

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

4010

2005 SENATE FINANCE AND TAXATION

SCR 4010

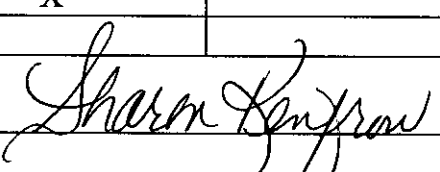
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4010

Senate Finance and Taxation

☐ Conference Committee

Hearing Date January 26, 2005

Tape Number	Side A	Side B	Meter #
1	X		19.9-33.6
2	X		26.1-28.9
Committee Clerk Signature 			

Minutes: **Chairman Urlacher** opened the hearing on SCR 4010. All Senators were present.

Senator Wardner introduced the resolution. This main issue is the complicated system in figuring out property taxes.

Greg Sund, City Administrator for Dickinson, appeared in support of the resolution. See written testimony.

Senator Cook- The current method is very complicated, if we decided to go with your suggestion, it could be a very thick piece of legislation.

Greg- I understand that, but it would lead to a more effective system.

Senator Bercier- Does this apply across the board?

Greg- Yes. In most cases commercial property is priced differently than residential property?

Senator Wardner- Instead of caps on mills, we would have caps on taxes per thousand per each political subdivision?

Greg- Correct.

Senator Cook- Would you still have a mill rate if we changed to this system?

Greg- To the best of my understanding we would.

Senator Cook- So, that would effect residential property, not agriculture property?

Greg- It would apply to any property.

Senator Tollefson- I have doubts on the formula, on whether it is valid on establishing the value for property. The market value would need to be factored into that.

Greg- I fully support having assessors involved in the process. A tax assessor appraises property differently than a private assesor. Mass appraisals are much different than an individual appraisal. A private appraisal for tax purposes would be rather expensive.

Senator Wardner- In Dickinson, do we stay within 5% of the property value, having 2 employees?

Greg- It is their job to keep the tax base within that 5% rule.

Senator Wardner- So, the staff goes by classes, where a home might not be within 5%.

Greg- The problem that occurs is with mass appraisal, where a group of properties have not sold, you don't have that ratio.

There was no opposition to the resolution. Chairman Urlacher closed the hearing on SCR 4010.

Action taken:

Chairman Urlacher opened the meeting on SCR 4010. All Senators were present.

Senator Wardner moved a Do Pass recommendation for SCR 4010. Seconded by Senator Every.

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Senate Finance and Taxation

Bill/Resolution Number SCR 4010

Hearing Date January 26, 2005

After some brief discussion, the committee voted unanimously to pass the resolution, 6-0-0.

Senator Every is the carrier of the resolution.

Chairman Urlacher closed the meeting on SCR 4010.

Date: 1-26-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB SR4010

Senate Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO Pass

Motion Made By Wardner

Seconded By Every

Senators	Yes	No	Senators	Yes	No
Sen. Urlacher	✓		Sen. Bercier	✓	
Sen. Wardner	✓		Sen. Every	✓	
Sen. Cook	✓				
Sen. Tollefson	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Every

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

REPORT OF STANDING COMMITTEE (410)
January 26, 2005 3:42 p.m.

Module No: SR-17-1136
Carrier: Every
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4010: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4010 was placed on the Eleventh order on the calendar.

2005 HOUSE FINANCE AND TAXATION

SCR 4010

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. **SCR 4010**

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date **March 2, 2005**

Tape Number	Side A	Side B	Meter #
1			
	X		17
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. DAVID DROVDAL, VICE-CHAIR Called the committee hearing to order.

SEN. RICH WARDNER, DIST. 37, DICKINSON Introduced the resolution. This resolution gives alternatives to the current method of expressing property tax levies and mills per dollars of taxable evaluations. Some people are very frustrated with the complicated formula and all of the calculations you go through. Why can't we just do it in dollars and be done with it.

GREG SUND, DICKINSON CITY ADMINISTRATOR Testified in support of the resolution. See written testimony.

REP. WRANGHAM Would there be any difference for agricultural property?

GREG SUND I don't think there would be any difference in calculation regardless to what property it is.

