

2011 HOUSE FINANCE AND TAXATION

HB 1194

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1194  
February 7, 2011  
#14092

☐ Conference Committee

Committee Clerk Signature

*Mary Bruckner*

### Explanation or reason for introduction of bill/resolution:

A Bill relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts; and to provide an effective date.

### Minutes:

*See attached testimony #1, #2, #3, #4, #5*

**Representative Porter:** Sponsor. Support. Over the past few sessions we've had discussions on property taxes and on caps. We've had numerous discussions on how and where property taxes should be levied. It is probably the single hottest button issue as we all go door to door and talk to our constituents and find out what's on their mind the first thing they bring up is their property taxes. As we all know we don't levy property taxes from this big building in Bismarck that is the job of the local units of government. With that responsibility comes some public input and public notice. You can't refer property taxes as an ordinance because you end up in a situation where people really don't find out until December about what really is going on with their property taxes. I think one of the other big issues over the course of the year most people are paying in a house payment to the bank and the bank is collecting their property taxes and a lot of people don't know until they need it for their income taxes what really has gone on. My personal story is a rather interesting one. We refinanced our house during the low interest phase of the economy and our appraiser came out and we paid \$800 to have a certified appraiser do that. The appraiser comes out and values our house and I look at our tax bill from the previous year and it's \$22,000 less than what the bank will loan us on our house. So I called the city assessor and sent him a copy of the appraisal. He called me back and cuts up the appraisal by saying it wasn't valid and I said he has the same education you do so how come it can't be valid. He said it just wasn't valid, goodbye. I get a little concerned so I call in either July or August of last year to find out what our house is going to be appraised at for the coming tax season and not only did it go up but it went up by 8%, just enough to be under the notification of the taxpayer so that you would have time to protest and have a conversation about what they are doing. Now off of what the bank has told us to what the city has us at it is more like \$40,000 difference. In the whole course of the transaction if I never would have called I would've never known that my value was going up or that my taxes were going up because they stayed underneath that window of what was going on. So as I'm going to basketball games and visiting with the neighborhood it is pretty much the standard practice that this is how it worked. This bill talks about bringing those taxing

entities to a base so that they start out at a base and if they need to go up either in mills or dollars then they need to have a public hearing and they need to advertise that fact and they need to be ready to answer the questions of the people that they are taxing. I think about the responsibility that they have to run their local unit of government and the powers that the people give to them are very specific but they are also very important for those local services. One of those abilities is to tax and they need to step up to the plate and accept that responsibility that they are the taxing entity and when people are complaining about property taxes that they don't call their legislator they should be calling those local units of government. This gives the people the opportunity to do that and have that hearing. It also takes away that argument that they didn't know they were going up. I wasn't paying attention but this has very clear requirements in it to mail out to the individual taxpayers to take an ad out in the paper so everyone knows what is going on.

**Representative Lonny B. Winrich:** In consideration of another bill we heard last week I suggested that one of the affects of the bill would be that county commissioners would immediately raise taxes to get under a deadline that it set on limits and such. Representative Weiler responded by saying if they did that they would be voted out of office. Isn't there that sort of control? County commissioners and so on still have to be responsible for the taxes that are levied and face the voters every four years.

**Representative Porter:** Of course everybody answers to an electoral body at some point in time. When is that point in time? I think the other question is under our current system an individual wouldn't even know as long as that taxing entity stays below that 10% mark. They also wouldn't know what is going on inside the budgeting process and the taxation process. I think that even though you are correct that every four years there is an election for those individuals this bill gives a little bit more of an open door to the taxpayers to have part of the process rather than wait until December to get their tax bill.

**Senator Cook:** Co-sponsor. Support. I think the property tax issues that we discuss here in North Dakota are not unique to North Dakota. Most states are dealing with many of the same issues when it comes to property tax. I happen to serve on two national tax committees. Last summer in Indianapolis I was visiting with some colleagues from around the country about this particular issue and a senator from Utah told me about a bill they passed years ago that really put to rest the whole issue of legislators trying to find a way to put some restrictions on the growth of local government without doing it in a heavy handed manner. This is what the state of Utah did is what you have before you. I had them send me their bill and had Mr. Walstad research it. This bill is not a new mousetrap it is a mousetrap that was invented in Utah and has been successful. The whole key to the whole tax policy you see here if you look on page 1 you'll see certified tax rate which means the property tax levy expressed in mills that can provide the same amount of property revenue as the previous year base. You turn to page 2 on the bottom on line 22 property tax increase requirements notwithstanding any other provision of law a taxing district may not levy property taxes for the budget year in an amount exceeding the previous certified tax rate without a public hearing. If you have a budget in dollars the assessed value of the property that generated those dollars goes up the assessed property of the property you had before then you simply drop your mill rate to raise the same amount of dollars. A political subdivision can raise that mill levy but they need to notify the people that are going to pay that increase and tell them they are doing and have a public hearing. That's it, that's

all the bill does. I think all of us have faced a constituent who pays their tax dollars, writes their property tax bill out and they know the dollar amount. They don't understand mill rates and they don't understand assessed values but they understand the total amount of their tax bill. We went home last session and we told our constituents how we lowered mills by 75 mills. I did it in Mandan, 75 mill buy down. The taxpayer looks at their property tax bill and sees that it hasn't gone down. That's the problem that this bill will understand. It will bring truth to taxation. I urge your support.

**Vice Chairman Craig Headland:** In the middle of page 2 subsection 6 it talks about what a taxing district is and it looks like Representative Porter has drafted this bill to exclude townships, is that what the \$20,000 figure would amount to?

**Senator Cook:** If it excludes townships I will ask Mr. Walstad to clarify that.

**Dustin Gawrylow, Executive Director of ND Taxpayers Association:** Support. Please refer to attached testimony #1.

**Bev Neilson, School Boards Association:** Support. I had some concerns about the costs involved in implementing this but I really couldn't find a defensive reason to oppose explaining to the public how the whole property tax thing works. I think this has been the least understood things in our society and we have no opposition to trying to educate the public about why we can say we lowered the mill rate and yet their taxes go up. It's not an easy concept to explain but I think that it's time we start explaining it. As far as the recommendations in this bill that if in fact the dollar amount is going to go up that we hold public hearings we don't have an objection to that. I would, however, just ask you to consider costs involved that are in this bill. I don't believe there is a fiscal note but there will certainly be costs involved to the counties who have to do all this mailing. On page 3 line 24 when it talks about giving notice for the public hearings two consecutive weeks and on line 24 it specifies no less than ¼ page in size. I have to tell you in towns like Fargo and Bismarck and places like this we are talking 10s of thousands of dollars. This isn't to see how much tax money of school district money we can spend running ads as opposed to in the classroom. If it's the committee wish that the bill move ahead we would like to work with someone to perhaps make that a more reasonable requirement as far as....I'm sure the newspaper association would like it but it is very expensive especially in big cities and probably proportionately so in the smaller cities. That's a concern of ours.

**Vice Chairman Craig Headland:** Don't taxing districts already have to send out notices for increases if the increase is such a percentage over the prior budgeting year?

**Bev Neilson:** I have to sort of plead ignorance on this as I get my things from North Dakota and something comes in the mail and I put it away until it's time to pay it. I know in Minnesota for my property there way ahead of the taxing time we receive a statement indicating what it was last year, what it's going to be next year, how much it went up, each individual taxing district and how much of the bill the state is paying. There it is about 1/3 to ½ that the state picks up in your property tax. I get that and it says in big letters on the top that this letter is not a bill. Then it posts the dates of the hearings on the notification. I don't know if we get that in North Dakota or not.

**Shirley Murray, Sheridan County Auditor:** (get further written testimony) Opposition. Please refer to attached testimony #2.

**Vice Chairman Craig Headland:** What is the process that counties have now to notify property taxpayers when they are going to have an increase and what is that percent of increase when a notification has to be handled?

**Shirley Murray:** It's 10% or the \$3,000 so if the property owner has a small valuation then they would come under the \$3,000 or the 15% depending on what their value is. They get the notice and if they are in an organized township or the city they get that to come to first and they also get notified that the county equalization is their second step to go to.

**Vice Chairman Craig Headland:** What is the process that is handled by the auditor? Is each property taxpayer contacted on an individual basis or is every case individually done or do you have a computer program that takes care of it?

**Shirley Murray:** It is the Assessor who sends out the notices of that township or city that they are assessing.

**Vice Chairman Craig Headland:** Is there some type of software that helps during this process? Something that couldn't be adjusted to handle a notice that goes out to everybody?

**Shirley Murray:** Some counties have that ability and some do not. Our county we don't have that ability to kick out a notice.

**Vice Chairman Craig Headland:** At what period of a year does the assessor realize the assessment is going up?

**Shirley Murray:** The tax director has a class in January and has a deadline of up to the second Wednesday in February or something like that where they have to have a class every year. The end of the year is when the tax director gets notice from the state tax commissioner's office what the values are through NDSU and if there's an increases or decreases for agriculture but for residential that doesn't come into play by the time of our county equalization meeting is to see where we are at with our sales. Then it varies on the timeframe. At the tax directors class when she has all the assessors together that's when they know what they need to do. They work on their assessment books from February to the end of March so they are ready for their local boards of equalization meetings.

**Vice Chairman Craig Headland:** Then really I don't understand the July 10 certification date is causing consternation. It seems to me that it is all known and you know what your prior year's levy generated in dollars.

**Shirley Murray:** We kind of know the valuations somewhat after the equalization meeting but the central assessed property that the state certifies to us is the utilities and depending on what county you're in that could be a great big effect. It's not going to be real accurate in July. Then a lot of the budgets for the school and county we don't have anything finalized in July we're just starting our process at that time going through budget requests

and then in August or September is when things get put together and then the preliminary hearings on the budgets are in September.

**Vice Chairman Craig Headland:** I'm confused here where it says your certified levy is going to be the same amount in dollars that you levied the prior year so all that has to be done there is an adjustment. If you know you have an increase in taxable valuation coming which you've indicated you will except on maybe centrally assessed property you know you will have an increase so you know what your tax base year provided you with the prior year. I don't understand what the problem is here.

**Shirley Murray:** But then the budgets come into play that you don't know what those are to be added on. Why are we doing statements twice? Who is going to pay for this? The counties are so struggling out there and we need the money for roads, not for administrating this. This is just so frustrating. This is extra work and figures pulled out of our hats. It's not going to fix anything.

**Vice Chairman Craig Headland:** I understand your frustration with things that are new but I have to ask you if you understand the frustration of the property taxpayer out there without them understanding why their taxes continue to go up.

**Shirley Murray:** Why do their expenses go up at home because we have expenses too in the counties? Are we supposed to operate on less when fuel goes up? There has to be a common sense barrier in here somewhere that the public has to understand.

**Representative Scot Kelsh:** It seems like it is kind of a dated solution because half the people get their newspapers online these days and a publication seems to be that it won't reach half of the people that would need to be reached. Are there any requirements by the counties or the newspapers to publish their notices online? Or what's the other solution for that?

**Shirley Murray:** In law it has to be in the paper. I don't know if there is anything stating the internet allows ability. We would love that and wouldn't have that much expense then. We had looked into that at one point and we still have to publish physically in the paper.

**Representative Dave Weiler:** I understand the frustration of the added expenses and the workload. Somebody made a comment about having to add a FTE and I'm not sure that's real accurate. With some of the taxing entities wouldn't it be wise if we passed this and used it as an opportunity to those people who show up at these meetings and explain to them the reason why this is going on. You brought up a very good point, gasoline is going up so you could explain that to them. Our county employees are getting a 2% increase this year and I think people understand that. They understand certain expenses and I believe that it would cut down on the amount of complaints from people if they were able to come in and openly look at and have explained to them that here is our budget and here is our problem and this is our increase in expenses. I think a lot of people might back off and understand it a little bit better. There will still be things they don't agree with but I think this could be used as a tool to help the taxpayers understand your increases and understand them more clearly.

**Representative Lonny B. Winrich:** Would you go through the timelines assuming that once the assessor assesses the property and the taxpayer decides to appeal that assessment, how long does that delay the process?

**Shirley Murray:** If they come to the equalization board meeting or after the tax statements?

**Representative Lonny B. Winrich:** However many steps they might have.

**Shirley Murray:** The assessor calculates from what is instructed from the tax director on the values. Our values have an impact. If the values go up then the mill levy goes down because of the maximum mill levy so we can't tax any more than what the mill levy is which is a lot of our mills from our small rural county. Our hands are tied on many things. Then they would send notice if there was an increase of \$3,000 or the 10% and the first Monday is the township board meeting and the second Monday is the city township board equalization meeting in April. Depending on where they live if they are in an organized township they would go to the township meeting. The assessor is there to explain how they came up with the value. Then they would approve or go through the process and give it some time to get the figures together that the taxpayer may agree on and then if it doesn't get changed the taxpayer can come and attend our June equalization meeting where they can grieve or bring proof of their valuation. Whether or not the commissioners approve that or disapprove there is time to get things finalized. If nothing is changed at the county level they can go to the August state board of equalization meeting and state their grievances and even go to the Supreme Court. The tax statement comes out in December and if the value still isn't change they will then see what their taxes are and maybe the taxes aren't as much as they thought because the mill levies went down on certain areas because of budgets of local entities so maybe they are okay with that value. Or maybe they want their values up higher because of the bank. People want to see their higher valuation but they don't want to pay their taxes on it. After the tax statement comes out they have an application for abatement to file. If they live in a city the application will be mailed to the city and so on. They then have 30 days to set up a hearing with that taxpayer and go through it again. Then they act on it and it comes back to the county and then we have a hearing also. Then that's the final approval and if they don't like that then they can bring it to district court. There are many opportunities for the public. The public is only going to see what they want to see. They are only going to go to a hearing if it really affects them one on one. We don't have anybody show up at these.

**Representative Lonny B. Winrich:** Can she provide a copy of the letters she read from earlier?

**Shirley Murray:** Can I email that to you all?

**Chairman Wesley R. Belter:** Yes.

**Terry Traynor, ND Association of Counties:** Opposition. Please refer to attached testimony #3.

**Chairman Wesley R. Belter:** Under current law you are already required to notify if your taxes are going to go up 10% or \$3,000 so you're already doing that. I would make the

assumption that when you talk about these different timelines which certainly could be a problem that we should be able to legislatively deal with those issues. I think that there are probably some things we could do in this bill that would reduce the costs. From my perspective I'm looking at this bill and I've got two bills in this committee yet where are going to put 3% caps on and it would seem to me that this bill is probably a better solution to the situation that faces property taxpayers than looking at caps. Wouldn't it also be a lot easier making the assumption we can deal with some of these issues that have been brought forward that if we can fix those that would be a better way to go rather than looking at caps?

**Terry Traynor:** I would believe so. I think this is a better approach. I think that much of what the desire is to be accomplished here could be accomplished in a cheaper and more reasonable way for local government. And treat all local governments equal.

**Vice Chairman Craig Headland:** You mentioned that there is a process in place that works and I would contend that it probably does work and work for the counties but as Shirley Murray testified that no one comes in and testifies. My contention is that people aren't willing to come in and protest because they don't understand what is happening and why. Even though this bill certainly isn't completely what you like today you would probably be willing to work with us to try and make it something that possibly could work and we could maybe pass something like this rather than passing some kind of a cap?

**Terry Traynor:** I welcome the opportunity to work with the committee on working on this bill.

**Kevin Glatt, Burleigh County Auditor:** Opposition. The notice that is sent out is not a notice of an increase in taxes but a notice of an increase in their values. That will be done very shortly in Burleigh County. This will be done in time for the April township and city board of equalization meetings. Counties are responsible and we are at the front lines. County auditors send out the statements and create the statements. The county treasurer collects the taxes. Please consider this and consider the costs and the effort required by this bill. They are huge tasks. Creating statements and mailing estimated statements is a huge task. Please consider that. As one who being the county auditor/treasurer I'm responsible for creating the statements, sending the statements, and collecting those statements. From my experience what was done the last session was the best course of action. We had great comments from the public. It was effective.

**Connie Sprynczynatyic, League of Cities:** Opposition. Provided written testimony from Cindy Hemphill, City of Minot. (please refer to attached testimony #4) Also provided 2010 Mill Comparisons chart (please refer to attached testimony #5).

**Vice Chairman Craig Headland:** You singled out Bismarck and mentioned the actual property taxes paid in 2010 are less than they were in 2009. You talked about total dollars paid. Does that mean you have 17% reduction of state paid property tax relief included in that?

**Connie Sprynczynatyic:** When the state took over some of the mills from the school districts my assumption is that is reflected in the detail for the school district. On the

attached chart where you start to see the red on the second page, that's the actual numbers of mills. My assumption is the impact of the state paid property tax would be reflected in the school districts levy detail but let me check that out. We are all interested in turning information into knowledge. We struggle with how to do that because you're right people don't understand mills. Right now we have requirements for public hearings that get published in the newspaper. We have public hearings where people can appear. We have a number of communities that have their meetings televised on local community access. If there is anything we can do in the effort we would be willing to help.

**Chairman Wesley R. Belter:** No further testimony. Closed hearing on HB 1194.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee  
Fort Totten Room, State Capitol

HB 1194  
February 7, 2011  
#14159

☐ Conference Committee

Committee Clerk Signature

*Mary Bruckner*

## Explanation or reason for introduction of bill/resolution:

A Bill relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts; and to provide an effective date.

## Minutes:

*No attachments.*

**Chairman Wesley R. Belter:** I think the overall concept of this bill has more merit than caps. But I would like some discussion on that.

**Representative Shirley Meyer:** There is nothing they can do other than notify them that they are going to be holding a hearing, right?

**Chairman Wesley R. Belter:** I believe that is correct.

**Representative Lonny B. Winrich:** It seems to me that there is a lot of problems with various timelines and deadlines relating to centrally assessed property and appeals to various boards and so on. I think this is certainly an interesting idea. I would like to know more about how it is done in Utah. Senator Cook said that this is the policy that Utah has adopted. This is one where we are dealing with a very complex situation and it really deserves considerable study. Maybe what has to be done is to shift some of those dates around about when centrally assessed property gets done. That's not just an amendment to this bill that is something we have to work out with the tax department and a whole bunch of other things. I would support a study on this issue certainly. Perhaps we could do this in two years but I don't think we are ready to do it at this point.

**Chairman Wesley R. Belter:** We won't act on it. I just thought this bill has probably has some potential and definitely needs some work whether we can do that now or not. I would like to visit with Mr. Walstad and Marcy on it.

**Vice Chairman Craig Headland:** Relative to the discussion on caps I find it interesting that everybody is against the 3% cap but on the sheet that was handed out by Connie Sprynczynatyk there's not a one of them that had an increase of 3%. If that's the case I'm not sure why they fight caps so much but certainly it's interesting.

