

# MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1312

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Deanna Halliwell  
Operator's Signature

10/3/03  
Date

2003 HOUSE FINANCE AND TAXATION

HB 1312

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Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1312**

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 21, 2003

Tape Number	Side A	Side B	Meter #
1		x	12.6
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

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

**REP. CRAIG HEADLAND, DIST. 29** Introduced the bill on behalf of the Montpelier School District. He stated he invited members of the school district to testify. He deferred questions to them.

**AMY MAURER, BUSINESS MANAGER OF THE MONTPELIER SCHOOL DISTRICT**

Testified in support of the bill. See attached written testimony.

**REP. DROVDAL** If this bill passes, you want to be a 185 mills, the maximum mills?

**AMY MAURER** Most likely, it depends on what the legislature does, we want to have that option.

**REP. DROVDAL** Somewhere in here is 140 mills in year 2000, that isn't the current mill levy is it?

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Page 2  
House Finance and Taxation Committee  
Bill/Resolution Number HB 1312  
Hearing Date January 21, 2003

**AMY MAURER** That figure we inadvertently, made the error of sending out three certificates of levy, to three different county auditors, where you are supposed to send just one to the resident district auditor, so the two certificates were ignored. Our levy then ended up being the 140 mills rather than the 168 we had intended.

**REP. DROVDAL** That is what we correct two years ago?

**AMY MAURER** Right.

**REP. HEADLAND** Stated that as of today, the \$23,325 is viewed as a shortfall in balancing the budget. If the legislation is not passed, there will have to be cuts made in some areas.

**AMY MAURER** Stated that is what they are anticipating.

**REP. SCHMIDT** Two years ago, you had a mistake, now are you saying the correction we made two years ago, was a mistake?

**AMY MAURER** She stated, that the intention was that they would have to tax less in 2003. She stated, their concern is, that if they needed to go back to 1999, and increase 18% from that, that they would be not be allowed to increase, what they normally would have been able to increase over the course of three years.

**REP. DROVDAL** Does your school district have a carry-over fund that utilizes short falls?

**AMY MAURER** I would have to research to give a real thorough answer, over the last two years, we have been in the black.

**REP. DROVDAL** If this mistake hasn't been made, you would have maxed out at 185 mills a year or two ago, wouldn't you?

**AMY MAURER** I believe so.

**REP. BELTER** So, two counties were levying 140 mills and one county was levying 168?

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Page 3  
House Finance and Taxation Committee  
Bill/Resolution Number HB 1312  
Hearing Date January 21, 2003

**AMY MAURER** Our intended levy was 168 mills, 140 of that was for Stutsman County, and they are the resident district, so they were the ones who acted on the certificate of levy. The other two levies amounted to 28 mills, which went to LaMoure and Barnes Counties. Those were the ones that were not acted upon, because that was not the way it was normally done.

**BRAD FOWLER, SCHOOL BOARD MEMBER** Testified in support of the bill. Gave an explanation of the history of what happened. He stated a new superintendent was hired that year this happened, and he was unaware that the whole levy was supposed to go to Stutsman County. Stutsman County took it and sent the corresponding share to LaMoure and Barnes Counties. It was a mistake, the share of 140 mills went to Stutsman County and he divided it up between Barnes and LaMoure Counties. The legislation was intended so that we could make it up to where we requested to be. Now, we need to be at 185 mills, so that we don't have a budget shortfall. The dollar figure may not seem like a large amount, but in a school district with a budget as ours, it is a quite substantial amount of money. We want to be a viable school district and want to be financially responsible.

**REP. WINRICH** If this legislation passes, will the school district essentially be in the same condition it would have been in, if the mistake would not have been made in the first place?

**BRAD FOWLER** that is correct.

With no further testimony, the hearing was closed.