REP. DROVDAL One of the things we would have to work out, is that you pointed out in your testimony that we do treat residential a little bit kinder then we do commercial, and agriculture

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House Finance and Taxation Committee

Bill/Resolution Number **SCR 4010**

Hearing Date **March 2, 2005**

we give away, just about. Agriculture is treated separate, so we do work three different formulas for those three different enterprises. Do you foresee how we would move that in to your proposed formula?

GREG SUND The way it would work would be, as stated here, for residential property it would be \$23.50 per 1,000, for commercial property it would be \$25.00 per 1,000, for agriculture, it would be whatever it is.

With no further testimony, the hearing was closed.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4010

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date **March 7, 2005**

Tape Number	Side A	Side B	Meter #
1		X	43
Committee Clerk Signature			

Minutes:

COMMITTEE ACTION

REP. OWENS Made a motion for a **do pass and place it on the consent calendar.**

REP. NICHOLAS Second the motion. **MOTION CARRIED BY VOICE VOTE.**

REP. OWENS Was given the floor assignment.

Date: 3-7-05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SC 4010

House FINANCE & TAXATION

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Pass Consent Calendar

Motion Made By

Rep. Owens

Seconded By

Voice Vote
Rep. Nicholas

Representatives	Yes	No	Representatives	Yes	No
BELTER, WES, CHAIRMAN					
DROVDAL, DAVID, V-CHAIR					
BRANDENBURG, MICHAEL					
CONRAD, KARI					
FROELICH, ROD					
GRANDE, BETTE					
HEADLAND, CRAIG					
IVERSON, RONALD					
KELSH, SCOT					
NICHOLAS, EUGENE					
OWENS, MARK					
SCHMIDT, ARLO					
WEILER, DAVE					
WRANGHAM, DWIGHT					

Total (Yes)

14

No

0

Absent

0

Floor Assignment

Rep. Owens

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

REPORT OF STANDING COMMITTEE (410)
March 7, 2005 3:08 p.m.

Module No: HR-41-4310
Carrier: Owens
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4010: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4010 was placed on the Tenth order on the calendar.

2005 TESTIMONY

SCR 4010

**TESTIMONY
BY GREG SUND
IN SUPPORT OF
SCR 4010**

Chairman Urlacher and members of the committee, for the record my name is Greg Sund. I am the Dickinson City Administrator. I am testifying in support of Senate Concurrent Resolution 4010.

It is my experience that the method used to tax real property in North Dakota is designed to be as confusing as it possibly can be. When property owners ask for explanation of how property taxes work, one can visibly see the level of confusion in their faces increase as you talk. For the record, property taxes are determined by dividing the full and true value of the property by two. The quotient of this calculation is the assessed value. Then assessed value is multiplied by nine percent if it is residential property or ten percent if it is commercial property. The product of this calculation is the taxable valuation. Then the taxable valuation is multiplied by the mill levy divided by 1,000. The product of this final calculation is the amount of property taxes on that individual property.

Under my proposal, the County Auditor would collect all of the property tax levies from the taxing entities in the jurisdiction in dollars and compare the dollars requested to the total full and true value of the real estate in the jurisdiction divided by 1,000. The result of this comparison would be dollars of property taxes per \$1,000 of full and true value. This method of taxing could be explained to taxpayers very easily and would make it easy for them to calculate.

I believe researching a method of simplifying property tax levies would be a benefit to all property owners in North Dakota.

I encourage the committee to recommend a "do pass" on this resolution, so a method for simplifying the method of levying property taxes can be researched for consideration in a future bill.

SCL-4010
Greg Sund

Current Method

Full and True Value	100,000
Divide by 2 (Assessed Value)	50,000
Multiply by 9% (Residential)	4,500 Taxable Value Residential
Multiply by 10% (Commercial)	5,000 Taxable Value Commercial
Mill Levy	500

Multiply Taxable Value by
mill levy divided by 1,000

2,250	Property Taxes Residential
2,500	Property Taxes Commercial

Proposed Method

Full and True Value	100,000
Taxes per \$1,000 F & T	\$22.50

F & T Divided by 1,000
Annual Taxes
(Multiply by taxes per \$1,000 F&T)

100
\$2,250