**Chairman Wesley R. Belter:** No further discussion at this time.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee  
Fort Totten Room, State Capitol

HB 1194  
February 14, 2011  
#14525

☐ Conference Committee

Committee Clerk Signature

*Mary Brucker*

## Explanation or reason for introduction of bill/resolution:

A Bill relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts; and to provide an effective date.

## Minutes:

*See attached amendments.*

**Chairman Wesley R. Belter:** Distributed amendments.

**John Walstad, Legislative Counsel:** Explained amendments. Please refer to attached amendments.

**Representative Shirley Meyer:** Does it still require on page 3 line 24 that it has to be ¼ page in size?

**John Walstad:** That requirement is still in there for the newspaper notice.

**Representative Shirley Meyer:** But there is an option that they can do a postcard?

**John Walstad:** You don't have to do the newspaper notice you can do the postcard mailing.

**Representative Shirley Meyer:** But if they choose a newspaper these are still left in?

**John Walstad:** That is still the same requirements, the ¼ page ad.

**Chairman Wesley R. Belter:** You said you can still do the ad or the postcard?

**John Walstad:** The first subsection says "shall mail a postcard providing notice." Then on subsection 2 it begins with "as an alternative to the mailed notice under subsection 1." So you can do the mail notice or the newspaper. It is not required that you do both.

**Representative Glen Froseth:** In regard to Representative Meyer's consideration on lines 24, 25, and 26 that is kind of ridiculous. I think any of these taxing districts should have the

option. I think newspapers are pretty reasonable; they'll publish a notice if you send them a postcard and tell them to publish it in the newspaper. The size of the postcard will be the size of the notice in the newspaper and I think that would be adequate. I would think that would satisfy any of the concerns that they are going to spend. With some of the concerns we heard in the committee that \$100s of thousands of dollars that this is going to cost is ridiculous. I'm sure the newspapers would be happy to do that and it would be very minimal costs to the counties. On line 20 after subsection 3, take out the rest of that paragraph all the way down to number 3, "it would be at the discretion of the county..."

**Representative Dave Weiler:** Is there anything in state law that requires newspapers to publish anything for free? Maybe we ought to require newspapers to publish this stuff for free? I'm sure it's a road they don't want to go down but if the counties are going to have a hard time with this financially maybe we should just pass the burden on to the newspapers.

**Chairman Wesley R. Belter:** Representative Froseth, I didn't follow your amendment.

**Representative Glen Froseth:** I didn't read this real carefully but I think if you read on page 3 starting with number 2, "the governing body in the taxing district must notify the county auditor...." End it there and take the rest of line 20 through lines 26 out. It's kind of ridiculous in this day in age to require no type smaller than 18 point and surrounded by ¼" border. That should be left to the discretion of the county and the newspaper to negotiate how large that notice should be.

**Chairman Wesley R. Belter:** If I'm reading this right I think I want to go to line 23 and strike line 23, 24, 25, and 26. The new language would read on line 22 "the advertisement must contain the information required to be contained in a mailed notice under subsection 1." Then just delete those specifications of the size of the ad.

**Representative Bette Grande:** Are you going to keep the language "the advertisement must be in the format described by the tax commissioner"?

**Chairman Wesley R. Belter:** You're going to put the new language in that John has on his amendment.

**Representative Glen Froseth:** It is ridiculous to tell the newspaper where they have to publish it. A legal notice should be published in the legal section and this says it cannot appear there. After subsection 3 include the language of...

**Chairman Wesley R. Belter:** I would disagree with you, Representative Froseth; I don't think we want it to be buried in the legal notices in the classified ads. I think we want it out of that. If you bury it in the legal notices section nobody will ever see it. As long as we have the requirement if we don't specify the size then it will be up to the governing body as to how big they want it.

**Representative Glen Froseth:** Every newspaper is different. In the large dailies they have six to eight pages of legal notices it probably would get buried.

**Vice Chairman Craig Headland:** The language on line 24, 25, and 26 is that how it needs to go out on the postcard?

**John Walstad:** No. It relates only to the newspaper ad. I was told to follow the Utah law and that is exactly what the Utah law says. I don't think the sponsors were thinking of type size, it was just transferred out of Utah's provision.

**Chairman Wesley R. Belter:** Going back to my suggestion that we adopt your amendments but we go to line 23 and strike "the advertisement must be" and then strike lines 24, 25, and 26. That would work with your amendments, wouldn't it?

**John Walstad:** Yes. I'll make sure they match. So we would still have the part about it can't go in the legal notice section of the paper and it wouldn't be prescribed by the tax commissioner and it wouldn't be those specific sizes but

**Representative Wayne Trottier:** Maybe we should just put the picture of the postcard in the section.

**Chairman Wesley R. Belter:** That would be the locals' discretion.

**John Walstad:** Then we would substitute the language about the newspaper notice has to have the information that the mail postcard notice has.

**Vice Chairman Craig Headland:** If everybody understands now what we've asked Mr. Walstad to take out of Chairman's amendment I think we can move forward and **I'll move that amendment with that understanding.**

**Representative Bette Grande: Seconded.**

**Chairman Wesley R. Belter:** There has been a motion to adopt the 11.0437.01001 amendments with the addition of on page 3 line 23 we strike "the advertisement must be" and then strike lines 24, 25, and 26.

**Voice vote taken: MOTION CARRIED.**

**Vice Chairman Craig Headland:** Made a motion for a DO PASS AS AMENDED ON HB 1194.

**Representative Bette Grande: Seconded.**

**A roll call vote was taken: YES 9 NO 4 ABSENT 1  
MOTION CARRIED—DO PASS AS AMENDED.**

**Chairman Wesley R. Belter will carry HB 1194.**

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1194

Page 2, line 16, replace "By July tenth of each year, the" with "The"

Page 2, line 22, remove "1."

Page 2, remove lines 26 through 29

Page 3, remove lines 1 through 3

Page 3, line 5, remove "the county"

Page 3, line 6, replace "auditor" with "a taxing district intending to levy property taxes at a rate exceeding the certified tax rate"

Page 3, line 6, after "mail" insert "a postcard providing"

Page 3, line 6, replace "a" with "the"

Page 3, line 6, remove "of any"

Page 3, remove lines 7 and 8

Page 3, line 9, remove "tax commissioner for all taxing districts in the state"

Page 3, line 10, remove "The true and full valuation and taxable valuation of the taxpayer's property."

Page 3, line 11, remove "b."

Page 3, line 12, replace "c." with "b."

Page 3, line 12, remove "dollar"

Page 3, line 12, remove "taxpayer would have paid in property taxes to the"

Page 3, line 13, replace "by application of" with "intends to levy, expressed as a percentage increase exceeding"

Page 3, line 13, remove "to the budget year taxable valuation"

Page 3, remove line 14

Page 3, line 15, remove "property tax liability to the taxing district under the proposed rate"

Page 3, line 16, replace "The" with "As an alternative to the mailed notice under subsection 1, the"

Page 3, line 16, replace "has notified the county auditor of its intent" with "intends"

Page 3, line 17, replace "exceed" with "levy property taxes at a rate exceeding"

Page 3, line 17, remove "as required under this"

Page 3, line 18, remove "subsection"

Page 3, line 22, remove "be in a format prescribed by the tax"

Page 3, line 23, replace "commissioner" with "contain the information required to be contained in the mailed notice under subsection 1"

Page 4, line 27, remove "to the county auditor"

Page 4, line 28, replace "under section 57-15.1-03" with "taxpayers under subsection 1 or 2"

Renumber accordingly

Date: 2-14-17  
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1194

House Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment  
11.0437.01001  
☐ Rerefer to Appropriations ☐ Reconsider w/ additions

Motion Made By Rep. Headland Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Scot Kelsh		
Vice Chair. Craig Headland			Shirley Meyer		
Glen Froseth			Lonny B. Winrich		
Bette Grande			Steven L. Zaiser		
Patrick Hatlestad					
Mark S. Owens					
Roscoe Streyle					
Wayne Trottier					
Dave Weiler					
Dwight Wrangham					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE

MOTION CARRIED

VK  
2/15/11  
102

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1194

- Page 2, line 16, replace "By July tenth of each year, the" with "The"
- Page 2, line 22, remove "1."
- Page 2, remove lines 26 through 29
- Page 3, remove lines 1 through 3
- Page 3, line 5, remove "the county"
- Page 3, line 6, replace "auditor" with "a taxing district intending to levy property taxes at a rate exceeding the certified tax rate"
- Page 3, line 6, after "mail" insert "a postcard providing"
- Page 3, line 6, replace "a" with "the"
- Page 3, line 6, remove "of any"
- Page 3, remove lines 7 and 8
- Page 3, line 9, remove "tax commissioner for all taxing districts in the state"
- Page 3, line 10, remove "The true and full valuation and taxable valuation of the taxpayer's property."
- Page 3, line 11, remove "b."
- Page 3, line 12, replace "c." with "b."
- Page 3, line 12, remove "dollar"
- Page 3, line 12, remove "taxpayer would have paid in property taxes to the"
- Page 3, line 13, replace "by application of" with "intends to levy, expressed as a percentage increase exceeding"
- Page 3, line 13, remove "to the budget year taxable valuation"
- Page 3, remove line 14
- Page 3, line 15, remove "property tax liability to the taxing district under the proposed rate"
- Page 3, line 16, replace "The" with "As an alternative to the mailed notice under subsection 1, the"
- Page 3, line 16, replace "has notified the county auditor of its intent" with "intends"
- Page 3, line 17, replace "exceed" with "levy property taxes at a rate exceeding"
- Page 3, line 17, remove "as required under this"
- Page 3, line 18, remove "subsection"
- Page 3, line 22, remove "be in a format prescribed by the tax"

Page 3, line 23, replace "commissioner" with "contain the information required to be contained in the mailed notice under subsection 1"

Page 3, line 23, remove "The advertisement must be:"

Page 3, remove lines 24 through 26

Page 4, line 27, remove "the county auditor"

Page 4, line 28, replace "under section 57-15.1-03" with "taxpayers under subsection 1 or 2 of section 57-15.1-04"

Renumber accordingly

Date: 2-14-11  
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1194

House Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Headland Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	✓		Scot Kelsh	✓	
Vice Chair. Craig Headland	✓		Shirley Meyer		✓
Glen Froseth	✓		Lonny B. Winrich		✓
Bette Grande	✓		Steven L. Zaiser		✓
Patrick Hatlestad	✓				
Mark S. Owens	✓				
Roscoe Streyle	✓				
Wayne Trottier	✓				
Dave Weiler		✓			
Dwight Wrangham	AB				

Total (Yes) 9 No 4

Absent 1

Floor Assignment Rep. Belter

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

**REPORT OF STANDING COMMITTEE**

**HB 1194: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1194 was placed on the Sixth order on the calendar.

Page 2, line 16, replace "By July tenth of each year, the" with "The"

Page 2, line 22, remove "1."

Page 2, remove lines 26 through 29

Page 3, remove lines 1 through 3

Page 3, line 5, remove "the county"

Page 3, line 6, replace "auditor" with "a taxing district intending to levy property taxes at a rate exceeding the certified tax rate"

Page 3, line 6, after "mail" insert "a postcard providing"

Page 3, line 6, replace "a" with "the"

Page 3, line 6, remove "of any"

Page 3, remove lines 7 and 8

Page 3, line 9, remove "tax commissioner for all taxing districts in the state"

Page 3, line 10, remove "The true and full valuation and taxable valuation of the taxpayer's property."

Page 3, line 11, remove "b."

Page 3, line 12, replace "c." with "b."

Page 3, line 12, remove "dollar"

Page 3, line 12, remove "taxpayer would have paid in property taxes to the"

Page 3, line 13, replace "by application of" with "intends to levy, expressed as a percentage increase exceeding"

Page 3, line 13, remove "to the budget year taxable valuation"

Page 3, remove line 14

Page 3, line 15, remove "property tax liability to the taxing district under the proposed rate"

Page 3, line 16, replace "The" with "As an alternative to the mailed notice under subsection 1, the"

Page 3, line 16, replace "has notified the county auditor of its intent" with "intends"

Page 3, line 17, replace "exceed" with "levy property taxes at a rate exceeding"

Page 3, line 17, remove "as required under this"

Page 3, line 18, remove "subsection"

Page 3, line 22, remove "be in a format prescribed by the tax"

Page 3, line 23, replace "commissioner" with "contain the information required to be contained in the mailed notice under subsection 1"

Page 3, line 23, remove "The advertisement must be:"

Page 3, remove lines 24 through 26

Page 4, line 27, remove "the county auditor"

Page 4, line 28, replace "under section 57-15.1-03" with "taxpayers under subsection 1 or 2 of section 57-15.1-04"

Renumber accordingly

2011 SENATE FINANCE AND TAXATION

HB 1194

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Finance and Taxation Committee Lewis and Clark Room, State Capitol

HB 1194  
3/21/2011  
Job Number 15708

☐ Conference Committee

*A. B. Miller*

### Explanation or reason for introduction of bill/resolution:

Relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts

### Minutes:

Written Testimony Attached

**Vice Chairman Miller** opened the hearing on HB 1194.

**Chairman Cook** introduced the bill with an explanation of its contents.

**Representative Porter** – I agreed to sign on to this bill because I felt that it was a good idea. As I walk around, not only my neighborhood, but our district talking to people, their number one concern is property taxes. When I explain to them that at the legislature we don't levy property tax, that's your local political subdivisions that levy them the response back is, well then you need fix the way that they levy them because they aren't doing their job. This bill looks at a notification process that allows people, the public, the taxpayer to be notified, to be informed, to be aware of the situation.

**Sandy Clark, North Dakota Farm Bureau** – We support HB 1194 and we applaud the bill sponsors for bringing this bill forward. The issue of escalating property taxes has been a priority issue for our organization for a long time. We believe property taxes are too high for all classes of property. We also believe government spending is out of control on all levels. We have supported and continue to support property tax relief package delivered through the school funding mechanism property tax relief without property tax reform is only a short term fix.

**Chairman Cook** asked for testimony opposed to HB 1194.

**Terry Traynor, North Dakota Association of Counties** – (See attached testimony A opposed to HB 1194)

**Chairman Cook** – When do counties do their budget hearing now?

**Terry Traynor, North Dakota Association of Counties** – The first week in October is when their budget has to be finalized and there is so many days before that and they need to put that publication in the paper. I don't know exactly.

**Chairman Cook** – When do counties know exactly what the property values in their county is?

**Terry Traynor, North Dakota Association of Counties** – My understanding is the first week of September following the State Board of Equalization. When they meet that's the last piece of the puzzle.

**Chairman Cook** – If property values go up that enable a county to lower their mill rate by 2 mills but yet the taxes that the citizen pays to the county goes up the equivalent of 2 mills, do you think it's right that the county officials should be able to say that they lowered their property taxes by 2 mills?

**Terry Traynor, North Dakota Association of Counties** – There is no official notice now where the County Commissioner says we've raised your taxes or didn't raise your taxes. If it was it needs to be based on all the information and have to be qualified that some are going up and some are going down but overall they did this or this.

**Chairman Cook** – If the total budget went up in dollars equal to 2 mills and that's the budget you passed, then every taxpayer in your district had a 2 mill increase.

**Terry Traynor, North Dakota Association of Counties** – That is correct but their dollar change in tax may be significantly different.

**Chairman Cook** – But the 2 mill increase is relative to what that dollar would have been had it not been increased. In other words, some might have still had their taxes go down but they would have gone down 2 mills more.

**Terry Traynor, North Dakota Association of Counties** – Correct.

**Senator Triplett** – You talked about ag land clearly going to have an increase and you are talking about in the current environment with commodity prices and production values up so much, it's equally true in bad years for agriculture that the way our system works the people who owned ag land would be able to expect a pretty automatic and significant decrease and that would force everyone else up relatively speaking so it goes both ways depending on how crop values are going in a given year.

**Terry Traynor, North Dakota Association of Counties** – I agree. There has been quite a change in the years that we've been doing this.

**Senator Dotzenrod** – The notice for the hearing, essentially it does give a choice of sending a postcard or publishing in the paper, but I imagine that for just about every county that the alternative 2 is the only one that's essentially going to work.

**Terry Traynor, North Dakota Association of Counties** – I would certainly think so.

**Senator Dotzenrod** – The way most people expect the taxes to work at a county level and probably similar to every taxing district is that once a year the county commissioners will meet and they will look at what they feel they need to operate the county and they will set a budget and then from that budget based on what they feel they have to pay their employees, etc, they will take their valuations they have and work backwards and come up with a mill levy and that will be what the mill levy will have to be set at based on where they set their budget. That in theory should be how each year works but I think there is a sense

among legislators and others who have been watching this over the last 10 years that it's not working that way.

**Terry Traynor, North Dakota Association of Counties** – I think it varies greatly from county to county. Very rural counties with no new construction, no ag land being built, and if they have no construction they are limited to the valuation growth and are further limited by the mill levy caps on the general fund and road fund and all the different funds that they have so although I think they start out by looking at this as what we absolutely need and then they apply the valuations as they come in and a lot of times they have to pull things back because they are limited by the mill levy caps that the statute puts in there. I don't think that they go beyond where they were just because valuation grows.

**Senator Dotzenrod** – You mentioned in your testimony that some of the things that they are going to have to spend money on at the time that their budget is set, you were saying the first week of October that they may not know what those are going to be. There are some things that they are going to have to pay for during the year that they have to include in their budget but they really don't know the dollar amounts. From that perspective I would guess that a county would, in order to be prepared for what might happen, they are going to have to lean toward the side of having some revenue, some dollar amount on hand.

**Terry Traynor, North Dakota Association of Counties** – There are also provisions in the code that limit certain counties, certain jurisdictions to the amount of money they levied the year before so certainly they are often discouraged from lowering the dollar amount because they will not be able to capture that in the future if they are too low.

**Senator Oehlke** – A number of places in this bill it talks about the certified tax rate, certified tax levy and it forces taxing districts to have a hearing and let people know if the levy is going to be exceeding the certified tax rate but the county auditor only has to determine an estimated certified tax rate. Is that part of the quandary here too?

**Terry Traynor, North Dakota Association of Counties** – That is indeed part of the quandary I think, because it's based on estimates the jurisdictions are going to have to assume that they are going to raise taxes because whether that estimate is accurate and whether the new proposed estimate is accurate and based on the same thing, it's going to be difficult to say for sure.

**Bruce Striden, North Dakota County Commissioners Association** – (See attached testimony B opposed to HB 1194)

**Chairman Cook** – Of these 12 meetings that you held, how many of them could you have told a taxpayer, your taxes are going up or down at this budget level?

**Bruce Striden, North Dakota County Commissioners Association** – We actually had, during the course of it, only 2 people who really commented on the actual budget. We did have one individual ask about whether the taxes were going up and by that point we had already trimmed about \$600,000 off of what our department heads had come in with and we actually reduced our spending for the 2011 budget year from where we were in 2010 and that was our goal and we shared that with the individual that asked.

