

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Tentative Agenda

### **TAXATION COMMITTEE**

Wednesday, November 28, 2007  
Roughrider Room, State Capitol  
Bismarck, North Dakota

- 9:00 a.m. Call to order  
Roll call  
Consideration of the minutes of the previous meeting
- 9:05 a.m. Presentation by a representative of Cook, Wegner, & Wike PLLP relating to types of indebtedness that may be incurred by political subdivisions
- 9:30 a.m. Presentation by the Legislative Council staff of a bill draft to eliminate individual income tax Form ND-2
- 9:40 a.m. Presentation by Tax Department representatives relating to:
- Implementation of the property tax relief credit against income tax liability created by 2007 Senate Bill No. 2032
  - Estimate of fiscal savings to the Tax Department if individual income tax Form ND-2 is eliminated
  - Information on Form ND-1 rates that would apply for 2009 with elimination of Form ND-2 and a 10 percent reduction from 2008 revenues
- 10:15 a.m. Break
- 10:30 a.m. Continued presentations by Tax Department representatives relating to:
- Tax burden comparisons for average taxpayers in North Dakota and other states
  - Information on the share of increased residential property tax collections attributable to new property and the share attributable to valuation increases
  - Information on states that provide state-level property assessments for all property and advantages and disadvantages of state-level assessments
  - Update on county soil survey use compliance review being conducted by the Tax Department
  - Analysis of 2005-09 oil and gas tax collections and allocations for producing counties and how allocation caps affect producing counties
  - Historical data on the percentage of general fund revenue from major revenue sources and the percentage of general fund spending allocated to elementary and secondary education
- 11:30 a.m. Presentation by a representative of the Department of Public Instruction relating to:
- Examination of how oil and gas and coal tax revenues to school districts will affect state aid to school districts under North Dakota Century Code Chapter 15.1-27
  - School district taxable valuation and levies in mills and dollars for taxable years 2000 and 2006

- 11:45 a.m. Presentation by a representative of the Industrial Commission Department of Mineral Resources relating to:
- Information on uranium extraction taxes in other states
  - Examination of whether the Department of Mineral Resources has authority under current law to regulate uranium extraction in North Dakota and discussion of when uranium extraction activity might begin in North Dakota
  - Comparison of relative costs of energy produced from the various energy sources in North Dakota and the relative amounts of carbon dioxide generated by energy production from each of those energy sources
- 12:00 noon Luncheon recess
- 1:00 p.m. Presentation by Senator Dwight Cook of an update on Streamlined Sales Tax Project activities
- 1:10 p.m. Presentations by representatives of the North Dakota Association of Counties relating to:
- North Dakota Association of Counties assistance to counties in implementing use of soil surveys in agricultural property assessments and vendor software for implementation of soil surveys
  - Statutory provisions and county flexibility regarding how certain county offices must be filled
  - County taxable valuation and tax levies in mills and dollars for taxable years 2000 and 2006
  - Production price index for road and street construction
  - Comparison of county road maintenance costs in oil and gas-impacted counties compared to other counties
  - County expenditures for township roads for unorganized townships
- 2:10 p.m. Break
- 2:25 p.m. Presentations by representatives of the North Dakota League of Cities relating to:
- City development policies for land developers and discussion of use of special assessments or development fees for new property development
  - Clarification of previous information on Devils Lake city revenues
  - Clarification of previous information on Bismarck city revenues
  - Application of statutory provision requiring audit of special assessment projects exceeding engineer's project cost estimates by 70 percent or more
- 2:50 p.m. Presentation by the Legislative Council staff of a memorandum on county and township highway funding
- 3:00 p.m. Comments by interested persons in attendance regarding committee study activities
- 3:10 p.m. Committee discussion and directives relating to the property tax reform and property tax relief study
- 3:20 p.m. Committee discussion and directives relating to the allocation of oil and gas tax revenues to political subdivisions study
- 3:30 p.m. Committee discussion and directives relating to the income tax study

- 3:40 p.m. Committee discussion and directives relating to the political subdivisions efficiency study
- 3:50 p.m. Committee discussion and directives relating to the committee monitoring of county implementation of soil type and soil classification data for property tax assessment purposes
- 4:00 p.m. Adjourn

**Committee Members**

Senators Bob Stenehjem (Chairman), Dwight Cook, Ben Tollefson, Constance Triplett, Herbert Urlacher  
Representatives Larry Bellew, Wesley R. Belter, David Drovdal, Glen Froseth, Craig Headland, Gil Herbel, Jim Kasper, Scot Kelsh, Mark S. Owens, Arlo Schmidt, Benjamin A. Vig, Dave Weiler, Dwight Wrangham