Deanna Hall Smith  
Operator's Signature

10/3/03  
Date

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House Finance and Taxation Committee  
Bill/Resolution Number HB 1312  
Hearing Date January 21, 2003

**COMMITTEE ACTION** 1-21-03, Tape #1, Side B Meter #32

**REP. NICHOLAS** Made a motion for a **do pass**

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

12 YES          2 NO          0 ABSENT

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

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10/3/03  
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**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2003**

Bill/Resolution No.: HB 1312

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1312 will have no effect on any state, county, or city funds. It affects only one school district. It is not possible to estimate what that school district's general fund levy would have been without application of Section 57-15-63.

The County Auditor's office indicated the amount the subject taxing district intended to levy in the 2000 tax year was \$373,910.38. Under the provisions of HB 1312, that amount may be used as the "base year" or "prior school year" for calculating its 2003 general fund levy. Under current law, the amount used for "base year" or "prior school year" is the 1999 levy of \$343,699.02.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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10/3/03  
Date

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/19/2003

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Dennis Hallmark  
Operator's Signature

10/3/03  
Date

Date: 1-21-03  
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1312

House FINANCE & TAXATION Committee

☐ Check here for Conference Committee

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

Action Taken

Do Pass

Motion Made By

Rep. Nicholas

Seconded By

Rep. Iverson

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

2

Absent

0

Floor Assignment

Rep. Schmidt

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

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Operator's Signature

Deanna Hallmark

Date

10/3/03

**REPORT OF STANDING COMMITTEE (410)**  
January 21, 2003 1:22 p.m.

Module No: HR-11-0841  
Carrier: Schmidt  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
**HB 1312: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO**  
**PASS (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1312 was placed on**  
the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-11-0841

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10/3/03  
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2003 SENATE POLITICAL SUBDIVISIONS  
HB 1312

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10/3/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **HB 1312**

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date **February 27, 2003**

Tape Number	Side A	Side B	Meter #
1		X	601 - 1324
Committee Clerk Signature <i>Shirley Long</i>			

Minutes:

**CHAIRMAN COOK** called the committee to order. All members (6) present.

**CHAIRMAN COOK** opened the hearing on HB 1312 relating to the effect of a mistake in levy by a taxing district.

**REPRESENTATIVE HEADLAND**, District 29, sponsored this bill on behalf of Montpelier Public School District, which is his home town school district. This bill corrects a problem that occurred a few years ago.

**Testimony in support of HB 1312**

**Lynn Krueger**, Superintendent/High School Principal, Montpelier Public Schools, appeared in support of HB1312. (see attached testimony)

**SENATOR COOK** said he remembered trying to solve this problem during the last session in the Senate Education committee. He asked if what Mr Krueger was saying is what we thought would be the solution actually did not go far enough.

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*Dorinda Halliwell*  
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Date

Page 2  
Senate Political Subdivisions Committee  
Bill/Resolution Number HB 1312  
Hearing Date February 27, 2003

**Mr Krueger** answered that it allows them to recoup the money that they lost and they are thankful for that but then it sets us at a position where if we use the base year of 1999 we won't have enough money this year to meet what they have budgeted. They would like to be at 185 mill.

No testimony in opposition of HB 1312.

Senator Cook said he would like to talk with Tom Decker, Department of Public Instruction, to make sure this does resolve the problem.

CHAIRMAN COOK closed the hearing on HB 1312.

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10/3/03  
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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1312

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date March 20, 2003

Tape Number	Side A	Side B	Meter #
2		X	1018 - 1312
Committee Clerk Signature <i>Shirley Long</i>			

Minutes:

CHAIRMAN COOK asked the committee about HB 1312.

SENATOR GARY LEE explained that this was the bill that will essentially be eliminated by passing HB 1058 .

SENATOR GARY LEE moved DO NOT PASS on HB 1312.

SENATOR CHRISTENSON seconded the motion.