**Senator Oehlke** – Earlier someone mentioned in testimony the disparity between their banker's appraisal and their county appraisal or city appraisal of their property. Do you think that those numbers should be the same? Is that realistic?

**Bruce Striden, North Dakota County Commissioners Association** – Appraisals are a difficult thing. I think we've seen situations around the state where pieces of property particularly in some recreation areas suddenly had huge spikes in value and in some cases the question is with that spike in value, is it fair for the property owner. If you are having your appraisal done by a certified appraiser, your appraisal should be quite close and I certainly wouldn't agree with a large disparity.

**Senator Hogue** – We've got some information about Burleigh County and Ward County and I was wondering if you could tell us for Morton County what the total valuation has gone up in the past say 3 years and what has been the decrease in the mill levy for the past 3 years expressed as a percentage.

**Bruce Striden, North Dakota County Commissioners Association** – I can't necessarily give you the past 3 years I can tell you that when we moved from 2010 to 2011 in Morton County we did add 2 mills for an emergency levy and we decreased our mill by 5. Had we not added that 2 mill emergency levy we would have actually dropped our mills by 5. I can't give you the percentage but I know we also dropped our mills between 2009 and 2010 although I can get you percentage numbers.

**Senator Burckhard** – What is the value of a mill?

**Bruce Striden, North Dakota County Commissioners Association** – In Morton County it is approximately \$72,000.

**Shirley Murray, Sheridan County Auditor** – (See attached testimony C and C1 opposed to HB 1194)

**Senator Dotzenrod** – One of your objections is the cost. It looks like in the bill there would be publish requirement for 2 weeks before the hearing. That doesn't seem to me like it's a lot of cost.

**Shirley Murray, Sheridan County Auditor** – Any sort of extra publishing or sending out mail or anything is that much more cost for a small rural county that we are trying to provide property tax relief in any way so we don't have to add any more it's that much less and it depends on what all needs to put in and how many entities if there is going to be an increase and it's hard to determine that from the valuations that come in, we don't know that.

**Ron Beiri, Park Board Commissioner, Minot Park District** – (See attached testimony D opposed to HB 1194)

**Chairman Cook** – I'm looking at an article about Ward County, they talk about, in this article, decreasing the mill rate, yet the taxes went up on an acre of land from \$293.99 to \$348.00. The actual budget went up \$2.61 million yet they are able to say they decreased the mill rate. Do you think that's truly being transparent?

**Ron Beiri, Park Board Commissioner, Minot Park District** – The transparency I think is evident when you say the budget is going up. We are going to spend more money next

year than last year regardless of what the mill levy might say. We tell people that this is the projected budget for next year this is the budget we have this year. Our budget document shows that for 3 running years so you can look at it and see where we are headed, what we have done, and where we are going.

**Chairman Cook** – The truth in taxation is that if the budget is going up in dollars it reflects the mill rate that's going up. I would think that is perfectly transparent and it doesn't restrict you in any way. I guess beauty is in the eye of the beholder.

**Ron Beiri, Park Board Commissioner, Minot Park District** – You can make that argument but you can also argue that if there are going to be no restrictions that there isn't some remedy if there's going to be no affect, why go through the extra steps when those steps are already available to the public.

**Chairman Cook** – I'm gambling there will be an affect.

**Ron Beiri, Park Board Commissioner, Minot Park District** – I can only give you an example of public hearings from my experience. We open hearings to an empty room for people who aren't there and then we close the hearing.

**Senator Burckhard** – A typical home in Minot, I think the valuation should be something higher than \$100,000. I don't know what you can buy for \$100,000.

**Ron Beiri, Park Board Commissioner, Minot Park District** – You're right about that. That's what the paper usually uses. They say given a \$100,000 home your taxes are going to go up X amount with this budget.

**Chairman Cook** asked for neutral testimony on HB 1194.

**Connie Sprynczynatyk, North Dakota League of Cities**, distributed 2008 mill comparisons sheets, (attachment E) with a brief explanation.

**Bill Shalhoob, Own Behalf** – I think the committee is headed the right direction on this.

**Bill Wocken, Bismarck City Administrator** – (See attachment F, proposed amendment)

**Kevin Glatt, Burleigh County Treasurer and Auditor** – I have no issues with engaging the public, but I do have some concerns with the working of this proposal especially when coupled with the mill levy worksheets that are required, things such as the base year, the certified tax rate, and new growth. These things along with the timing make the workings of this proposal very difficult for county auditors and political subdivisions. I'd be willing to assist this committee in any way in the future.

**Chairman Cook** closed the hearing on HB 1194.

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Finance and Taxation Committee Lewis and Clark Room, State Capitol

HB 1194  
4/4/2011  
Job Number 16289

☐ Conference Committee

A. R. Miller

### Explanation or reason for introduction of bill/resolution:

Relating to corporate income tax rates

### Minutes:

Committee Work

**Chairman Cook** opened discussion on HB 1149.

**John Walstad, Legislative Council** went through the bill and proposed amendments.

**Bev Nielson, School Board Director** expressed her concerns with particular mechanics of this bill. She went on to describe their legal obligation with respect to teacher agreements. Other examples of potential confusion and problems is that a schools fiscal year runs a different period of time and unexpected population growth. There are too many variables to really ever know for sure how much the proceeding year is going to cost.

**Jerry Hjelmstad, North Dakota League of Cities** – We think the amendments have greatly improved the bill and appreciate the notice requirement being very simple. We would also like some kind of a sunset to see how this works over that trial period.

**Terry Traynor, Association of Counties** explained how budgeting can be difficult when you allow for a certain special assessment, but when it comes in, it's way off from the estimate amount, or the special assessment takes place after the budget is final. How do you plan for something that may or may not happen and if it does, you really don't know what it's going to cost until it's final? Terry also offered amendments for consideration.

**Sandy Clark, North Dakota Farm Bureau** – By the time these public hearings are held, the budgets are done. I also question how this bill relates to the section of the code that talks about the highest of the last 3 years. Vice Chairman Miller asked what happens if the valuations go down and I think my instinct tells me that if valuations go down they are going to go to that second alternative option in the code that allows them to take the highest of the last 3 years. Will that happen through this process, I don't know. We like the certified mill rate. We like having to start with that certified mill rate and then make it very clear to the taxpayers that their mills have increased their taxes. I just feel like it's a little bit watered down.

**Marcy Dickerson, Tax Department** – The first thing I would like to mention has to do with this certified tax rate. The wording here, at least on the copy I have says the taxable valuation of the taxing district should be as equalized by the County Board of Equalization and it has been brought up that doesn't include centrally assessed property. The way it is worded it can't even include an estimate of centrally assessed property. It shall be what is equalized by the county board. I think this should be changed to include an estimate of centrally assessed, otherwise everyone is going to have a much lower value than the year before and require a much greater mill levy and they are all automatically going to have to have a hearing.

**Chairman Cook** – Who does the estimate?

**Marcy Dickerson, Tax Department** – The county auditor probably would be the most reasonable person to do that or you could limit it to the amount of centrally assessed value from the previous year but in the case of somebody who has a new wind farm or a new pipeline it could be very far from accurate too.

Marcy went on to explain that maybe something other than base year should be used because the stipulations of base year in this bill are different than what base year is typically defined as and people will get confused and it could cause problems. Marcy also commented that school years are different than taxable years and that can be confusing.

**Chairman Cook** – I think we are all a little bit surprised that the existing law regarding school district tax levies. School districts must be levied before August 15<sup>th</sup> of each year. Must be levied means the mill levy has been set. Is that Correct?

**Marcy Dickerson, Tax Department** – Not necessarily, frequently levied means dollars and doesn't mean mill rate. If you talk about the levy for a school district you are talking about dollars if you are talking about the mill levy then you are talking about mills. I interpret this to mean dollars.

**Cory Fong, Tax Commissioner** – Part of the goal here is to provide additional information to inspire people to come to the hearings so that they take some interest, they have some influence on the budgets. Whether they are going up, going down, whatever. I did put quite a bit of time and work into a public notice that I thought would be more meaningful to the taxpayer to the person looking at it saying what does this mean to me in hopes that would inspire them to come to the hearing. The purpose is to be prescriptive in a way that gets folks to the hearing and it makes it meaningful for them.

**Cory Fong** provided the committee with a mock statement to get an idea of what information will be listed on the statement and described what the information is and why it is listed on the statement.

**Chairman Cook** – Closed discussion on HB 1194.

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Finance and Taxation Committee Lewis and Clark Room, State Capitol

HB 1194  
4/5/2011  
Job Number 16334

☐ Conference Committee

A. R. H. Miller

### Explanation or reason for introduction of bill/resolution:

Relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts

### Minutes:

Committee Work

**Chairman Cook** opened discussion on HB 1194.

**John Walstad, Legislative Council** went through the proposed changes to HB 1194.

**Senator Dotzenrod** – I think this is just a question of how the process would work, but on the bottom of page one you've got the school district having their levy, it says the school taxes must be levied by the governing body on or before the 15<sup>th</sup> day of August. It may amend its tax levy and budget for the current fiscal year on or before the 10<sup>th</sup> day of October. I was thinking about school districts that have negotiations going on. If they don't have the contract, they don't have their teachers and have them degreed with them, I suppose at that point they could use an estimate or, I don't know how else they would do it. Do they have a deadline that they have to meet so that we wouldn't have to worry about something going past the 10<sup>th</sup> of October? As far as school boards negotiating with their teachers for teaching contracts, is it possible that when the 10<sup>th</sup> of October came that they wouldn't be settled?

**Bev Nielson, North Dakota School Board Association** – It would be possible but we have to do our tax stuff anyway so we have to just deal with that.

**Senator Dotzenrod** – It really would not prevent the work from being done here we can still use these deadlines and you'd put some numbers in there that would represent you best.

**Chairman Cook** closed discussion on HB 1194.

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Finance and Taxation Committee Lewis and Clark Room, State Capitol

HB 1194  
4/5/2011  
Job Number 16343

☐ Conference Committee

*A. B. Miller*

### Explanation or reason for introduction of bill/resolution:

Relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts

### Minutes:

Committee Work

**Chairman Cook** opened discussion on HB 1194.

**John Walstad, Legislative Council** went through amendments .02004 to be sure everyone was aware of them and how they work.

**Chairman Cook** – One question I think we need to get some direction on, today school districts are not required to hold a budget hearing. We are requiring them to hold a hearing if they are going to increase the taxes. Is that sufficient? We have an option here that the only reason they would have to have this hearing is if they are going to be raising the taxes under 57-15.1.

**Senator Oehlke** – They typically have a budget hearing.

**Chairman Cook** - Regular committee you don't have to post it.

**Senator Oehlke** – This would require it if it's going to go over.

**Chairman Cook** – Are you comfortable with that being the only condition?

**Senator Triplett** – I'm not comfortable with any of this and I don't really care what you all do to it I'm going to vote no against the whole bill so I'm not going to engage too much but, cities and counties and park districts and school districts are very heavily regulated by the state already. Everything they do is open to the public. Every single meeting is monitored by somebody for compliance with open records in open meetings. Citizens are allowed to complain and they do, to the Attorney General. The Attorney General is obliged to write up anybody to tries to do anything without an open meeting. The budget process for these municipalities is as open and as free to the citizenry as it is possible to imagine and to put all these extra minute things on it, if someone screwed up once, I'm sorry, but I don't know where this came from, I just think it is an incredible amount of unnecessary

micromanagement. I think the testimony we heard yesterday from Ms. Nielson is that September 15<sup>th</sup> is way too late in the school districts process since they have a different calendar year. By then their contracts are already in place. This public hearing is going to be nothing more than an information session telling people why they did what they did and what's already locked in to place. If you want to impose some kind of a hearing on the school district that is not presently in law it would have to be months earlier. The counties already do this; this is just a whole lot of unnecessary stuff. If you imposed on a state government body like this committee anything near the requirements that you are proposing to put on county government, state government would crash to a halt. If we wouldn't be able to amend a bill without putting out a legal notice to the newspapers in 12 point font saying we are going to think about some slight different revision and our 80 days would turn into 800 days and we still wouldn't get the work done.

**Chairman Cook** – The intent of this bill is to eliminate all bills that we ever see again dealing with caps to put that issue to rest. I would think this is a lot better than a bill that imposes caps. I think that the school boards are perfectly content with September 15<sup>th</sup>. John, could you come up here again? The language that we would need on this bill on page 3 lines 13 and 14 that would only require a school district to take this step if they are going to raise the taxes. How would we correct that again?

**John Walstad, Legislative Council** – I would say on line 14 after the word "levies" insert "if the board is required to hold a public hearing under" and then take out the "in compliance with".

**Vice Chairman Miller** – I will move the amendments to HB 1194 as further amended by John Walstad.

Seconded by **Senator Burckhard**.

**Chairman Cook** – Ask the clerk to take the roll to amend. (6-1-0)

**Vice Chairman Miller** – I'll move a Do Pass as Amended.

Seconded by **Senator Burckhard**.

**Chairman Cook** – Ask the clerk to take the roll. (6-1-0)

Carried by **Chairman Cook**.

93  
4-5-11  
1065

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1194

Page 1, line 3, after the semicolon insert "to amend and reenact sections 11-23-03, 40-40-04, 40-40-06, and 57-15-13 of the North Dakota Century Code, relating to county, city, park district, and school district property tax levies and hearings;"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Section 11-23-03 of the North Dakota Century Code is amended and reenacted as follows:

**11-23-03. Notice of meeting to act on county budget.**

~~The estimates of necessary expenditures and the tax levies required therefor as shown by the auditor's budget statement, together with a~~ notice that the board of county commissioners will meet on a specified date on or before September fifteenth for the purpose of making tax levies as set forth in the estimates, naming the time and place of holding such meeting, ~~shall~~must be published in at least one issue of the official newspaper of the county. The county auditor shall notify by mail the township and city officers in regard to the date of such meeting. If the county is required to hold a public hearing under chapter 57-15.1 and chooses to conduct that hearing in conjunction with the hearing under this section, publication of the notice required under this section may be consolidated with publication of the notice under section 57-15.1-04.

**SECTION 2. AMENDMENT.** Section 40-40-04 of the North Dakota Century Code is amended and reenacted as follows:

**40-40-04. Municipality to prepare preliminary budget statement.**

The governing body of each municipality, annually on or before September ~~tenth~~fifth, shall make an itemized statement known as the preliminary budget statement showing the amounts of money which, in the opinion of the governing body, will be required for the proper maintenance, expansion, or improvement of the municipality during the year.

**SECTION 3. AMENDMENT.** Section 40-40-06 of the North Dakota Century Code is amended and reenacted as follows:

**40-40-06. Notice of preliminary budget statement - Public hearing - Contents - How given.**

After the governing body has prepared the preliminary budget statement, the auditor of the municipality shall give notice that:

1. The preliminary budget is on file in the office of the auditor and may be examined by anyone upon request.
2. The governing body shall meet no later than October seventh at the time and place specified in the notice as prescribed by subsection 3 for the purpose of adopting the final budget and making the annual tax levy.

- 2 of 5
3. The governing body shall hold a public ~~session~~hearing on or before September fifteenth at the time and place designated in the notice of hearing at which any taxpayer may appear and discuss with the body any item of proposed expenditures or may object to any item or amount.

The notice must contain a statement of the total proposed expenditures for each fund in the preliminary budget, but need not contain any detailed statement of the proposed expenditures. The notice must be published at least once, not less than six days prior to the budget hearing, in a newspaper published in the municipality, if there is one, and if no newspaper is published in the municipality, the notice must be published not less than six days prior to the meeting in the official city newspaper as provided by section 40-01-09. If the municipality is required to hold a public hearing under chapter 57-15.1 and chooses to conduct that hearing in conjunction with the hearing under this section, publication of the notice required under this section may be consolidated with publication of the notice under section 57-15.1-04.

**SECTION 4. AMENDMENT.** Section 57-15-13 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-13. School district tax levies - Public hearing on budget and levies.**

School district taxes must be levied by the governing body of each school district on or before the fifteenth day of August of each year. The governing body of the school district may amend its tax levy and budget for the current fiscal year on or before the tenth day of October of each year but the certification must be filed with the county auditor within the time limitations under section 57-15-31.1.

1. Taxes for school district purposes must be based upon an itemized budget statement which must show the complete expenditure program of the district for the current fiscal year and the sources of the revenue from which it is to be financed.
2. The school board of each public school district, in levying taxes, is limited by the amount necessary to be raised for the purpose of meeting the appropriations included in the school budget of the current fiscal year, and the sum necessary to be provided as an interim fund, together with a tax sufficient in amount to pay the interest on the bonded debt of the district and to provide a sinking fund to pay and discharge the principal thereof at maturity.
3. On or before September fifteenth of each year, the school board of each public school district shall hold a public hearing on its proposed budget and tax levies if the school board is required to hold a public hearing under chapter 57-15.1."

Page 1, remove lines 9 through 12

Page 1, line 13, replace "3." with "1."

Page 1, line 13, replace "property tax levy, expressed in" with "number of"

Page 1, line 13, replace ", that" with "against the current year taxable valuation, excluding consideration of new growth, which"

Page 1, line 14, replace "base" with "prior"

Page 1, line 14, remove the underscored comma

Page 1, line 15, remove "excluding consideration of new growth and levies excluded under subsection 5"

Page 1, after line 15, insert:

"2. "Current year" means the taxing district's year for which the property tax levy of the taxing district is being determined."

Page 1, line 16, replace "4." with "3."

Page 1, line 16, remove "final budget year"

Page 1, line 16, remove the second "taxable"

Page 1, line 17, replace "taxing district for the base" with "prior"

Page 1, line 17, remove "minus the base year taxable"

Page 1, remove line 18

Page 1, line 19, remove "budget year"

Page 1, after line 19, insert:

"4. "Prior year" means the taxing district's taxable year immediately preceding the current year."

Page 1, line 21, replace the underscored colon with an underscored period

Page 1, remove lines 22 and 23

Page 2, remove lines 1 through 10

Page 2, line 12, replace "twenty" with "one hundred"

Page 2, line 13, replace "base" with "prior"

Page 2, line 13, replace the second "budget" with "current"

Page 2, line 14, replace "twenty" with "one hundred"

Page 2, line 16, replace "The" with "Within thirty days after the meeting of the county board of equalization, the"

Page 2, line 17, remove "estimated"

Page 2, line 17, replace "budget" with "current"

Page 2, line 18, replace "estimate" with "use"

Page 2, line 18, replace "budget" with "current"

Page 2, line 18, remove "by using the best"

Page 2, replace lines 19 and 20 with "as equalized by the county board of equalization and a reasonable estimate of the taxable valuation of centrally assessed property for the current year."

