAND	✓				
IVERSON	✓				
KELSH	✓				
KLEIN	✓				
NICHOLAS	✓				
SCHMIDT	✓				
WEILER	✓				
WIKENHEISER	✓				
WINRICH		✓			

Total (Yes) 12 No 1

Absent 1

Floor Assignment Rep Headland

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

REPORT OF STANDING COMMITTEE (410)
January 30, 2003 9:34 a.m.

Module No: HR-18-1326
Carrier: Headland
Insert LC: 30473.0101 Title: .0200

REPORT OF STANDING COMMITTEE
HB 1310: Finance and Taxation Committee (Rep. Belter, Chairman) recommends
AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS**
(12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1310 was placed on the Sixth
order on the calendar.

Page 1, line 9, after "sale" insert "or a sale at public auction or by sealed bids"

Renumber accordingly

2003 SENATE FINANCE AND TAXATION

HB 1310

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10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1310

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date February 26, 2003

Tape Number	Side A	Side B	Meter #
1		X	1657-5850
Committee Clerk Signature <i>Mary Kay L. L. L.</i>			

Minutes:

Vice Chairman Senator Wardner opened the hearing on HB1310. Committee members present are, Senator Wardner, Senator Syverson, Senator Tollefson, Senator Nichols and Senator Seymour. This bill related to the reassessment of property that was formerly a commercial grain elevator.

Representative Chet Pollert (mtr #1741) - Introduced the bill and explained the its intent. Also gave examples of situations that this bill would effect.

Senator Tollefson (mtr #2017) - Question regarding the use of a market value appraisal.

Representative Pollert (mtr #2026) - Valuation done by the county assessor.

Senator Tollefson (mtr #2068) - County assessor may not have the market value. Would a market value appraisal fix this problem.

Representative Pollert (mtr #2086) - Using the tax assessors handbook to establish the value.

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Senate Finance and Taxation Committee

Bill/Resolution Number HB1310

Hearing Date February 26, 2003

Representative Dale Severson (mtr #2213) - Read testimony submitted by Kevin Black of

Glenfield ND. Written testimony is attached. Recommends a Do Pass.

John Stangeland (mtr #2428) - Testified in support of HB1310. Feels assessments for value have not been done properly.

Senator Wardner (mtr #2549) - Question regarding the value that has been assigned to the elevator he is talking about.

Mr. Stangeland (mtr #2586) - Not sure where the amount of tax comes from. Feels tax would be less if the guidelines are followed.

Senator Syverson (mtr #2649) - Question on the number of bushels that can be stored in his elevator and the cost of comparable storage being constructed on his farm.

Mr. Stangeland (mtr #2700) - To build would be costly but farm storage would have no taxes.

Senator Syverson (mtr #2732) - Question on the number of bushels that can be stored in this facility.

Mr. Stangeland (mtr #2744) - Went over the maximum capacity and the amount of that storage that he uses.

Brian Bjella, representing the ND Grain Dealers Association (mtr #2833) - Testified in support of HB1310. Written testimony is attached. Proposed an amendment that is also attached.

Senator Tollefson (mtr #3033) - Again questioned the use of a market value appraisal, feels a true market value would show a decrease.

Mr. Bjella (mtr #3100) - Does not know the answer to that question.

Wade Williams, Association of Counties (mtr #3160) - Proposed to amend the bill. Remove "in the county" on line 12.

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Senate Finance and Taxation Committee

Bill/Resolution Number HB1310

Hearing Date February 26, 2003

Senator Tollefson (mtr #3323) - Previous people said no commercial value in these properties.

However, feels trucking would work. Questionable to take out the commercial designation.

Mr. Williams (mtr #3403) - Went over the intent of the use as private rather than commercial.

Senator Tollefson (mtr #3486) - Value could be broadened by using more sales.

Senator Wardner (mtr #3527) - Question regarding the political sub, taking the highest value of the past three years as a base. When the highest value of the past three years falls off, the value would go down.

Mr. Williams (mtr #3621) - Gave answer on valuation as he understands it. Deferred to Marcy Dickerson of the Tax Department for further clarification.

Leon Samuel, Director of Tax Equalization in Morton County (mtr #3765) - Agrees that elevators should be revalued at market value. However, feels local counties are the problem. Do have a statute on the books now that addresses this valuation problem. Owners also have recourse. Even if this bill is approved, feels there is no guarantee that same counties would follow the new law as they do not follow current law. Same recourse for owners would be in place. Also gave an example of the law not being followed and the use of recourse to gain satisfaction.