Roll call vote: Yes 6 No 0 Absent 0

Carrier: SENATOR GARY LEE

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*10/3/03*  
Date

Date: 3. 20-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1312

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

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

Action Taken Do Not Pass

Motion Made By Senator Gary Lee Seconded By Senator Christensen

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator John O. Syverson, V C	X				
Senator Gary A. Lee	X				
Senator Judy Lee	X				
Senator Linda Christenson	X				
Senator Michael Polovitz	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Gary Lee

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

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10/3/03  
Date

**REPORT OF STANDING COMMITTEE (410)**  
March 20, 2003 12:44 p.m.

Module No: SR-50-5307  
Carrier: G. Lee  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1312: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO NOT PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1312 was placed on the Fourteenth order on the calendar.**

(2) DESK, (3) COMM

Page No. 1

SR-50-5307

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10/3/03  
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2003 TESTIMONY

HB 1312

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10/3/03  
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## MONTPELIER PUBLIC SCHOOL DISTRICT #14

322 Bailey Avenue P.O. Box 10  
Montpelier, ND 58472-0010  
Telephone 701-489-3348 Fax 701-489-3349

### Board of Education

Tim Herman, President  
Janet Hendrickson, V. President  
Elizabeth Roorda, Brian Bertsch  
Wes Valenta, Brad Fowler  
Dennis Hendrickson

Lynn Krueger, Superintendent/High School Prin.  
Mary Steele, Elementary Prin./ Counselor  
Amy Maurer, Business Manager  
Lisa Carpenter, Secretary

Members of the ND House of Representatives  
Finance and Taxation Committee

January 21<sup>st</sup>, 2003

We are writing this to explain why we support House Bill 1312.

In 2000, Montpelier levied \$300,367.76 (140.29 mills). We had intended to levy \$373,910.00, but mistakenly sent separate certificate's of levy to the three county auditors involved, rather than just one cumulative one to the auditor in our resident district.

NDCC 57-15-63 allowed us to make up the difference over the 2001 and 2002 tax years. We greatly appreciate that this was allowed.

Initially, we were unsure how to interpret NDCC 57-15-63 concerning what we are allowed to levy in 2003.

It has been explained that as it is written we would need to revert to the 1999 tax year's levy and would be allowed to increase 18% over that for 2003.

This ignores the passage of three years during which our school could normally have increased its funding (18% per year up to 185 mills).

In 1999 our levy was \$343,699.06 (167.44 mills). An 18% increase would allow us to increase up to \$405,564.90 for 2003. Due to changes in taxable valuation we estimate (based on 2002 taxable valuation of \$2312.91 per mill) that this would put the district at 175 mills.

If the proposed House Bill 1312 passes it would allow the Montpelier District to levy approximately \$427,890.00 (185 mills, based on 2002 valuation), an additional \$23,325.00 that we believe could be essential to achieving a balanced budget for our school.

If the error that occurred in the 2000 tax year had never happened, we could have increased 18% per year for each of the next three years 2000, 2001, 2002, up to the maximum that is allowed by NDCC 57-15-14.

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*Dennis Hendrickson*  
Operator's Signature

10/3/03  
Date

If the legislation that allowed the district to correct the levy mistake had not been put in place, the Montpelier School District could still have gone from the \$300,367.76 (140.29 mills, amount of levy in 2000, the year the error occurred) up to the estimated maximum in 2003 over the course of the next three years.

We believe that our lawmakers intention with the 57-15-63 legislation was simply to allow our district to make up for the money we were short from the levy error. We believe that the reference to reverting to the 1999 tax year was made to prevent the district from exceeding it's normal taxation limitations. We do not believe that it was intended to set us back from what would have been allowed had the legislation never been passed.

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Date

## MONTPELIER PUBLIC SCHOOL DISTRICT #14

322 Bailey Avenue P.O. Box 10  
Montpelier, ND 58472-0010  
Telephone 701-489-3348 Fax 701-489-3349

**Board of Education**  
Tim Herman, President  
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Wes Valenta, Brad Fowler  
Dennis Hendrickson

Lynn Krueger, Superintendent/High School Prin.  
Mary Steele, Elementary Prin./ Counselor  
Amy Maurer, Business Manager  
Lisa Carpenter, Secretary

Members of the ND Senate  
Political Subdivisions Committee

February 26th, 2003

We are writing this to explain why we support House Bill 1312.

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