Page 2, line 23, replace "budget" with "current"

4 of 5

Page 2, line 26, remove "At least ten days before the date of the public hearing under subsection 3, a taxing"

Page 2, remove lines 27 through 30

Page 3, remove lines 1 and 2

Page 3, line 3, replace "2. As an alternative to the mailed notice under subsection 1, the" with "The"

Page 3, line 5, remove "once each week"

Page 3, line 6, remove "for two consecutive weeks"

Page 3, line 6, remove "second"

Page 3, line 7, replace "three" with "seven"

Page 3, line 7, replace "3" with "2"

Page 3, replace lines 8 through 10 with "notice must be not less than one-fourth page in size with a heading in capitalized boldface type stating 'IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS'. The heading and stated percentage increase above the certified tax rate must be printed in a type size four points larger than the other print in the notice. The text of the notice must contain:

- a. The date, time, and place of the required public hearing for the taxing district.
- b. A statement that the taxing district will be conducting a public hearing to consider increasing its property tax levy in dollars by a stated percentage, expressed as a percentage increase exceeding the certified tax rate.
- c. A statement that there will be an opportunity for citizens to present oral or written testimony regarding the budget and levy of the taxing district.
- d. Any other information the taxing district wishes to provide to inform taxpayers."

Page 3, line 11, replace "3." with "2."

Page 3, line 15, replace ". Taxing" with "but taxing"

Page 3, line 16, remove "The board of county commissioners shall resolve any conflicts in public"

Page 3, remove line 17

Page 3, line 18, after "c." insert "May be conducted in conjunction with a public hearing regarding the budget or levy of the taxing district otherwise required by law.

d."

Page 3, line 19, replace "4." with "3."

Page 3, line 24, replace "5." with "4."

Page 3, line 28, replace "6." with "5."

5 of 5

Page 4, replace lines 9 through 12 with "The governing body shall file a copy of the resolution with the county auditor."

**57-15.1-06. Notice of adoption of increased property tax rate.**

Within seven days after adoption of a property tax levy that results in a percentage increase that exceeds the stated percentage increase from the newspaper notice published by the taxing district under section 57-15.1-04, the governing body of the taxing district shall cause publication of a notice in the official county newspaper to inform taxpayers of the excess increase. The notice must be not less than one-fourth page in size with a heading in capitalized boldface type stating "IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS". The text of the notice must contain the stated percentage increase from the newspaper notice published by the taxing district under section 57-15.1-04 and the actual percentage increase resulting from the final property tax levy as adopted. The heading and actual percentage increase above the certified tax rate must be printed in a type size four points larger than the other print in the notice."

Renumber accordingly

Date: 4-5-11  
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1194

Senate Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment  
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Miller Seconded By Senator Burckhard

Senators	Yes	No	Senators	Yes	No
Dwight Cook – Chairman			Jim Dotzenrod		
Joe Miller – Vice Chairman			Connie Triplett		
Randy Burckhard					
David Hogue					
Dave Oehlke					

Total (Yes) 6 No 1

Absent 0

Floor Assignment \_\_\_\_\_

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

Verbal vote

Date: 4-5-11  
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1194

Senate Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment  
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Miller Seconded By Senator Burckhard

Senators	Yes	No	Senators	Yes	No
Dwight Cook – Chairman	X		Jim Dotzenrod	X	
Joe Miller – Vice Chairman	X		Connie Triplett		X
Randy Burckhard	X				
David Hogue	X				
Dave Oehlke	X				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Senator Cook

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

**REPORT OF STANDING COMMITTEE**

**HB 1194, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1194 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to amend and reenact sections 11-23-03, 40-40-04, 40-40-06, and 57-15-13 of the North Dakota Century Code, relating to county, city, park district, and school district property tax levies and hearings;"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Section 11-23-03 of the North Dakota Century Code is amended and reenacted as follows:

**11-23-03. Notice of meeting to act on county budget.**

~~The estimates of necessary expenditures and the tax levies required therefor as shown by the auditor's budget statement, together with a~~ notice that the board of county commissioners will meet on a specified date on or before September fifteenth for the purpose of making tax levies as set forth in the estimates, naming the time and place of holding such meeting, ~~shall~~must be published in at least one issue of the official newspaper of the county. The county auditor shall notify by mail the township and city officers in regard to the date of such meeting. If the county is required to hold a public hearing under chapter 57-15.1 and chooses to conduct that hearing in conjunction with the hearing under this section, publication of the notice required under this section may be consolidated with publication of the notice under section 57-15.1-04.

**SECTION 2. AMENDMENT.** Section 40-40-04 of the North Dakota Century Code is amended and reenacted as follows:

**40-40-04. Municipality to prepare preliminary budget statement.**

The governing body of each municipality, annually on or before September ~~tenth~~fifth, shall make an itemized statement known as the preliminary budget statement showing the amounts of money which, in the opinion of the governing body, will be required for the proper maintenance, expansion, or improvement of the municipality during the year.

**SECTION 3. AMENDMENT.** Section 40-40-06 of the North Dakota Century Code is amended and reenacted as follows:

**40-40-06. Notice of preliminary budget statement - Public hearing - Contents - How given.**

After the governing body has prepared the preliminary budget statement, the auditor of the municipality shall give notice that:

1. The preliminary budget is on file in the office of the auditor and may be examined by anyone upon request.
2. The governing body shall meet no later than October seventh at the time and place specified in the notice as prescribed by subsection 3 for the purpose of adopting the final budget and making the annual tax levy.
3. The governing body shall hold a public ~~session~~hearing on or before September fifteenth at the time and place designated in the notice of hearing at which any taxpayer may appear and discuss with the body any item of proposed expenditures or may object to any item or amount.

The notice must contain a statement of the total proposed expenditures for each fund in the preliminary budget, but need not contain any detailed statement of the proposed expenditures. The notice must be published at least once, not less than six days prior to the budget hearing, in a newspaper published in the municipality, if there is one, and if no newspaper is published in the municipality, the notice must be published not less than six days prior to the meeting in the official city newspaper as provided by section 40-01-09. If the municipality is required to hold a public hearing under chapter 57-15.1 and chooses to conduct that hearing in conjunction with the hearing under this section, publication of the notice required under this section may be consolidated with publication of the notice under section 57-15.1-04.

**SECTION 4. AMENDMENT.** Section 57-15-13 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-13. School district tax levies - Public hearing on budget and levies.**

School district taxes must be levied by the governing body of each school district on or before the fifteenth day of August of each year. The governing body of the school district may amend its tax levy and budget for the current fiscal year on or before the tenth day of October of each year but the certification must be filed with the county auditor within the time limitations under section 57-15-31.1.

1. Taxes for school district purposes must be based upon an itemized budget statement which must show the complete expenditure program of the district for the current fiscal year and the sources of the revenue from which it is to be financed.
2. The school board of each public school district, in levying taxes, is limited by the amount necessary to be raised for the purpose of meeting the appropriations included in the school budget of the current fiscal year, and the sum necessary to be provided as an interim fund, together with a tax sufficient in amount to pay the interest on the bonded debt of the district and to provide a sinking fund to pay and discharge the principal thereof at maturity.
3. On or before September fifteenth of each year, the school board of each public school district shall hold a public hearing on its proposed budget and tax levies if the school board is required to hold a public hearing under chapter 57-15.1."

Page 1, remove lines 9 through 12

Page 1, line 13, replace "3." with "1."

Page 1, line 13, replace "property tax levy, expressed in" with "number of"

Page 1, line 13, replace ", that" with "against the current year taxable valuation, excluding consideration of new growth, which"

Page 1, line 14, replace "base" with "prior"

Page 1, line 14, remove the underscored comma

Page 1, line 15, remove "excluding consideration of new growth and levies excluded under subsection 5"

Page 1, after line 15, insert:

- "2. "Current year" means the taxing district's year for which the property tax levy of the taxing district is being determined."

Page 1, line 16, replace "4." with "3."

Page 1, line 16, remove "final budget year"

Page 1, line 16, remove the second "taxable"

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Page 1, line 17, remove "minus the base year taxable"

Page 1, remove line 18

Page 1, line 19, remove "budget year"

Page 1, after line 19, insert:

"4. "Prior year" means the taxing district's taxable year immediately preceding the current year."

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Page 2, remove lines 27 through 30

Page 3, remove lines 1 and 2

Page 3, line 3, replace "2. the" with "The" As an alternative to the mailed notice under subsection 1,

Page 3, line 5, remove "once each week"

Page 3, line 6, remove "for two consecutive weeks"

Page 3, line 6, remove "second"

Page 3, line 7, replace "three" with "seven"

Page 3, line 7, replace "3" with "2"

Page 3, replace lines 8 through 10 with "notice must be not less than one-fourth page in size with a heading in capitalized boldface type stating 'IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS'. The heading and stated percentage increase above the certified tax rate must be printed in a type size four points larger than the other print in the notice. The text of the notice must contain:

- a. The date, time, and place of the required public hearing for the taxing district.
- b. A statement that the taxing district will be conducting a public hearing to consider increasing its property tax levy in dollars by a stated percentage, expressed as a percentage increase exceeding the certified tax rate.
- c. A statement that there will be an opportunity for citizens to present oral or written testimony regarding the budget and levy of the taxing district.
- d. Any other information the taxing district wishes to provide to inform taxpayers."

Page 3, line 11, replace "3" with "2."

Page 3, line 15, replace " Taxing" with "but taxing"

Page 3, line 16, remove "The board of county commissioners shall resolve any conflicts in public"

Page 3, remove line 17

Page 3, line 18, after "c." insert "May be conducted in conjunction with a public hearing regarding the budget or levy of the taxing district otherwise required by law.

d."

Page 3, line 19, replace "4." with "3."

Page 3, line 24, replace "5." with "4."

Page 3, line 28, replace "6." with "5."

Page 4, replace lines 9 through 12 with "The governing body shall file a copy of the resolution with the county auditor.

**57-15.1-06. Notice of adoption of increased property tax rate.**

Within seven days after adoption of a property tax levy that results in a percentage increase that exceeds the stated percentage increase from the newspaper notice published by the taxing district under section 57-15.1-04, the governing body of the taxing district shall cause publication of a notice in the official county newspaper to inform taxpayers of the excess increase. The notice must be

not less than one-fourth page in size with a heading in capitalized boldface type stating "IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS". The text of the notice must contain the stated percentage increase from the newspaper notice published by the taxing district under section 57-15.1-04 and the actual percentage increase resulting from the final property tax levy as adopted. The heading and actual percentage increase above the certified tax rate must be printed in a type size four points larger than the other print in the notice."

Renumber accordingly

2011 HOUSE FINANCE AND TAXATION

CONFERENCE COMMITTEE

HB 1194

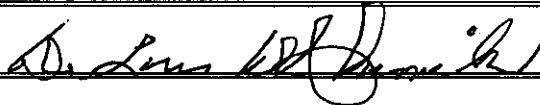
# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1194  
April 19, 2011  
Job #16769

☒ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Bill relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts; and to provide an effective date.

### Minutes:

*See proposed amendment.*

**Chairman Weiler:** Opened the conference committee on HB 1194. Roll call was taken with all present. I would first like to ask someone from the Senate explain what the amendments do.

**Senator Cook:** Distributed amendments (.02008) and reviewed. Please refer to attached amendments. The way the House amendment 1194 was to try to remove as much of the burden that was placed on local governments without limiting what we wanted for an end result and that is basically a notice in the newspaper stating to the tax payers to what degree their taxes were going to go up. When that bill came to us they were required to have a separate hearing. We allowed them to hold it in conjunction with their current budget hearing. They were required to have two notifications in the paper prior to passing the budget. We reduced that down to one and we allowed that notification in the paper also to be in conjunction with their current notification that they are required to do. We simplified the bill. I have amendments that I would like to offer where we recede from the amendments that we placed on and re amended with these. These make it even simpler and I think it would be best to have John walk through the amendments for us. Section 1 is the amendments with 1194. Section 2 is another bill that we passed; HB 1225 that deals with county emergency funds. That bill came out of the Finance and Tax Committee with a 4-3 do not pass. We then passed HB 1194. The biggest difference on 1225 as you sent it over to us is you had a requirement that they could not do this unless they had a vote of the people and we wanted to defend that. After we passed HB 1194 we offered four amendments on 1225 and we felt then that the vote of the people was not necessary. That we could go ahead and do this and we would also reduce the amount of mills that certain counties could levy. We feel as long as they are going to have a hearing in front of the people to what degree their taxes are going to go up because of that we were comfortable without the vote so that has then turned HB 1225 from a do not pass with a 4-3 vote into a do pass that passed the Senate unanimously. Section 2 & 3 is actually HB 1225 along with Section 4; legislative study that we put in there. Section 5 is the effective date.

**Chairman Weiler:** John Walstad could you please come forward.

**John Walstad, Legislative Council:** The amendment as Senator Cook described he requested that the provision be greatly simplified. There were a number of concerns expressed on some of the timelines that were in the previous version so with that in mind the lead in paragraph there says simply that taxing districts may not impose a property tax levy in a greater number of mills than the zero increase number of mills unless the district is in substantial compliance with this section. Substantial compliance is pulled from the Administrative Agency's Practice Act and it means if you make some little clerical error or a news paper publication for whatever reason not your fault does not get in on the day it is suppose to you are still in compliance as long as you did the best you could to comply with the provision a technicality will not cause a problem. The first subsection simply says that the first thing to comply is publication of notice in the official newspaper at least seven days before a public hearing on a property tax levy. The hearing cannot be scheduled to start earlier than six in the evening. Then there is a description in the size of the notice. Text of the notice has to give date time and place. Have to state the percentage of increase and that has to be in larger type size to attract attention.

**Chairman Weiler:** In subsection B of section 1 is that a percentage in dollars or valuation or what?

**John Walstad:** It is a percentage increase and if it was expressed in mills or dollars it would still be the same percentage. Then a statement that citizens will be allowed to make comments. If the governing body doesn't make a decision at that meeting about what to do they have to tell the people in attendance when they are going to have the next meeting when they will decide what to do about their levy. We have some definitions that were added. When over the definition of taxing districts and then there was an exclusion. It doesn't include any of those districts that levied a property tax totaling less than \$100,000 in the previous year and are looking at a budget calling for a levy of less than \$100,000 for the current year. Zero increase number of mills; fairly simply calculation I think. Went over how to calculate the mill levy. Senator Cook talked some about the emergency levy provisions.

**Senator Cook:** On page 1 subsection 1of section, the governing body shall cause publication of notice in its official newspaper at least seven days before the public hearing. The version that passed out of the Senate we made it clear that this notice could be in conjunction with the current notice that they are required to give for their current budget hearing. The fact that this is silent to that doesn't mean it cannot be the same notice. Is that correct?

**John Walstad:** That is correct as long as this notice has what is required here, that is fine.

**Senator Cook:** The bill that passed the House and the Senate required a quarter pages add so now we are changing this so it is at least one and half inch of white space margarine on all four sides at least two columns wide by five inches high. I will pass this around. This is what we are requiring for that language. The second notice has to be in bold print. The cost of that add in large daily newspapers is \$125.95. Small daily

newspapers like Jamestown are \$85.60 and the weekly is \$62.15. Under definition C where we exempt the cities less than \$100,000. That is the same language we have as far as where we exempt cities, park districts and political subdivisions from having the audit, correct?

**John Walstad:** That is correct. Just one more thing I forgot to mention is when do political subdivisions have to hold this hearing? The draft is silent and that means it is entirely up to them. The only deadline would be October 10<sup>th</sup>, which is the last date for them to set and adjust their levy. After that the levy is locked.

**Chairman Weiler:** Any other questions on Section 1?

**Senator Dotzenrod:** Near the bottom of page 1 subsection b of section 1, I thought that if they had a large increase in the property tax levy is stressed as a percentage increase number of mills. I am a little confused by that because I thought if they had a large increase in the valuation they could have a zero increase in the mills and still comply with this at zero and essentially have a fairly sufficient increase in their budget and what they are spending. It was my impression that we were going to deal with increase in terms of dollars. Am I not reading this right?

**John Walstad:** Because the current valuation is divided into last year's dollar amount to determine what that zero increase number is we have got a number there; it does include dollars; it will reflect changes in valuations so a valuation change would show up. An increase percentage against that zero increase levy number.

**Senator Dotzenrod:** I think the answer to my question is in that Sub D; zero increase number of mills. That definition provides for the increase in terms of dollars.

**John Walstad:** It looks at valuation change, the mill rate that would generate the same money that came in last year. It doesn't look at least years mill rate.

**Senator Cook:** That number that would go into zero increase number of mills; if the district had a 20% increases in valuation that number for zero increase number of mills would be 20% less than the current mills they are paying. Is that correct?

**John Walstad:** Roughly speaking, yes.

**Chairman Weiler:** Any other questions so far? Please continue.

**John Walstad:** The next part relates to another bill that has been debated during the session. Section 2 that amends that subsection 22; that is a section that lists the number of mills for various purposes for county levies and in this case that section currently says 2 mills is the maximum. These changes relate to not the levy limit, but the maximum amount that a district can carry in its emergency fund. There is a population number that determines how much can be carried in the emergency fund. 30,000 or more people the limit in that fund are 5 mills. What would be generated by a five mill levy? For the next category which is 5,000-30,000 10 mills can be carried in the emergency fund in those population situations. In the population of 5,000 or fewer 15 mills can be carried. The ides

is smaller population counties not as much revenue is generated so they need to have a little more on hand to deal with emergencies. The new mills limit; it is 40% of the maximum balance in the fund in those counties based on population.

**Senator Cook:** We're not changing the total amount they can keep?

**John Walstad:** It allows replenishing at a faster rate in those smaller population counties that can have a larger amount on hand.

**Senator Cook:** The bill you sent over to us would allow any county to levy up to 5 mills by the vote of the people to replenish their emergency fund so for the larger cities over 30,000 or counties; if they were at zero they could replenish their entire fund in one year. Then your bill required a vote of the people. So what we are doing for the larger cities; they can only levy two mills and it would take them 2 ½ years; or every one of those counties 2 ½ years to replenish their fund if it was depleted.

**Chairman Weiler:** This is contained also in 1225. Is that correct? You said you had not concurred with the changes that were made. Are these the same changes you made that we had not concurred to? House passed 1225 yesterday.

**Senator Miller:** I move to strike sections 2, 3, 4 & 5 from the amendments.

**Chairman Weiler:** That being said Section 4 & 5; are they not needed as well?

**John Walstad:** The study relates to emergency fund levies. I think that was in 1225 and the effective date clause relates only to 1225 provisions. The zero increased mills provision doesn't need an effective date.

**Chairman Weiler:** We have a motion to strike sections 2, 3, 4, & 5; however is this Senator Cook; these are the proposed amendments. Is this how you passed the bill out? What we are looking at are .02008?

**Senator Cook:** No. I will make you a motion that the Second recede from our House amendments on HB 1194 and that we further amend HB 1194 to include just section 1 as presented in 02008.