Senator Wardner (mtr #4289) - Question regarding the tax on commercial value vs. market value.

Mr. Samuel (mtr #4296) - Formula for commercial tax is the same for all counties in the state.

Senator Wardner (mtr #4422) - Clarified the property tax rates.

Mr. Samuel (mtr #4448) - Agreed with Mr. Williams that "in the county" should be stricken.

Senator Nichols (mtr #4659) - With regard to elevators being specified in this bill. Are there other times the intent of this bill would be used.

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Senate Finance and Taxation Committee

Bill/Resolution Number HB1310

Hearing Date February 26, 2003

Mr. Samuel (mtr #4660) - Feels this bill may be applied to other buildings. Gave examples of how this bill could be used in other areas of the state.

Senator Wardner (mtr #4871) - Additional question of the average value taken over three years.

Mr. Samuel (mtr #4930) - A small community would notice a shift in taxes when value decreases.

Marcy Dickerson, State Supervisor of Assessments, State Tax Department (mtr #5044) - Agrees with Mr. Samuel. There is a law and remedy in place at this time. Concerned about the possibility of this mushrooming to include other properties.

Senator Wardner (mtr #5280) - Would this make a difference to political subdivisions if passed.

Ms. Dickerson (mtr #5326) - Some counties already violating one law, may violate another.

Mr. Stangeland (mtr #5386) - Realizes that there is already a law in place.

Senator Wardner (mtr #5478) - Did you go before the State of Board of Equalization?

Mr. Stangeland (mtr #5496) - Did not go to the state level.

Senator Wardner (mtr #5641) - Question for Mr. Bjella, under current law, are current owners going through the correct process?

Mr. Bjella (mtr #5750) - The association knows that law is in place, frustrated with the counties that do not comply.

Senator Wardner (mtr #5833) - Closed the hearing on HB1310. Meeting adjourned.

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1310

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date March 4, 2003

Tape Number	Side A	Side B	Meter #
2	X		573-1150
Committee Clerk Signature <i>[Signature]</i>			

Minutes:

Senator Urlacher opened the discussion on HB1310 which relates to the reassessment of property that was formerly a commercial grain elevator.

Senator Wardner (mtr #593) - Received an e-mail from Kevin Black who feels that this bill would put teeth into the law. However, recourse is already available for this problem.

Referenced testimony by Leon Samuels and the Tax Department which again states that recourse is available.

Senator Syverson (mtr #761) - Recalled that there is a significant amount of storage capacity.

Triple what the buyer was using or needed. Excess capacity has the potential to be used for commercial use. Owner has not used the full extent of the recourse available to him.

Senator Seymour (mtr #895) - Referenced Senator Tollefson's question during hearing regarding the lack of a market appraisal.

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Senate Finance and Taxation Committee

Bill/Resolution Number HB1310

Hearing Date March 4, 2003

Senator Tollefson (mtr #914) - Talked about the appraisal process and why he supports that.

People in support of the bill seemed to avoid that question. Not sure why.

General discussion on the effects of this bill and the fact that there is recourse is place at this time without another piece of legislation.

Senator Wardner moved a Do Not Pass. Second by Senator Tollefson. Roll call vote

6 yea, 0 nay, 0 absent. The carrier is Senator Seymour.

Date: 3.4.03
Roll Call Vote #: \

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1310

Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Not Pass

Motion Made By Sen. L. Leachner Seconded By Sen. Tollefson

Senators	Yes	No	Senators	Yes	No
Senator Urlacher - Chairman	✓		Senator Nichols	✓	
Senator Wardner - Vice Chairman	✓		Senator Seymour	✓	
Senator Syverson	✓				
Senator Tollefson	✓				

Total (Yes) 6 No 0

Absent

Floor Assignment Sen. Seymour

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

REPORT OF STANDING COMMITTEE (410)
March 4, 2003 4:27 p.m.

Module No: SR-38-3910
Carrier: Seymour
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1310, as engrossed: Finance and Taxation Committee (Sen. Urlacher, Chairman)
recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1310 was placed on the Fourteenth order on the calendar.