**Senator Miller:** Seconded.

**Chairman Weiler:** Is there any discussion?

**Representative Owens:** I listened to the Senate's explanation of this but I am curious about two points in reading the bill. I am concerned about that date because we heard something about October was the drop dead date and I am just wondering if there is no date for them to hold this meeting and public notice; if there is no end date then they can just wait until the last minute and ignore whatever is done in the hearing and say we are too late now so we will pick it up next year. All of this is a waste of time. That why it was important in the first bill that we had. I am curious why the Senate felt that by a specific date wasn't important?

**Representative Kelsh:** If they don't meet the deadline then they can't raise the mill levy. If they don't publish a hearing and meet the October deadline the tax structure stays the same.

**Representative Owens:** My point being say they have an October 10 drop dead date. So they have to have the hearing a few days before that and they have to publish the notice a few days before that so they wait until the last moment to do it and they already have their budget figured out so they are going to have the hearing, but it is only for show. Come the drop dead date they say we already got the budget done so it is too late for us to change anything now so we will take up your concerns next time. They have met the requirements of this law the way it is written in this amendment. It doesn't give the people any time to protest, if they do want to protest. Everything else is just automatic after this. This is just doing the notification. It doesn't give the people any more power unless they have enough time to react under the other laws of the state.

**Senator Cook:** I don't share the same concern. First off, we need to understand they are required to have hearings right now on their budget and nobody comes to the hearing on their budget because they don't know what it means to them. Number 1 what we are doing here is offering a very important piece of information to the voters and that is what does this budget mean as far as are my taxes going to go up. That is the most important thing. We give them the tool to hold this hearing in conjunction with their budget hearing rather than have the expense of putting two notices in the paper. The most important thing that this does is requires a notice in the paper telling the taxpayers something that they have never been told before and that is your taxes are going to go up by 3% or whatever and we are going to discuss it at this hearing. And you are welcome to come and give testimony. That is what this bill offers. It is just like us having a hearing on our bills.

**Chairman Weiler:** That is correct. Unfortunately there is something called the Department of Commerce and OMB budget and a lot of stuff that goes into those don't get hearings at all and that has always been a concern of mine.

**Senator Dotzenrod:** Reading that first sentence under the title property tax levy increase notice; it appears to me that if there were a taxing district that was not envisioning any increase in their budget they would not have to do this. They are only required to do this if they envision for themselves an increase in their budget. If they do plan to have an increase in their budget that increase is not allowed unless they do this first. In the first sentence it says they may not impose a property tax levy in greater number of mills as a zero increase unless the taxing district is in substantial compliance with this section so it appears to me that the school district or county that plans an 8% increase in their budget won't be allowed to get that budget increase unless they do this ahead of time.

**Chairman Weiler:** I came here today with amendments .02006 and then corrected amendments .06009 and what we have been working off of when we started the hearing was .02008 so my apologizes to Senator Cook. I would like to ask you to remove your motion, because we can't act on it today. We have got some questions.

**Senator Cook:** I would remove it.

**Chairman Weiler:** Any other comments or questions?

Adjourned.

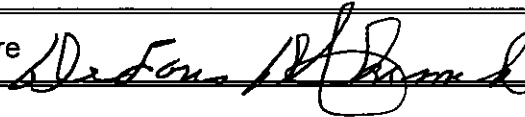
# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1194  
April 19, 2011  
Job #16769

☒ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Bill relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts; and to provide an effective date.

### Minutes:

*See proposed amendment.*

**Chairman Weiler:** Opened the conference committee on HB 1194. Roll call was taken with all present. I would first like to ask someone from the Senate explain what the amendments do.

**Senator Cook:** Distributed amendments (.02008) and reviewed. Please refer to attached amendments. The way the House amendment 1194 was to try to remove as much of the burden that was placed on local governments without limiting what we wanted for an end result and that is basically a notice in the newspaper stating to the tax payers to what degree their taxes were going to go up. When that bill came to us they were required to have a separate hearing. We allowed them to hold it in conjunction with their current budget hearing. They were required to have two notifications in the paper prior to passing the budget. We reduced that down to one and we allowed that notification in the paper also to be in conjunction with their current notification that they are required to do. We simplified the bill. I have amendments that I would like to offer where we recede from the amendments that we placed on and re amended with these. These make it even simpler and I think it would be best to have John walk through the amendments for us. Section 1 is the amendments with 1194. Section 2 is another bill that we passed; HB 1225 that deals with county emergency funds. That bill came out of the Finance and Tax Committee with a 4-3 do not pass. We then passed HB 1194. The biggest difference on 1225 as you sent it over to us is you had a requirement that they could not do this unless they had a vote of the people and we wanted to defend that. After we passed HB 1194 we offered four amendments on 1225 and we felt then that the vote of the people was not necessary. That we could go ahead and do this and we would also reduce the amount of mills that certain counties could levy. We feel as long as they are going to have a hearing in front of the people to what degree their taxes are going to go up because of that we were comfortable without the vote so that has then turned HB 1225 from a do not pass with a 4-3 vote into a do pass that passed the Senate unanimously. Section 2 & 3 is actually HB 1225 along with Section 4; legislative study that we put in there. Section 5 is the effective date.

**Chairman Weiler:** John Walstad could you please come forward.

**John Walstad, Legislative Council:** The amendment as Senator Cook described he requested that the provision be greatly simplified. There were a number of concerns expressed on some of the timelines that were in the previous version so with that in mind the lead in paragraph there says simply that taxing districts may not impose a property tax levy in a greater number of mills than the zero increase number of mills unless the district is in substantial compliance with this section. Substantial compliance is pulled from the Administrative Agency's Practice Act and it means if you make some little clerical error or a news paper publication for whatever reason not your fault does not get in on the day it is suppose to you are still in compliance as long as you did the best you could to comply with the provision a technicality will not cause a problem. The first subsection simply says that the first thing to comply is publication of notice in the official newspaper at least seven days before a public hearing on a property tax levy. The hearing cannot be scheduled to start earlier than six in the evening. Then there is a description in the size of the notice. Text of the notice has to give date time and place. Have to state the percentage of increase and that has to be in larger type size to attract attention.

**Chairman Weiler:** In subsection B of section 1 is that a percentage in dollars or valuation or what?

**John Walstad:** It is a percentage increase and if it was expressed in mills or dollars it would still be the same percentage. Then a statement that citizens will be allowed to make comments. If the governing body doesn't make a decision at that meeting about what to do they have to tell the people in attendance when they are going to have the next meeting when they will decide what to do about their levy. We have some definitions that were added. When over the definition of taxing districts and then there was an exclusion. It doesn't include any of those districts that levied a property tax totaling less than \$100,000 in the previous year and are looking at a budget calling for a levy of less than \$100,000 for the current year. Zero increase number of mills; fairly simply calculation I think. Went over how to calculate the mill levy. Senator Cook talked some about the emergency levy provisions.

**Senator Cook:** On page 1 subsection 1 of section, the governing body shall cause publication of notice in its official newspaper at least seven days before the public hearing. The version that passed out of the Senate we made it clear that this notice could be in conjunction with the current notice that they are required to give for their current budget hearing. The fact that this is silent to that doesn't mean it cannot be the same notice. Is that correct?

**John Walstad:** That is correct as long as this notice has what is required here, that is fine.

**Senator Cook:** The bill that passed the House and the Senate required a quarter pages add so now we are changing this so it is at least one and half inch of white space margarine on all four sides at least two columns wide by five inches high. I will pass this around. This is what we are requiring for that language. The second notice has to be in bold print. The cost of that add in large daily newspapers is \$125.95. Small daily

newspapers like Jamestown are \$85.60 and the weekly is \$62.15. Under definition C where we exempt the cities less than \$100,000. That is the same language we have as far as where we exempt cities, park districts and political subdivisions from having the audit, correct?

**John Walstad:** That is correct. Just one more thing I forgot to mention is when do political subdivisions have to hold this hearing? The draft is silent and that means it is entirely up to them. The only deadline would be October 10<sup>th</sup>, which is the last date for them to set and adjust their levy. After that the levy is locked.

**Chairman Weiler:** Any other questions on Section 1?

**Senator Dotzenrod:** Near the bottom of page 1 subsection b of section 1, I thought that if they had a large increase in the property tax levy is stressed as a percentage increase number of mills. I am a little confused by that because I thought if they had a large increase in the valuation they could have a zero increase in the mills and still comply with this at zero and essentially have a fairly sufficient increase in their budget and what they are spending. It was my impression that we were going to deal with increase in terms of dollars. Am I not reading this right?

**John Walstad:** Because the current valuation is divided into last year's dollar amount to determine what that zero increase number is we have got a number there; it does include dollars; it will reflect changes in valuations so a valuation change would show up. An increase percentage against that zero increase levy number.

**Senator Dotzenrod:** I think the answer to my question is in that Sub D; zero increase number of mills. That definition provides for the increase in terms of dollars.

**John Walstad:** It looks at valuation change, the mill rate that would generate the same money that came in last year. It doesn't look at least years mill rate.

**Senator Cook:** That number that would go into zero increase number of mills; if the district had a 20% increases in valuation that number for zero increase number of mills would be 20% less than the current mills they are paying. Is that correct?

**John Walstad:** Roughly speaking, yes.

**Chairman Weiler:** Any other questions so far? Please continue.

**John Walstad:** The next part relates to another bill that has been debated during the session. Section 2 that amends that subsection 22; that is a section that lists the number of mills for various purposes for county levies and in this case that section currently says 2 mills is the maximum. These changes relate to not the levy limit, but the maximum amount that a district can carry in its emergency fund. There is a population number that determines how much can be carried in the emergency fund. 30,000 or more people the limit in that fund are 5 mills. What would be generated by a five mill levy? For the next category which is 5,000-30,000 10 mills can be carried in the emergency fund in those population situations. In the population of 5,000 or fewer 15 mills can be carried. The idea

is smaller population counties not as much revenue is generated so they need to have a little more on hand to deal with emergencies. The new mills limit; it is 40% of the maximum balance in the fund in those counties based on population.

**Senator Cook:** We're not changing the total amount they can keep?

**John Walstad:** It allows replenishing at a faster rate in those smaller population counties that can have a larger amount on hand.

**Senator Cook:** The bill you sent over to us would allow any county to levy up to 5 mills by the vote of the people to replenish their emergency fund so for the larger cities over 30,000 or counties; if they were at zero they could replenish their entire fund in one year. Then your bill required a vote of the people. So what we are doing for the larger cities; they can only levy two mills and it would take them 2 ½ years; or every one of those counties 2 ½ years to replenish their fund if it was depleted.

**Chairman Weiler:** This is contained also in 1225. Is that correct? You said you had not concurred with the changes that were made. Are these the same changes you made that we had not concurred to? House passed 1225 yesterday.

**Senator Miller:** I move to strike sections 2, 3, 4 & 5 from the amendments.

**Chairman Weiler:** That being said Section 4 & 5; are they not needed as well?

**John Walstad:** The study relates to emergency fund levies. I think that was in 1225 and the effective date clause relates only to 1225 provisions. The zero increased mills provision doesn't need an effective date.

**Chairman Weiler:** We have a motion to strike sections 2, 3, 4, & 5; however is this Senator Cook; these are the proposed amendments. Is this how you passed the bill out? What we are looking at are .02008?

**Senator Cook:** No. I will make you a motion that the Second recede from our House amendments on HB 1194 and that we further amend HB 1194 to include just section 1 as presented in 02008.

**Senator Miller:** Seconded.

**Chairman Weiler:** Is there any discussion?

**Representative Owens:** I listened to the Senate's explanation of this but I am curious about two points in reading the bill. I am concerned about that date because we heard something about October was the drop dead date and I am just wondering if there is no date for them to hold this meeting and public notice; if there is no end date then they can just wait until the last minute and ignore whatever is done in the hearing and say we are too late now so we will pick it up next year. All of this is a waste of time. That why it was important in the first bill that we had. I am curious why the Senate felt that by a specific date wasn't important?

**Representative Kelsh:** If they don't meet the deadline then they can't raise the mill levy. If they don't publish a hearing and meet the October deadline the tax structure stays the same.

**Representative Owens:** My point being say they have an October 10 drop dead date. So they have to have the hearing a few days before that and they have to publish the notice a few days before that so they wait until the last moment to do it and they already have their budget figured out so they are going to have the hearing, but it is only for show. Come the drop dead date they say we already got the budget done so it is too late for us to change anything now so we will take up your concerns next time. They have met the requirements of this law the way it is written in this amendment. It doesn't give the people any time to protest, if they do want to protest. Everything else is just automatic after this. This is just doing the notification. It doesn't give the people any more power unless they have enough time to react under the other laws of the state.

**Senator Cook:** I don't share the same concern. First off, we need to understand they are required to have hearings right now on their budget and nobody comes to the hearing on their budget because they don't know what it means to them. Number 1 what we are doing here is offering a very important piece of information to the voters and that is what does this budget mean as far as are my taxes going to go up. That is the most important thing. We give them the tool to hold this hearing in conjunction with their budget hearing rather than have the expense of putting two notices in the paper. The most important thing that this does is requires a notice in the paper telling the taxpayers something that they have never been told before and that is your taxes are going to go up by 3% or whatever and we are going to discuss it at this hearing. And you are welcome to come and give testimony. That is what this bill offers. It is just like us having a hearing on our bills.

**Chairman Weiler:** That is correct. Unfortunately there is something called the Department of Commerce and OMB budget and a lot of stuff that goes into those don't get hearings at all and that has always been a concern of mine.

**Senator Dotzenrod:** Reading that first sentence under the title property tax levy increase notice; it appears to me that if there were a taxing district that was not envisioning any increase in their budget they would not have to do this. They are only required to do this if they envision for themselves an increase in their budget. If they do plan to have an increase in their budget that increase is not allowed unless they do this first. In the first sentence it says they may not impose a property tax levy in greater number of mills as a zero increase unless the taxing district is in substantial compliance with this section so it appears to me that the school district or county that plans an 8% increase in their budget won't be allowed to get that budget increase unless they do this ahead of time.

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**Senator Cook:** I would remove it.

**Chairman Weiler:** Any other comments or questions?

Adjourned.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee  
Fort Totten Room, State Capitol

HB 1194  
April 20, 2011  
#16805

☒ Conference Committee

Committee Clerk Signature

*Mary Brucker*

## Explanation or reason for introduction of bill/resolution:

A Bill relating to truth in property taxation and determination and application of a certified tax rate for cities, counties, school districts, and city park districts; and to provide an effective date.

## Minutes:

*See attached amendments 11.0437.02009.*

**Chairman Weiler:** At our last meeting we had the motion that was out there withdrawn. We had some questions that needed a little more time. Are there any other questions from committee members?

**Representative Owens:** When Senator Cook talked yesterday about mills versus dollars and you said it was the percentage and it should be the same and I wrote okay down after I heard you say that. Since then I'm having trouble with this so could you explain that to me again?

**Senator Cook:** The most important part of this is in section one where it talks about the notice. The first thing is the notice to the taxpayers and then it's the proposed percentage increase that must be printed. It's not a number in dollars, it's not a number in mills, it's the percentage that has to be printed. If you look at the definition for zero increased number of mills that is what will determine if the real estate increases by 10%, the zero increased number of mills would have to decrease by 10% and that is the starting point. If they are going to increase the mills by four then they will have to show it as the percentage that the four mills is as far as the increase of their total mills.

**Representative Owens:** I understood the way you explained the zero mills as it forces them down. I think that by putting this ad in the paper is information they have never had before and it's valuable to them. I'm just concerned that as long as it's mills they are going to be confused.

**Senator Cook:** It won't say mills; it will say that taxes are going up 6%. It's in section one of the bill where it talks about the notice and it says a percentage increase not a mill increase.

**Chairman Weiler:** Does everybody have amendments 02009 because that's what we're working off of?

**Representative Owens:** You said something the other day that they could consolidate this notice with the other notices they have. In the original bill it talked about them consolidating that. I didn't see it in here. Am I missing it or don't we need to say that? Are you assuming that in order to save money they are going to do that automatically?

**Senator Cook:** I certainly would think so. It doesn't say they can't do that.

**Senator Miller:** In subsection d of section 1 any other information a taxing district wants to provide the informed taxpayers...John Walstad said that was encompassing enough language.

**Representative Owens:** In the earlier version of the bill we spelled out the fact that it may be consolidated with publication of notices under other taxations was my only point. I just wanted to know if I overlooked something. That leaves my only issue with the newspaper because I don't get a subscription to the newspaper. I'm like so many other people that don't do that. We don't require them to do any other kinds of media to notify people?

**Senator Cook:** Just because you don't get it you could still read it somewhere else. I know a lot of people who don't get it but they show up at the local fast food restaurant every morning for coffee where they read the newspaper. We all sit down at our coffee tables and you get a notice in the paper that your taxes are going up 6% and tells you when and where the meeting is then it becomes coffee table conversation and that's how it works.

**Representative Owens:** I understand.

**Chairman Weiler:** Senator Cook, I have a question regarding the school districts. We have school districts that are in multiple counties. A school district located in four different counties will cost them four times what it would cost a school district that is located in one county. Was there any thought in doing anything about that with these amendments?

**Senator Cook:** I believe a school district only needs to file in their official newspaper. I might be wrong on that but I see Mr. McDonald is here so maybe he could answer that for us.

**Jack McDonald, North Dakota Newspaper Association:** Under state law every school district is required to have an official newspaper. Sometimes it's the official county newspaper and sometimes it's not. Every school district has an official newspaper and in that newspaper they print all of their official notices and information. That problem if they are in multiple counties if they want to print another newspaper is up to them but they only need to print in their one official newspaper.

**Senator Cook:** The bill says in its official newspaper.

**Chairman Weiler:** I know the bill says that but there is going to be taxpayers in other counties who are not getting the notice of that school district's tax increase or proposed meeting I should say.

**Senator Miller:** If the notice is put in a paper word would get out the way news in towns spreads in small towns and now with Facebook and other things I think information will disseminate. I think it's important that it gets placed in some sort of public setting at some point prior to the meeting.

**Chairman Weiler:** Maybe we can deal with that in another legislative session if it becomes a problem. For now we can bypass it and see what happens in the future.

**Senator Cook:** An official newspaper probably is going throughout the whole district. Every little town doesn't have a newspaper as they are getting to be a rare commodity. We need to get this provision in law with as little burden on the political subdivisions but they need to require and they need to tell this fact and that's the merit of the bill. If this doesn't seem to address the issue that raises the issue of raising the caps on local governments then we will deal with it next session. It is my hope that something like this will have a great impact on local budgets.

**Chairman Weiler:** We have some amendments in front of us. Do we have a motion?

**Senator Cook:** I would move the amendments 02009 that the Senate recede and amend as printed on these amendments.

**Senator Miller:** Seconded.

A roll call vote was taken: YES 6                      NO 0                      ABSENT 0  
MOTION CARRIED.

Meeting adjourned.

April 19, 2011

VR  
4/20/11  
182

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1194

That the Senate recede from its amendments as printed on pages 1425-1429 of the House Journal and pages 1191-1195 of the Senate Journal and that Engrossed House Bill No. 1194 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to public hearings relating to property tax increases.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 57-15 of the North Dakota Century Code is created and enacted as follows:

**Property tax levy increase notice and public hearing.**

Notwithstanding any other provision of law, a taxing district may not impose a property tax levy in a greater number of mills than the zero increase number of mills, unless the taxing district is in substantial compliance with this section.

1. The governing body shall cause publication of notice in its official newspaper at least seven days before a public hearing on its property tax levy. A public hearing under this section may not be scheduled to begin earlier than six p.m. The notice must have at least one-half inch white space margin on all four sides and must be at least two columns wide by five inches high. The heading must be capitalized in boldface type of at least eighteen point stating "IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS". The proposed percentage increase must be printed in a boldface type size no less than two points less than the heading, while the remaining portion of the advertisement must be printed in a type face size no less than four points less than the heading. The text of the notice must contain:
  - a. The date, time, and place of the public hearing.
  - b. A statement that the public hearing will be held to consider increasing the property tax levy by a stated percentage, expressed as a percentage increase exceeding the zero increase number of mills.
  - c. A statement that there will be an opportunity for citizens to present oral or written comments regarding the property tax levy.
  - d. Any other information the taxing district wishes to provide to inform taxpayers.
2. If the governing body of the taxing district does not make a final decision on imposing a property tax levy exceeding the zero increase number of mills at the public hearing required by this section, the governing body shall announce at that public hearing the scheduled time and place of the

next public meeting at which the governing body will consider final adoption of a property tax levy exceeding the tax district's zero increase number of mills.

3. For purposes of this section:

- a. "New growth" means the taxable valuation of any property that was not taxable in the prior year.
- b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes levied by the taxing district.
- c. "Taxing district" means a city, county, school district, or city park district but does not include any such taxing district that levied a property tax levy of less than one hundred thousand dollars for the prior year and sets a budget for the current year calling for a property tax levy of less than one hundred thousand dollars.
- d. "Zero increase number of mills" means the number of mills against the taxing district's current year taxable valuation, excluding consideration of new growth, which will provide the same amount of property tax revenue as the property tax levy in the prior year."

Renumber accordingly

# 2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Finance + Tax

Bill/Resolution No. HB 1194 as (re) engrossed

Date: 4-20-11

Roll Call Vote #: 1

## Action Taken

- ☐ HOUSE accede to Senate amendments  
☐ HOUSE accede to Senate amendments and further amend  
☐ SENATE recede from Senate amendments  
☒ SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1425 -- 1429

- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HB 1194 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Cook Seconded by: Senator Muller

Representatives	Y	N	Yes	No		Senators	Y	N	Yes	No
Chairman Weiler	✓		✓			Senator Cook	✓		✓	
Rep. Owens	✓		✓			Senator Muller	✓		✓	
Rep. S. Kelser	✓		✓			Senator Dotzner	✓		✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier Senator Cook

LC Number 11.0437 . 02009 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**MOTION PASSES.**

**REPORT OF CONFERENCE COMMITTEE**

**HB 1194, as engrossed:** Your conference committee (Sens. Cook, Miller, Dotzenrod and Reps. Weiler, Owens, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1425-1429, adopt amendments as follows, and place HB 1194 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1425-1429 of the House Journal and pages 1191-1195 of the Senate Journal and that Engrossed House Bill No. 1194 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to public hearings relating to property tax increases.

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  - d. Any other information the taxing district wishes to provide to inform taxpayers.
2. If the governing body of the taxing district does not make a final decision on imposing a property tax levy exceeding the zero increase number of mills at the public hearing required by this section, the governing body shall announce at that public hearing the scheduled time and place of the next public meeting at which the governing body will consider final adoption of a property tax levy exceeding the tax district's zero increase number of mills.
3. For purposes of this section:

- a. "New growth" means the taxable valuation of any property that was not taxable in the prior year.
- b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes levied by the taxing district.
- c. "Taxing district" means a city, county, school district, or city park district but does not include any such taxing district that levied a property tax levy of less than one hundred thousand dollars for the prior year and sets a budget for the current year calling for a property tax levy of less than one hundred thousand dollars.
- d. "Zero increase number of mills" means the number of mills against the taxing district's current year taxable valuation, excluding consideration of new growth, which will provide the same amount of property tax revenue as the property tax levy in the prior year."

Renumber accordingly

Engrossed HB 1194 was placed on the Seventh order of business on the calendar.

**2011 TESTIMONY**

**HB 1194**



**Subject: Property Tax Reform**

**Bill: HB 1194**

**Testimony Provided By: Dustin Gawrylow**

**Lobbyist #160**

**Presented To: House Finance and Tax Committee**

**February 7<sup>th</sup>, 2011**

Mr. Chairman, Members of the Committee,

House Bill 1194 is the a solid piece of property tax reform that creates new accountability measures without tying the hands of local government.

We all know one of the underlying causes for the growth of property taxes is the automatic tax increase caused by property values increasing without a proactive effort to reduce the mill levy rate by the same amount.

HB 1194 creates a new mechanism by which local can only grow their budgets by taking a vote to do so.

This legislation creates a new term in Century Code known as the "certified mill rate."

This certified mill rate would be calculated by the county auditor based on an equal reduction of the mill levy rate based on the previous year's growth in property values.

This reform will reduce the mill levy rate by the same amount the aggregate property values grew. If the city commission, county commission, park board, or school board want to boost their budget, they will have to internally vote to raise the mill levy rate higher than the certified rate allows.

This bill does nothing to tie the hands or otherwise obstruct the ability of local government to increase their budgets. It simply says to do so they must go on the record of raising the tax rate.

Now, you will probably hear from some that this is too complicated or some such non-sense.

I would respectfully ask that you ignore those claims in this situation because if local officials cannot live with this simple, non-binding reform, they will not accept any reform anyone presents them.

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*The North Dakota Taxpayers' Association is a membership-funded advocacy group designed to get taxpayers a voice in legislative matters. NDTA is 100% in-state funded, and counts over 500 North Dakotans as current members. NDTA is the only organization with a full time lobbyist dedicated to advocating on behalf of the taxpayer.*

**North Dakota Taxpayers' Association**

**NDTaxpayers.com • 1720 Burnt Boat Drive Suite 102 • Bismarck, ND 58503 • (701) 751-2530**



Last summer, the folks supporting the abolishment of property taxes all together, Representative Belter, and myself participated in a town-hall forum regarding the issue of property taxes, NDTA first proposed this concept.

While the folks seeking to abolish the property tax completely obviously did not think it went far enough, the majority of the room also agreed this was the least that the state could do to start curbing the growth of property taxes.

Mr. Chairman, Members of Committee,

Many of you understand just how bad of a public policy the state's involvement in shifting the property tax burden away from local government and onto the state's books really is.

Since that is the policy that we are stuck with for now, the very least that the legislature can do this session is to simply require local government to take a vote and go on record when they want to raise property taxes.

By going on record for raising taxes, local voters will have the ability to see where the growth in property taxes comes.

Let's make this important small change to help local taxpayers and voters understand just what is really going on their communities.

Thank you.

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## The Mill-Levy Neutralization Act

**Background:** The root cause of increasing property tax levels is caused by property values going up, while tax rates in the form of the mill-levy stay constant.

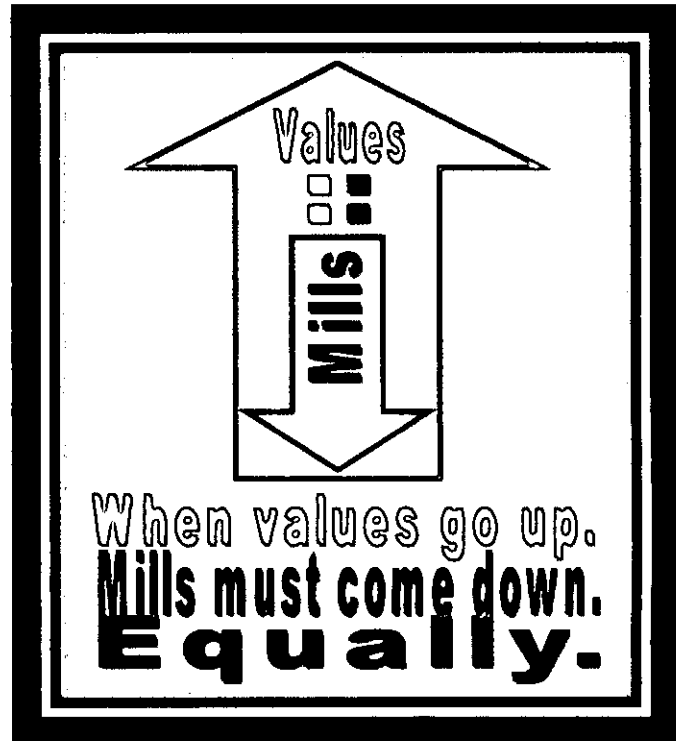
**The Automatic Tax Increase:** When property values go up, local governments can ride on Automatic Tax Increases.

**Basic Principle of Reform:** When taxes go up, elected officials should be on the record as voting for said increases.

**Same Standard as Legislature:** When the legislature needs more revenue than is projected it must take a vote on both the spending and the tax increase. Local governments should be no different.

**Will Not Hamstring Local Government:**

This basic reform will not limit local control in any way. It simply requires local officials to go on the record as supporting higher tax rates for property owners.



### *How It Works:*

Each year, as part of the existing budget making process, the County Auditor would inform all tax levying entities of the mill rate they may levy without a vote to increase. This maximum rate would be determined by reducing the previous year's mill levy rate by the percentage that aggregate property values increased (including new construction).



**NORTH DAKOTA  
TAXPAYERS ASSOCIATION**

#2  
p. 1 of 7

## HOUSE FINANCE & TAXATION COMMITTEE

Prepared February 7, 2011 by  
Shirley Murray, Sheridan County Auditor

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### CONCERNING HOUSE BILL 1194

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Chairman Belter and members of the Committee, I am Shirley Murray, the Sheridan County Auditor. Sheridan County is in opposition of HB 1194 in regards to an estimated tax statement.

It appears to me that the public will not benefit, only those that will benefit from this bill is the newspapers from the extra big publishing requirements, printing companies to print more tax statements and envelopes, software vendors, and the US Post office for extra postage. There would be many added costs to the Counties if this bill were to be approved with County levies that are maxed out already that no extra funds can be raised for. Who will pay for this administration cost and supplies?

Right now the public can attend budget hearings and ask questions. We rarely have anyone that shows up! But complain later!! This is our human nature???

Please give HB 1194 a Do **NOT** Pass recommendation.

**NDLA, H FIN**

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**From:** Shirley Murray [smurray@state.nd.us]  
**Sent:** Tuesday, February 22, 2011 10:59 AM  
**To:** NDLA, H FIN  
**Subject:** FW: Testimonies on HB 1194 - Truth in Taxation bill

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**From:** Shirley Murray [mailto:smurray@state.nd.us]  
**Sent:** Tuesday, February 08, 2011 12:20 PM  
**To:** 'wbelter@nd.gov'; 'cheadland@nd.gov'; 'gfroseth@nd.gov'; 'bgrande@nd.gov';  
'phatlestad@nd.gov'; 'skelsh@nd.gov'; 'sjmeyer@nd.gov'; 'mowens@nd.gov';  
'rstreyle@nd.gov'; 'wtrottier@nd.gov'; 'dweiler@nd.gov'; 'lbwinrich@nd.gov';  
'dwrangham@nd.gov'; 'szaizer@nd.gov'  
**Cc:** 'Terry O. Traynor'; 'rkelsch@nd.gov'; 'tkporter@nd.gov'; 'dcook@nd.gov';  
'tfischer@nd.gov'; 'dhogue@nd.gov'  
**Subject:** Testimonies on HB 1194 - Truth in Taxation bill

Dear House Finance and Taxation Committee:

Enclosed is copies of the input from other County Auditors throughout the state that I received and read during my testimony yesterday (Monday, February 7, 2011) that I promised I would email you. Also I enclosed my amended testimony at the very end with the timelines of the property owner's opportunities to be involved in the assessment and taxation process throughout the year that are in NDCC already. Please seriously consider a DO NOT PASS recommendation on HB 1194. We can not afford to pay for extra foolish administrative costs involved in this bill.

Shirley A. Murray  
Sheridan County Auditor  
[email: smurray@nd.gov](mailto:smurray@nd.gov)  
Ph# 701-363-2205  
PO Box 439  
McClusky, ND 58463

## **Testimonies from other County Auditors**

RE: HB 1194

For 2010, 32.5% of our taxable valuation was centrally assessed. And those numbers don't come until the end of September. So much for the accuracy of the numbers by July 10!!

Each taxing district currently has budget hearing requirements. If taxpayers don't attend those, how many will attend after they get their special invitation, (page 3, line 5 ff) which looks a lot like a pre-tax statement.

#2 p.3

I cannot begin to imagine the manpower needed to comply with this, or the re-programming. So then how is a county to fund this extra expense when it apparently isn't allowed to increase its mills to support its current expenditures?

Also nice for the newspapers!

Frances M. Olson  
McKenzie County Auditor

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Re: HB1194

Some random thoughts: A pretty dramatic change

PAGE 1

Base year - change from greatest of last 3 years from what the mill levy worksheet requests

"New growth" - what about exempt property that is requested in the mill levy worksheet also?

Line 22 - Minus any irrepealable tax to pay bonded indebtedness - so when I send out the "estimate" this is not included then when actual statement goes out its included?

PAGE 2

Line 11 - taxing district - excludes, townships, fire, ambulance, etc. (WHY?)

Line 16 - we do not have Centrally assessed property at that time...

PAGE 3 - Notice and hearing

All owners - in Bismarck School would be in excess of 30,000 owners

True and Full value - before State Board of Equalization meets?

Cost to send out a statement is \$.51 each for postage, envelopes, paper, copying cost - does not include LABOR, programming, etc.

Publication cost would be at least \$400 per time

How many people will receive this estimate and send us a check? What happens when the estimate goes out and then the tax statement is more - because of bonded indebtedness?

A tax statement run is no small thing - it is virtually weeks of work to get 38,000 statements out in Burleigh county - every time legislation changes (i.e. Homestead Credit changes) require programming changes - and with software one thing always seems to effect other things. Perhaps it would be wise to have an NRG person in to explain how one little change can lead to other changes, and then later other things that were not considered with the initial program changes - AND what the costs will

To run 40,000 statements we expended over \$19,000 in just HARD costs not including labor and programming issues.

Kevin Glatt, Burleigh County Auditor

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Kevin had some very valid points. You need to include in this discussion that many school districts are in multiple counties. For instance I need to get values from or send values to: Burleigh, Sheridan, McHenry, Ward, Mountrail, Mercer and Oliver counties. This is at a time of the year at least every other year, when we have a primary election that ties up my staff and myself. I would be looking at hiring another person that will cost \$40,000 per year just to do the paper work. Since we do not know what the state board of equalization finalizes until August and we do not get the centrally assessed values until October now, I can't even guess much less give an accurate estimate of a estimated tax rate by July 10<sup>th</sup>. Why should the county get stuck with the bill because a city needs to increase their cemetery fund? Why should the county auditor have to get all of the phone calls because a taxing district needs to raise the advertising levy? Why should the county have to raise its advertising levy and general fund levy because of other taxing districts? Then we would also have to go through the process of sending out letters and advertising through no fault of our own. At the expense of the taxpayer.

Les Korgel  
McLean County Auditor

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Les and Kevin make great points! We are supposed to use the best available information or apply the rate of increase of the taxable valuation of existing property. It seems valuations are changing almost daily between exemptions being added or deleted, property being annexed in or out of districts, etc. If we estimate too low, the entities will have to go through the public hearing process and if we estimate too high, are we encouraging higher than necessary tax levies. It takes 6-8 weeks to determine tax rates for all entities using actual budget dollars and valuations, including centrally assessed values. It will take at least that much time to determine estimates, forcing us to use valuable man hours to do something twice.

If an entity believes they will exceed the certified tax rate and holds a public hearing, our office will have to run estimated tax bills twice for that one entity - once using the certified tax rate and another for the entity's budget - and then determine the percentage increase before we mail the notice to every property owner in that district. The cost of manpower and postage just keeps escalating!

The cost of a ¼ page, 18 point, display ad in our official paper is \$837.50. Double that for each public notice since each must be published twice. I'm sure the newspaper will love this! Again, more expense for the local budgets.

Order to implement HB 1194, I know we will need an increase in our budget to cover additional staff, printing costs, envelopes, paper and postage, not to mention software changes.

Are any bills being considered to change the dates of local, county or state equalization meetings; dates when taxing districts must certify their budgets or when the state must provide the county with data on centrally assessed property? All of these affect the tax levy.

Devra Smestad  
Ward County Auditor/Treasurer

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## **HOUSE FINANCE & TAXATION COMMITTEE**

**Prepared February 7, 2011 by**

**Shirley Murray, Sheridan County**

**Auditor**

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### **CONCERNING HOUSE BILL 1194**

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Chairman Belter and members of the Committee, I am Shirley Murray, the Sheridan County Auditor. Sheridan County is in opposition of HB 1194 in regards to an estimated tax statement.

It appears to me that the public will not benefit, only those that will benefit from this bill is the newspapers from the extra big publishing requirements, printing companies to print more tax statements and envelopes, software vendors, and the US Post office for extra postage. There would be many added costs to the Counties if this bill were to be approved. County levies are maxed out already that no extra funds can be generated. Who will pay for this administration cost and supplies?

Right now the property owner receives a notice of increase in writing from their assessor if their true and full valuation of any lot or tract of land including any improvements thereon has increased by \$3,000 or more and to 10% or more than the amount of the last assessment according to the (NDCC 57-12-09). Delivery of this notice to the property owner must be

not fewer than 15 days prior to the local equalization hearing. The local boards of Equalization meet – (Township) - 2<sup>nd</sup> Monday in April (NDCC 57-09-01) (Cities) – 2<sup>nd</sup> Tuesday in April (NDCC 57-11-01). If the property owner still have any questions or is unsatisfied they can attend County Board of Equalization that is held the 1<sup>st</sup> week in June for further investigation on their property (NDCC 57-12-01), and if still unsatisfied the property owner can attend the State Board of Equalization hearing that is held the 2<sup>nd</sup> Tuesday in August as long as the property owner has first appealed to the prior local boards where the property was assessed. (NDCC 57-13-03 & 04).

The property owners can attend local and County budget hearings to ask questions on budgeted amounts and mill levies. We rarely have anyone that show up! But complain later!! This is human nature??? (Do we need to hire somebody out on the street waving a sign like liberty tax or force aliens does with their services that a public hearing is going on!) How far do we go to serve and help the property owners??? They need to have responsibility too!!!