P

2003 TESTIMONY
HB 1310

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Al Costa Rickford
Operator's Signature

10/2/03
Date

✓ YEAR-2001

REAL ESTATE TAXES FOR--GRIGGS COUNTY

GRIGGS COUNTY TREASURER
P O BOX 340
COOPERSTOWN ND 58425-0340
701-797-2411

OWNERSHIP SHOWN IS AS OF NOVEMBER 13, 2001

BLACK, KEVIN R & JUDY L

72 85TH AVE NE
GLENFIELD ND 58443

00005174
23--8001--00002--010
BINFORD CITY
LEASE SITES
TAXING DISTRICT-2307020301
ACRES-

MAIN ELEVATOR AND BUILDINGS

SPC/DRN# / AMOUNT /	DESCRIPTION	MILL RATE	TRUE&FULL VALUE	ASSESSED VALUE
		404.38	134,600	67,300
		TAXABLE	HOMESTEAD CREDIT	NET TAXABLE
		6,730		6,730
		CONSOLIDATED	TOTAL #SPECIALS	TOTAL ALL TAXES
		2,721.48		2,721.48

-BREAKDOWN OF TAX DOLLARS-
COUNTY 843.81
CITY 492.03
SCHOOL 1,304.14
FIRE 6.73
PARK 41.12
WATER 26.92
STATE 6.73

5% DISCOUNT ON CONSOLIDATED	TAX DUE IF PAID BY FEB 15TH
136.07	2,585.41

RETURN BOTTOM WITH REMITTANCE

YOUR CANCELED CHECK IS YOUR RECEIPT

YEAR-2001

REAL ESTATE TAXES FOR--GRIGGS COUNTY
GRIGGS COUNTY TREASURER
P O BOX 340
COOPERSTOWN ND 58425-0340
701-797-2411

00005174
23--8001--00002--010
BINFORD CITY
DISTRICT-2307020301

MAIN ELEVATOR AND BUILDINGS

CONSOLIDATED	TOTAL #SPECIALS	TOTAL ALL TAXES
2,721.48		2,721.48

BLACK, KEVIN R & JUDY L

72 85TH AVE NE
GLENFIELD ND 58443

5% DISCOUNT ON CONSOLIDATED	TAX DUE IF PAID BY FEB 15TH
136.07	2,585.41

La Costa Rickford
Operator's Signature

10/3/03
Date

HB 1310
Kevin Black

2002 Assessment of Main Elevator, Annex, Yellow Fertilizer Shed,
Coal Shed, and Office
Kevin Black, Binford Property

Main House 90,000 bushel capacity
Replacement Cost New @\$4.07 per bushel \$366,300
Age 54 years
Condition Rating - Average
Physical Depreciation - 65% <238,095>
Total \$128,205

Annex 100,000 bushel capacity
Replacement Cost New @ \$2.43 per bushel \$243,000
Age 30 years
Condition Rating -- Good
Physical Depreciation - 45% <109,350>
Total \$133,650

Yellow Fertilizer Shed 26x48 Wood Building
1248 Square Feet
Replacement Cost New @ \$7.50 per foot \$ 9,360
Condition Rating - Poor
Physical Depreciation - 75% < 7,020>
Total \$ 2,340

Coal Shed - no significant value

Office was valued at \$6,190 on the 1999 Assessment, Due to the change of use and functional obsolescence, no significant value.

Main	\$ 128,205
Annex	133,650
Fert. Shed	<u>2,340</u>
Total	\$ 264,195 times 65% change of use and economic obsolescence

92,500 rounded

Current T&F Value	\$ 134,600
2002 T&F Value	\$ 92,500

92,500 times 50% = 46,250 Assessed Value
46,250 times 10% = 4,625 Tax Value (Commercial Classification)
4,625 times millage (if it were to be the same as the current year, .40438) = 1,870

I feel this is an equal value to the Karnac elevator. They are in commercial use. I will be in and out on Monday and in on Tuesday, please feel free to call, if you have any questions. Thanks, Sandy

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10/3/03
Date

FINANCE AND TAXATION COMMITTEE

January 22, 2003

Testimony of Marcy Dickerson, State Supervisor of Assessments

HOUSE BILL NO. 1310

Mr. Chairman, Members of the Committee, for the record my name is Marcy Dickerson and I am employed by the State Tax Commissioner as State Supervisor of Assessments. I have a couple of concerns about House Bill 1310.