The Property owner can apply for an abatement of taxes even after they receive their tax statement and attend public hearings again at their local board and the County Board for investigations and even take it further to District Court if they still are unsatisfied with what their tax amount or valuation is. (NDCC 57-23-04)

The County budgets are not even considered by July 10<sup>th</sup> to give an estimated certified tax rate. This is not making any sense!! Why change what we have in place, there is nothing broke to fix??

#2 p.7

The public would rather see their tax dollars spent on repairing roads and snow removal than extra foolish administration and publishing costs!!!

Please give HB 1194 a Do **NOT** Pass recommendation.

**Testimony To The  
THE HOUSE FINANCE & TAXATION COMMITTEE  
Prepared February 7, 2011 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties**

**REGARDING HOUSE BILL No. 1194**

Thank you Chairman Belter and committee members for the opportunity to present the opposition of county officials statewide to House Bill 1194.

While county officials agree with the apparent goal of this bill – to provide more and better information regarding the effects of local government service delivery on individual property taxes – HB1194, as proposed, appears to create a system that will provide unavoidably inaccurate information at a significantly increased property tax cost. The proposed system also treats local governments very differently – some districts with large single and multi-county tax implications are surprisingly exempt from these requirements, while some much smaller jurisdictions are not.

To avoid the inaccuracies, there would need to be numerous other changes in statute and state agency procedure. Centrally assessed property would need to be finalized much earlier – in some counties up to 35% of their taxable property is centrally assessed. The State Board of Equalization would need to finish their work much earlier to provide accurate valuations. Without such changes, every jurisdiction would be forced to assume a tax increase and the county would incur the cost of essentially programming, producing, and mailing a “preliminary tax statement” each and every year – plus every jurisdiction would be required to budget much more for publication costs.

As testified to this committee before (and demonstrated by attachment 1), the largest property tax cost for most counties is human services, and the single most costly program within this service area is foster care. Counties receive an estimate of what their calendar year billing from the State might be, in August from DHS. This would have to be moved up to at least the end of June – and preferably costs in excess of the estimate would not be billed to counties after that.

PERS generally provides counties with health premium information in late August or early September of even-numbered years, upon completion of their negotiations. This

would necessitate advancing those negotiations in order to provide sufficient data of this increasingly significant cost.

These are but two examples of the numerous interrelationships between State and local government budgeting, where the outcome is unknown prior to the July 31<sup>st</sup> notification date. Again, since state government action can impact county costs in salaries, benefits, social service program costs, staffing requirements, computer network fees, law enforcement, corrections, extension service, weed control match, veteran's services and other areas, counties (at least) would need to assume cost (and therefore tax) increases – unless the State could commit that increased costs would not be passed down.

Attachment 1 has been included to illustrate the information currently published by local governments across the state, prior to their public hearing on the upcoming budget. Admittedly, it takes a dedicated citizen to study and comment knowledgably about such a budget. The notice required under HB1194, however, can only elicit comments about whether a person's tax went up too much – without any connection to whether this was because of a previous disaster, FMAP changes, federal legislation, state mandated reporting, or any other purpose. Already we have a process in place, as demonstrated by the final pages of this testimony that transforms a local government's preliminary budget decisions into understandable information.

These newspaper articles have been shortened for space, but I have included the analysis that I believe HB1194 is trying to promote. The point of this testimony is that this already exists. These examples are for jurisdictions in Ward, Morton, and Burleigh Counties, but this is what newspapers do and have done for decades across the State. They make news useful for the citizens, and provide the information necessary for citizens to weigh in on these budget decisions. Unfortunately, as the Bismarck Tribune bylines indicate, no one did comment through the paper, and by reading the minutes of the meetings published later – few if any citizen's showed up at the hearings.

It is unfortunate, but HB1194 will mandate hundreds of thousands of dollars in increased property taxes across the state in staffing, programming, supplies, publication, and postage; and will likely result in no greater citizen involvement. If the Committee's ultimate goal is to avoid unnecessary property tax increases – a “do not pass” recommendation would be the most effective choice.

## Bismarck readies its budget

By LEANN ECKROTH Bismarck Tribune | Posted: Thursday, September 2, 2010 3:29 pm | (0) [Comments](#)

Bismarck residents are in for steeper utility rates for 2011 to fund upgrades to its water and wastewater treatment systems.

The city's final budget hearing is set for 5:15 p.m. Sept. 28 at the City/County Building.

.....

Wocken said that impacts property brought to the tax rolls, but existing homes won't pay more taxes for their market value increase. He said a \$125,000 existing home that increased in value won't see property taxes increase this year. "We're just adding what the increase was for the new properties that came onto the assessment rolls," he said.

.....

The preliminary budget can be viewed at [www.bismarck.org](http://www.bismarck.org).

## Burleigh prepares for final budget hearing

By LEANN ECKROTH Bismarck Tribune | Posted: Thursday, August 19, 2010 5:04 pm | (0) [Comments](#)

Burleigh County will spend about \$42 million for its 2011 operations.

Commissioners will mull a \$276,000 increase from social services, a new county shop, a special assessment for a city water line and pay increases in the coming weeks. The final budget hearing will be 5 p.m. Sept. 23 at the City/County Building.

The preliminary budget calls for a levy of \$15.19 million in property taxes, about \$344,000 more than the 2010 budget. County auditor Kevin Glatt said the average existing property owner will pay about \$2 less for a home valued at \$175,000.

Most of the revenue increase for the budget will come from a 2.3 percent increase in new construction.

While property values rose an average of 4 percent throughout the county, mills levied by the county will decrease by .76 of a mill within Bismarck city limits and drop about .81 a mill outside city limits, he said.

Glatt said property values in Bismarck rose an average 3.86 percent; property outside city limits climbed an average of 4.29 percent. The value of a mill in the county has increased from its 2009 value of \$258,997 to \$269,400 in 2010. Agriculture land values increased an average of 6 percent.

.....

Residents soon will be able to view the budget proposals at [www.co.burleigh.nd.us](http://www.co.burleigh.nd.us).

## County board discusses 2011 preliminary budget

September 8, 2010 - By DAVE CALDWELL, Staff Writer

In January, the Ward County Board of Commissioners voted to buck the system. On Tuesday, however, the board voted to play it safe in case "the buck" stops here.

The commission took on discussion of its 2011 preliminary budget during its regularly scheduled meeting, and true to form on matters of taxation and budgeting, it didn't take long for Commissioner John Fjeldahl to make his opinion known.

"I did do preliminary budget two ways," said county auditor-treasurer Devra Smestad. "After making some inquiries and phone calls to the state because there was a lot of discussion about Ward County being 10 percent behind on farm land values. And because we cannot increase our preliminary budget once we publish it, with the research on-hand, we used the high end as if the state - which they're pretty sure is going to happen, that's the recommendation - to take ag values to 100 percent."

At that time, though, Fjeldahl convinced the majority of the board to "send a message" even though some were hesitant, fearing the state board of tax equalization would step in and set the rate at 100 percent - which is exactly what Smestad indicated was in the process of happening now.

In the end, the board voted to approve the \$27.1 million budget, of which \$13.5 million will be levied to county taxpayers. These numbers represent a \$2.61 million hike from last year's total budget, but only an \$845,000 increase in the levy.

The preliminary budget calls for a mill rate of 77.73 mills, which is 5.89 mills lower than 2009.

The average county home valuation now stands at \$118,642, an increase of \$8,183 from 2009. With the decreased mill rate, the property tax for the average homeowner will increase by \$1

The average assessed value per acre of ag land, however, rose from \$293.99 to \$348.33, meaning the property tax for a quarter of ag land will increase by \$19.96, even with the decreased mill rate.

Also, the county is permitted by its home rule charter to levy 85 mills for the general fund, but the 2010 levy calls for 63.97 mills.

A public hearing on the budget is scheduled for the Oct. 5 commission meeting.

## Morton looks at budget issues

LEANN ECKROTH Bismarck Tribune | Posted: Saturday, August 22, 2009 12:00 am | (0)  
[Comments](#)

Morton County commissioners voted to reactivate the information technology committee Friday during the budget hearing process. An overhaul of the system may be needed within the next 18 months.

.....

Trauger said property taxes will increase an average of 6 percent.

.....

The FEMA funds will help repair 500 flooded roads and bridges in the county. Work has started without the reimbursement. Morman said that repair work is about 30 percent to 40 percent complete. The negotiations continue with FEMA over compensation, but documentation is involved and progress slow.

.....

The 2010 preliminary budget is posted at [www.co.morton.nd.us](http://www.co.morton.nd.us).

## Parks' preliminary budget approved

LEANN ECKROTH Bismarck Tribune | Posted: Tuesday, August 25, 2009 12:00 am | (0)  
[Comments](#)

The Bismarck Park Board approved a \$15.08 million preliminary 2010 budget Thursday. General fund expenses will total \$10.72 million, compared to \$9.43 million in 2009. Operating expenses for a future aquatics center and hosting the Prairie Rose games are credited with part of the spending increase.

.....

### Mill levies the same

Ternes said mill levies for the park district will remain the same at 38.6 mills for the 2010 budget. Mill levy value increases will still bring in \$226,500 more for the park district budget.

He said the increase of property taxes on a \$175,000 house amounts to \$4.37 more for the park district's share. Neu noted the park district has no off-setting revenues such as sales tax, state money and federal money.

### Final budget hearing

The final budget hearing is set for 5:15 Sept. 17 at the City/County Building. The budget may be reviewed at <http://bisparcs.org>

Neu said they can reduce the budget after this, but cannot increase spending authority



**Testimony to the House Finance and Taxation Committee**  
**Chairman Wes Belter**  
**Prepared by Cindy K. Hemphill, Finance Director**  
**City of Minot**  
**Cindy.hemphill@minotnd.org**

**HOUSE BILL NO. 1194**

Mr. Chairman, my name is Cindy Hemphill and I serve as the City Auditor and Finance Director for the City of Minot. I am representing the City of Minot to encourage a DO NOT PASS on House Bill 1194.

House Bill No. 1194 is provides a process for a City to adopt its annual budget. It requires considerable coordination and work for the County Auditor. I have had several conversations with the Ward County Auditor regarding the timing and the process required by this bill.

Based on information from the County Auditor, each political subdivision requiring funds through the levy process would have to have their budgets and levy requests to the County Auditor no later than mid-May. This is before the County Board and State Board of equalization even meet. Our County Auditor figures everyone will have to estimate high, which will defeat the whole purpose. It will also require running tax statements twice.

Another thing to take into consideration is the timing. Attempting to have a budget complete by mid-May is a difficult process. The last two years the City has had to prepare for flood waters in the spring. Many departments will not have the time to adequately prepare.

The City currently has a budget process that includes a public hearing. The only thing I can see this bill accomplishing is making the political subdivisions estimate budgets on less than accurate information and to mail letters to citizens to make sure they know when the public hearing is held for adoption of the budget.

2010 MILL COMPARISONS  
FOR 2011 APPROPRIATIONS  
FOR THE 13 LARGEST CITIES IN NORTH DAKOTA

RANK	THIS YEAR	LAST YEAR	2000 POPULATION	2009 Est. POPULATION	VALUATION	STATE & COUNTY	CITY	PARK DISTRICT	SCHOOL	OTHER*	TOTAL
1	2	Williston	12,512	13,014	30,040,980	87.68	63.49	40.15	124.00	2.32	317.64
2	1	Bismarck	55,532	61,217	199,968,720	55.55	80.68	39.82	142.18	0.00	318.23
3	4	Minot	36,567	36,256	118,672,297	72.66	107.33	29.83	129.75	0.00	339.57
4	3	Dickinson	16,010	16,265	41,765,954	98.45	91.36	27.06	122.22	13.00	352.09
5	5	West Fargo	14,940	24,313	73,950,942	65.00	91.59	32.55	170.64	10.90	370.68
6	6	Fargo	90,599	95,556	323,459,156	65.00	58.25	31.39	221.59	8.90	385.13
7	7	Valley City	6,826	6,286	11,580,782	104.60	97.00	40.35	144.69	0.00	386.64
8	8	Grand Forks	49,321	51,216	145,045,875	119.83	107.77	37.88	139.35	0.00	404.83
9	9	Mandan	16,718	18,274	42,903,878	113.31	97.98	37.90	155.69	4.50	409.38
10	10	Wahpeton	8,586	7,418	13,793,741	133.40	126.22	37.09	133.85	0.00	430.56
11	11	Devils Lake	7,222	6,711	11,023,941	131.69	120.08	54.58	133.37	0.00	439.72
12	12	Jamesstown	15,527	14,687	27,688,186	110.51	131.20	44.21	161.46	0.00	447.38
13	13	Grafton	4,516	3,954	5,467,646	141.15	111.39	45.68	163.56	1.60	459.73
* Other includes districts such as: fire, ambulance, airport, water recreation, soil conservation, weed control, vector control, etc.											

\* Other includes districts such as: fire, ambulance, airport, water treatment, county park, county library, recreation, soil conservation, weed control, vector control, etc.

2010 vs 2009 VALUATION AND MILL LEVY COMPARISONS  
FOR THE 13 LARGEST CITIES IN NORTH DAKOTA

RANK		EST.	2009	2010	MILLS	2009		2010		INC/DEC)				
THIS YEAR	LAST YEAR					TAXES \$100,000	TAXES \$100,000							
2	2	Williston	12,512	13,014	27,764,345	30,040,980	2,276,635	8.2%	321.60	317.64	(3.96)	\$1,447.20	\$1,429.38	-1.23%
1	1	Bismarck	55,532	61,217	194,765,794	199,968,720	5,202,926	2.7%	318.73	318.23	(0.50)	\$1,434.29	\$1,432.04	-0.16%
4	4	Minot	36,567	36,256	105,934,967	118,672,297	12,737,330	12.0%	350.63	339.57	(11.06)	\$1,577.84	\$1,528.07	-3.15%
3	3	Dickinson	16,010	16,265	38,803,897	41,765,954	2,962,057	7.6%	342.56	352.09	9.53	\$1,541.52	\$1,584.41	2.78%
5	5	West Fargo	14,940	24,313	70,814,846	73,950,942	3,136,096	4.4%	365.91	370.68	4.77	\$1,646.60	\$1,668.06	1.30%
6	6	Fargo	90,599	95,556	314,345,150	323,459,156	9,114,006	2.9%	380.92	385.13	4.21	\$1,714.14	\$1,733.09	1.11%
7	7	Valley City	6,826	6,286	10,836,373	11,580,782	744,409	6.9%	383.95	386.64	2.69	\$1,727.78	\$1,739.88	0.70%
8	8	Grand Forks	49,321	51,216	141,209,675	145,045,875	3,836,200	2.7%	400.60	404.83	4.23	\$1,802.70	\$1,821.74	1.06%
9	9	Mandan	16,718	18,274	40,210,208	42,903,878	2,693,670	6.7%	414.07	409.38	(4.69)	\$1,863.32	\$1,842.21	-1.13%
10	10	Wahpeton	8,586	7,418	13,283,301	13,793,741	510,440	3.8%	422.35	430.56	8.21	\$1,900.58	\$1,937.52	1.94%
11	11	Devils Lake	7,222	6,711	10,880,536	11,023,941	143,405	1.3%	441.98	439.72	(2.26)	\$1,988.91	\$1,978.74	-0.51%
12	12	Jamestown	15,527	14,687	27,437,676	27,688,186	250,510	0.9%	449.35	447.38	(1.97)	\$2,022.08	\$2,013.21	-0.44%
13	13	Grafton	4,516	3,954	5,442,628	5,467,646	25,018	0.5%	452.59	463.38	10.79	\$2,036.66	\$2,085.21	2.38%

2010 MILL COMPARISONS  
FOR 2011 APPROPRIATIONS  
BY POLITICAL SUBDIVISION  
WITHIN THE 13 LARGEST CITIES IN NORTH DAKOTA

RANK		2009		2010		MILL LEVY		2009		2010		\$		0.0%	
THIS YEAR	LAST YEAR	CITY	LEVY	CITY	LEVY	INC/(DEC)		TAXES		TAXES		INC/(DEC)		INC/(DEC)	
1	1	Fargo	58.25	58.25	0.00			262.13	262.13	0.00		0.00		0.0%	
2	2	Williston	66.68	63.49	(3.19)			300.06	285.71	(14.36)		-4.8%		-4.8%	
3	3	Bismarck	80.63	80.68	0.05			362.84	363.06	0.23		0.1%		0.1%	
4	6	Dickinson	93.95	91.36	(2.59)			422.78	411.12	(11.66)		-2.8%		-2.8%	
5	4	West Fargo	91.37	91.59	0.22			411.17	412.16	0.99		0.2%		0.2%	
6	5	Valley City	92.63	97.00	4.37			416.84	436.50	19.67		4.7%		4.7%	
7	7	Mandan	97.93	97.98	0.05			440.69	440.91	0.22		0.1%		0.1%	
8	8	Grand Forks	107.82	107.00	(0.82)			485.19	481.50	(3.69)		-0.8%		-0.8%	
9	9	Minot	108.12	107.77	(0.35)			486.54	484.97	(1.58)		-0.3%		-0.3%	
10	10	Grafton	110.20	111.39	1.19			495.90	501.26	5.35		1.1%		1.1%	
11	12	Devils Lake	121.64	120.08	(1.56)			547.38	540.36	(7.02)		-1.3%		-1.3%	
12	11	Wahpeton	120.36	126.22	5.86			541.62	567.99	26.37		4.9%		4.9%	
13	13	Jamestown	134.63	131.20	(3.43)			605.84	590.40	(15.44)		-2.5%		-2.5%	

RANK		2009		2010		MILL LEVY		2009		2010		\$		0.0%	
THIS YEAR	LAST YEAR	SCHOOL LEVY		SCHOOL LEVY		INC/(DEC)		TAXES		TAXES		INC/(DEC)		INC/(DEC)	
1	1	Williston	121.02	124.00	2.98			544.59	558.00	13.41		2.5%		2.5%	
2	2	Dickinson	122.36	122.22	(0.14)			550.62	549.99	(0.63)		-0.1%		-0.1%	
3	3	Minot	133.40	129.75	(3.65)			600.30	583.88	(16.43)		-2.7%		-2.7%	
4	4	Devils Lake	133.53	133.37	(0.16)			600.89	600.17	(0.72)		-0.1%		-0.1%	
5	5	Wahpeton	134.08	133.85	(0.23)			603.36	602.33	(1.04)		-0.2%		-0.2%	
6	6	Grand Forks	139.35	139.35	0.00			627.08	627.08	0.00		0.0%		0.0%	
7	7	Bismarck	142.03	142.18	0.15			639.14	639.81	0.68		0.1%		0.1%	
8	8	Valley City	145.66	144.69	(0.97)			655.47	651.11	(4.37)		-0.7%		-0.7%	
9	9	Mandan	157.17	155.69	(1.48)			707.27	700.61	(6.66)		-0.9%		-0.9%	
10	10	Jamestown	161.39	161.46	0.07			726.26	726.57	0.32		0.0%		0.0%	
11	11	Grafton	164.46	163.56	(0.90)			740.07	736.02	(4.05)		-0.5%		-0.5%	
12	12	West Fargo	170.64	170.64	0.00			767.88	767.88	0.00		0.0%		0.0%	
13	13	Fargo	221.77	221.59	(0.18)			997.97	997.16	(0.81)		-0.1%		-0.1%	