Language on line 9 refers to an arm's length sale. The concept of an arm's-length sale assumes a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which the property is adapted and for which it is capable of being used, and neither of whom is acting under compulsion to sell or buy. Whether a sale of a former commercial grain elevator to a purchaser who will use the property for another purpose is an arm's-length sale will be considered on a case-by-case basis and may be subject to dispute.

The language beginning on line 10 seems to refer to the first assessment after the sale of the property. Are the provisions for one year only or are they intended to continue indefinitely?

This concludes my prepared testimony. I will be happy to try to answer any questions you may have.

La Costa Rickford
Operator's Signature

10/2/03
Date

House Bill 1310
Grain Elevator Taxation
Senate Finance and Taxation Committee

To the Committee Members:

Please consider the following written testimony in support of HB1310.

Grain elevators that have been sold by companies that no longer wish to continue operations as commercial businesses to farmers for use by them as private storage are not being assessed by local governments as allowed by state law and tax guidelines set forth by state Government.

Enclosed find page 19 of section 6 from the Assessors Hand book. This section deals specifically with grain elevators only. The Assessors of Griggs County disregard Section six and use the commercial code as if the elevators were still used as commercial elevators.

Griggs County has had 4 Grain elevators sell in recent years and all sold for less than 30,000.00 dollars each. I believe these sales satisfy the Market data called for in section six.

In 1992 the rail service was discontinued for my elevator and the BNSF Railroad completed later removal of the rails.

The economic obsolescence that is referred to in section six is present in all of rural North Dakota and ongoing with most grain elevators in small towns and other locations.

We must assure that all taxpayers are treated fairly and equally under the provisions set forth by the laws and regulations of North Dakota. In this case it is not happening. The laws allow for the changing times we live in, but those that set the tax valuations don't like changes.

I encourage you to support HB 1310 and recommend a DO PASS vote to the full Senate.

Thankyou for your consideration;

Kevin Black , Glenfield, North Dakota

La Costa Rickford
Operator's Signature

10/3/03
Date

ECONOMIC OBSOLESCENCE

Economic Obsolescence is loss in value resulting from influences outside the property. Assessors refer to this as an area or a location factor and assign a percentage reduction to the reproduction costs new. Assessment officials have problems in recognizing and estimating economic obsolescence. Two elevators may be very similar in reproduction cost, they may be the same age, and in the same general repair, functionally they would be equal, yet they may have vastly different market values. For example, one may be located in an excellent grain farming area, in a thriving area with a good economy, whereas the other may be located in a town where there is little economic activity. These elevators would have different market values and this should be reflected in the assessments. The market determines the economic obsolescence that should be used. Whenever and wherever there is market data that can be relied upon, then it should be used, but when no such market can be found it becomes necessary to use judgment. Some factors which affect economic obsolescence include; (1) the area's grain producing capability, (2) availability of rail service, and (3) principle of balance, e.g., are there more elevators in the area than are needed.

SECTION 6

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Lu Costa Rickford
Operator's Signature

10/3/02
Date

ENGROSSED HB 1310 SENATE TESTIMONY

Presented by Brian Bjella on February 26, 2003, to Senate Finance and Taxation Committee

The North Dakota Grain Dealers Association supports this bill. But we would like to extend the benefits of the bill to all elevators. If there is a need to make a re-evaluation for non-commercial uses, then why not do it also for commercial uses?

As the grain elevator system consolidates we see more small elevators sold. Some of those go for private use, but others for commercial operations handling specialty grains. These days the true value of an elevator is often determined more by whether it has rail service—a positive—and whether there is a competing shuttle train loader nearby—a negative—than by the condition and capability of the facility itself. Assessors might not appreciate this situation and be more attentive to past values.

Attached are proposed amendments to extend the benefits of this bill to all elevators whether or not they continue in use as a commercial grain elevator. We recommend you adopt these amendments and give the bill a Do Pass.

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Lu Costa Rickard
Operator's Signature

10/3/03
Date

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1310

Page 1, line 2, after "property" insert "when sold", replace "formerly" with "used as"

Page 1, line 7, remove "former"

Page 1, line 8, replace "an" with "any"

Page 1, line 9, replace "to a purchaser who will not use the property as a commercial grain elevator" with "of the property to a purchaser for any use"

Renumber accordingly.