2010 MILL COMPARISONS  
FOR 2011 APPROPRIATIONS  
BY POLITICAL SUBDIVISION  
WITHIN THE 13 LARGEST CITIES IN NORTH DAKOTA

RANK		STATE & COUNTY	2009 TAXES	2010 TAXES	MILL. LEVY INC/(DEC)	\$ INC/(DEC)	0.0% INC/(DEC)		
THIS YEAR	LAST YEAR								
1	1	Bismarck	56.44	55.55	(0.89)	253.98	249.98	(4.01)	-1.6%
2	2	Fargo	62.00	65.00	3.00	279.00	292.50	13.50	4.8%
3	3	West Fargo	62.00	65.00	3.00	279.00	292.50	13.50	4.8%
4	4	Minot	78.43	72.66	(5.77)	352.94	326.97	(25.97)	-7.4%
5	5	Williston	91.80	87.68	(4.12)	413.10	394.56	(18.54)	-4.5%
6	6	Dickinson	99.37	98.45	(0.92)	447.17	443.03	(4.14)	-0.9%
7	7	Valley City	104.07	104.60	0.53	468.32	470.70	2.39	0.5%
8	8	Jamestown	109.90	110.51	0.61	494.55	497.30	2.75	0.6%
9	10	Mandan	116.81	113.31	(3.50)	525.65	509.90	(15.75)	-3.0%
10	9	Grand Forks	115.49	119.83	4.34	519.71	539.24	19.53	3.8%
11	11	Devils Lake	128.69	131.69	3.00	579.11	592.61	13.50	2.3%
12	12	Wahpeton	129.00	133.40	4.40	580.50	600.30	19.80	3.4%
13	13	Grafton	145.20	141.15	(4.05)	653.40	635.18	(18.22)	-2.8%

RANK		2009		2010		2009		2010		2009		2010	
THIS	LAST	PARK	PARK	MILL LEVY	TAXES	TAXES	TAXES	TAXES	TAXES	\$	0.0%	INC/DEC	INC/DEC
YEAR	YEAR	LEVY	LEVY	INC/DEC	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	INC/DEC	INC/DEC	INC/DEC	INC/DEC
1	1	Dickinson	26.88	0.18	120.96	121.77	0.81	0.7%					
2	2	Minot	30.68	(0.85)	138.06	134.24	(3.83)	-2.8%					
3	3	Fargo	31.45	(0.06)	141.53	141.26	(0.27)	-0.2%					
4	5	West Fargo	32.45	0.10	146.03	146.48	0.45	0.3%					
5	7	Wahpeton	37.94	(0.85)	170.73	166.91	(3.82)	-2.2%					
6	7	Grand Forks	37.94	(0.06)	170.73	170.46	(0.27)	-0.2%					
7	6	Mandan	37.77	0.13	169.97	170.55	0.58	0.3%					
8	9	Bismarck	39.63	0.19	178.34	179.19	0.85	0.5%					
9	10	Williston	40.17	(0.02)	180.77	180.68	(0.09)	0.0%					
10	11	Valley City	41.59	(1.24)	187.16	181.58	(5.58)	-3.0%					
11	12	Jamestown	43.43	0.78	195.44	198.95	3.51	1.8%					
12	4	Grafton	32.04	13.64	144.18	205.56	61.38	42.6%					
13	13	Devils Lake	58.12	(3.54)	261.54	245.61	(15.93)	-6.1%					

#5 p.4

(Cont. on next page)

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**Testimony To The  
THE SENATE FINANCE & TAXATION COMMITTEE  
Prepared March 21, 2011 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties**

**REGARDING ENGROSSED HOUSE BILL No. 1194**

Thank you Chairman Cook and committee members, for the opportunity to present the concerns of county officials statewide about HB1194 as it comes to you from the House.

First of all, I must state that county officials agree with the apparent goal of this bill – to provide more and better information regarding the effects of local government service delivery on individual property taxes – in hopes that they will participate in the local budgeting process. However, HB1194, as it exists, appears to create a system that will provide quite possibly inaccurate information at a significantly increased property tax cost. The proposed system also treats local governments very differently – some districts with large single and multi-county tax implications are surprisingly exempt from these requirements, while some much smaller jurisdictions are not.

As this committee is well aware, the key to providing timely and accurate tax information to our citizens is dependent upon the availability of ALL final valuations and ALL budgetary information, AND through using consistent comparisons.

On the valuation side, centrally assessed property – in some jurisdictions up to 35% of their taxable property – is the final piece of the puzzle and often not available until early September.

Regarding budgetary information, as often discussed with the Legislature (and demonstrated by attachment 1), the largest property tax cost for most counties is human services, and the single most costly program within this service area is foster care. The estimated statewide total for county costs and an individual county's share of the statewide total is not known to the counties until August. For those counties participating in the PERS health program, they still don't know what their 2011 premium costs will be (and won't until the Legislature adjourns), but even the final estimates were not available until just weeks before the preliminary budget deadline. These are but two examples of

the numerous interrelationships between State and local government budgeting, where critical facts are unknown until quite late in the process.

Regarding consistency, the concept of comparing an “estimated certified tax rate” prepared by the county auditor, with a budget year tax rate prepared by another individual, both incorporating the multiple exceptions and additions; seems like a recipe for confusion.

For these reasons, and as state government action can impact county costs in salaries, benefits, social service program costs, staffing requirements, computer network fees, law enforcement, corrections, extension service, weed control match, veteran’s services and other areas; counties (at least) would very likely need to assume cost (and therefore tax) increases – making this bill, very simply an entirely new, additional, publication requirement.

Attachment 1 has been included to illustrate the information currently published by counties across the state, immediately prior to their public hearing on the upcoming budget. Admittedly, it takes a dedicated citizen to study and comment knowledgeably about such a budget. Bear in mind, this is the final notice after anywhere from two to eight public meeting notices, agendas, and sets of meeting minutes are provided – at considerable taxpayer cost.

Unlike this detailed budget, the notice required under HB1194, can only elicit comments about whether a person’s tax went up too much – without any connection to whether this was because of a previous disaster declaration, FMAP changes, federal legislation, state mandated reporting, or any other purpose.

Already we have a process in place, as demonstrated by pages 3-5 of this testimony that transforms a local government’s preliminary budget decisions into understandable information. These newspaper articles have been shortened for space, but they all include the analysis that I believe HB1194 is trying to promote. The point is –this already exists. These examples are for jurisdictions in Ward, Morton, and Burleigh Counties, but this is what newspapers do, and have done for decades, across the State. They make news useful for the citizens, and provide the information necessary for these citizens to weigh in on these budget decisions. Unfortunately, as the Bismarck Tribune bylines indicate, no one commented through the paper and by reading the minutes of the meetings published

later – few if any citizen's showed up at the hearings. Over the last six years our Association has made a concerted effort to urge county commissions to specifically invite legislators to engage in the county budgeting process – attend hearings, comment on proposed expenditures – as yet, I have heard of no county where these particularly well informed citizens have chosen to even attend.

The final two pages I have included is correspondence that I just received of the OMB/Newspaper Association negotiation to raise publication costs – just another example of how current state law, coupled with this bill, will further increase property taxes.

It is unfortunate, but HB1194 will mandate tens (if not hundreds) of thousands of dollars in increased property taxes across the state in staffing and publication costs; and will (unfortunately) likely result in no greater citizen involvement. If the Committee's ultimate goal is to avoid unnecessary property tax increases – a “do not pass” recommendation would be the most effective choice. If it is determined that this new added cost must be placed on the taxpayers, counties would urge you to repeal some of the other state-mandated notice costs.

## Bismarck readies its budget

By LEANN ECKROTH Bismarck Tribune | Posted: Thursday, September 2, 2010 3:29 pm | (0)  
[Comments](#)

Bismarck residents are in for steeper utility rates for 2011 to fund upgrades to its water and wastewater treatment systems.

The city's final budget hearing is set for 5:15 p.m. Sept. 28 at the City/County Building.

.....  
Wocken said that impacts property brought to the tax rolls, but existing homes won't pay more taxes for their market value increase. He said a \$125,000 existing home that increased in value won't see property taxes increase this year. "We're just adding what the increase was for the new properties that came onto the assessment rolls," he said.

.....  
The preliminary budget can be viewed at [www.bismarck.org](http://www.bismarck.org).

## Burleigh prepares for final budget hearing

By LEANN ECKROTH Bismarck Tribune | Posted: Thursday, August 19, 2010 5:04 pm | (0)  
[Comments](#)

Burleigh County will spend about \$42 million for its 2011 operations.

Commissioners will mull a \$276,000 increase from social services, a new county shop, a special assessment for a city water line and pay increases in the coming weeks. The final budget hearing will be 5 p.m. Sept. 23 at the City/County Building.

The preliminary budget calls for a levy of \$15.19 million in property taxes, about \$344,000 more than the 2010 budget. County auditor Kevin Glatt said the average existing property owner will pay about \$2 less for a home valued at \$175,000.

Most of the revenue increase for the budget will come from a 2.3 percent increase in new construction.

While property values rose an average of 4 percent throughout the county, mills levied by the county will decrease by .76 of a mill within Bismarck city limits and drop about .81 a mill outside city limits, he said.

Glatt said property values in Bismarck rose an average 3.86 percent; property outside city limits climbed an average of 4.29 percent. The value of a mill in the county has increased from its 2009 value of \$258,997 to \$269,400 in 2010. Agriculture land values increased an average of 6 percent.

.....  
Residents soon will be able to view the budget proposals at [www.co.burleigh.nd.us](http://www.co.burleigh.nd.us).

# County board discusses 2011 preliminary budget

September 8, 2010 - By DAVE CALDWELL, Staff Writer

In January, the Ward County Board of Commissioners voted to buck the system. On Tuesday, however, the board voted to play it safe in case "the buck" stops here.

The commission took on discussion of its 2011 preliminary budget during its regularly scheduled meeting, and true to form on matters of taxation and budgeting, it didn't take long for Commissioner John Fjeldahl to make his opinion known.

"I did do preliminary budget two ways," said county auditor-treasurer Devra Smestad. "After making some inquiries and phone calls to the state because there was a lot of discussion about Ward County being 10 percent behind on farm land values. And because we cannot increase our preliminary budget once we publish it, with the research on-hand, we used the high end as if the state - which they're pretty sure is going to happen, that's the recommendation - to take ag values to 100 percent."

At that time, though, Fjeldahl convinced the majority of the board to "send a message" even though some were hesitant, fearing the state board of tax equalization would step in and set the rate at 100 percent - which is exactly what Smestad indicated was in the process of happening now.

In the end, the board voted to approve the \$27.1 million budget, of which \$13.5 million will be levied to county taxpayers. These numbers represent a \$2.61 million hike from last year's total budget, but only an \$845,000 increase in the levy.

The preliminary budget calls for a mill rate of 77.73 mills, which is 5.89 mills lower than 2009.

The average county home valuation now stands at \$113,642, an increase of \$8,183 from 2009. With the decreased mill rate, the property tax for the average homeowner will increase by \$1.

The average assessed value per acre of ag land, however, rose from \$293.99 to \$348.33, meaning the property tax for a quarter of ag land will increase by \$19.96, even with the decreased mill rate.

Also, the county is permitted by its home rule charter to levy 85 mills for the general fund, but the 2010 levy calls for 63.97 mills.

A public hearing on the budget is scheduled for the Oct. 5 commission meeting.

## Morton looks at budget issues

LEANN ECKROTH Bismarck Tribune | Posted: Saturday, August 22, 2009 12:00 am | [\(0\)](#)  
[Comments](#)

Morton County commissioners voted to reactivate the information technology committee Friday during the budget hearing process. An overhaul of the system may be needed within the next 18 months.

.....  
~~Trauger said property taxes will increase an average of 6 percent.~~

.....  
The FEMA funds will help repair 500 flooded roads and bridges in the county. Work has started without the reimbursement. Morman said that repair work is about 30 percent to 40 percent complete. The negotiations continue with FEMA over compensation, but documentation is involved and progress slow.

.....  
The 2010 preliminary budget is posted at [www.co.morton.nd.us](http://www.co.morton.nd.us).

## Parks' preliminary budget approved

LEANN ECKROTH Bismarck Tribune | Posted: Tuesday, August 25, 2009 12:00 am | [\(0\)](#)  
[Comments](#)

The Bismarck Park Board approved a \$15.08 million preliminary 2010 budget Thursday. General fund expenses will total \$10.72 million, compared to \$9.43 million in 2009. Operating expenses for a future aquatics center and hosting the Prairie Rose games are credited with part of the spending increase.

### ..... Mill levies the same

Ternes said mill levies for the park district will remain the same at 38.6 mills for the 2010 budget. Mill levy value increases will still bring in \$226,500 more for the park district budget. ~~He said the increase of property taxes on a \$175,000 house amounts to \$4.37 more for the park district's share.~~ Neu noted the park district has no off-setting revenues such as sales tax, state money and federal money.

### Final budget hearing

The final budget hearing is set for 5:15 Sept. 17 at the City/County Building. The budget may be reviewed at <http://bisparcs.org>

Neu said they can reduce the budget after this, but cannot increase spending authority

March 15, 2011

Ms. Nancy Abfalter  
Office of Management & Budget  
14<sup>th</sup> Floor Capitol – Dept. 012  
600 E. Blvd. Ave.  
Bismarck, North Dakota 58505-0310

Dear Nancy:

Thank you for the opportunity to discuss the public notice rates last week and to be able to present a second proposal for your consideration.

NDNA will concede to your terms on the line rates of \$0.700 for July 2011 and \$0.715 for 2012. The difference between our proposal and OMB's proposal is so slight that either side could have acquiesced without great harm.

NDNA will also concede to your terms on the Public Notice Display Rate for weekly newspapers – at \$5.65 for July 2011 and \$5.77 for July 2012. Under the OMB proposal, 19 of the 42 weekly official county newspapers would receive slightly more than open retail rates and 23 would receive less than open retail rates. The extremes would be Grafton, the largest official county newspaper, receiving \$60.30 less than retail and Medora, the smallest official county newspaper, receiving \$27.90 over retail.

NDNA will, however, request your consideration in reducing the huge disparity in the Public Notice Display Rates for the daily newspapers. This move would be in the same historical perspective as the increase in the line rates that took place several years ago which you pointed out at our meeting.

We propose the Public Notice Display Rate for the six small dailies be increased as follows:

July 2011: From \$7.57 per inch to \$9.84 per inch.  
July 2012: From \$9.84 per inch to \$12.79 per inch.

The small dailies are currently receiving \$227.10 for the 30-inch extension service ads. The retail rates for the same ad in the papers would be:

Devils Lake	\$435.90	Dickinson	\$467.70	Jamestown	\$504.30
Valley City	\$351.30	Wahpeton	\$381.30	Williston	\$480.00

At the rate of \$9.84 per inch, the newspapers would receive \$295.20 for the extension service ads, still well-below the retail rates. If the 2012 rate was adopted at \$12.79 per inch, the rate for the extension service ad would be \$383.70, still below the current rate for four of the papers and all will likely post increased retail rates by July 2012.

2 - Abfalter

For the four large daily newspapers, NDNA proposes the following rates:

July 2011: From \$11.14 per inch to \$16.71 per inch.

July 2012: From \$16.71 per inch to \$25.07 per inch.

The four large daily newspapers are currently receiving \$334.20 for the extension service ads. The retail rates for the papers would be:

Bismarck \$1253.70    Fargo \$1757.70    Grand Forks \$1099.20    Minot \$986.40

At 2011 rate of \$16.71 per inch, the newspapers would receive \$501.50 for the extension service ads, still well-below the retail rates. If the 2012 rate was adopted at \$25.07 per inch, the rate for extension service ads would be \$752.10, still well-below the current rates for all four papers which will also likely post increases in retail rates by 2012.

While OMB requires volume discounts from most of its vendors, NDNA takes the position that volume does not relate to the rates for publishing notices required by law. Other than laws requiring publication of notices by a select few state agencies, public notice display ads published in North Dakota newspapers are a rare commodity.

The initial 2011 rate offered by your office for our large dailies provided for what you suggested is a 75% discount which realistically is a discount not offered by many vendors. Our suggestion for the two daily groups still amounts to discounts of approximately 30% for the small dailies and 50% for the large dailies. Still not totally realistic but we're willing to start somewhere.

Again, our thanks for your consideration.

Sincerely,



Roger Bailey  
Executive Director

c: Sherry Nens  
Ken Hamel  
Jack McDonald  
Steve Andrist

**TESTIMONY ON HOUSE BILL 1194****March 21, 2011****Bruce Strinden – Morton County Commissioner****Board Member, ND County Commissioners Association**

Good morning Chairman Cook and members of the committee. My name is Bruce Strinden, and I am Chairman of the Morton County Commission, and a Board Member of the ND County Commissioners Association.

HB1194 is a piece of legislation that we believe was introduced with the best of intentions by the sponsors in an honest effort to get the public more engaged, and to better inform them during the budget process. In Morton County we spent \$4067.66 of taxpayer dollars in publishing our budget public hearing processes in 2010. These monies were spent in our official newspaper, and also in the other three weekly newspapers in Morton County. We also published our preliminary and final budgets in all the newspapers and on our county website. During the time period between July 1 and October 10 we held a total of 12 publicly noticed meetings where the budget was discussed. Eight of these were special meetings held to discuss only budget matters. To the dismay of our county commissioners, only five people briefly appeared during this entire process. The cost per person attending came out to about \$813.53 for our advertising efforts. That is a bleak return by any measure. Other commissioners from around North Dakota have echoed similar results during their budget hearings.

HB1194 in the current form, will not only increase the cost of advertising the budget process, but will also increase the workload on county staffs that are already spread too thin. Based upon past experience; it is our belief that this bill will do nothing to increase public engagement or interest in the budget process, and will simply place an additional burden on county officials.

We understand the stigma attached to voting against a bill labeled "Truth in Taxation", but we ask that you give serious consideration to what this bill actually mandates, and the effect it will have on our county governments. Most importantly, we ask that you examine whether HB1194 will do anything at all to get the public more informed or more engaged in our local budget processes.

**SENATE FINANCE & TAXATION COMMITTEE**  
**Prepared March 21, 2011 by**  
**Shirley Murray, Sheridan County Auditor**

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**CONCERNING HOUSE BILL 1194**

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Chairman Cook and members of the Committee, I am Shirley Murray, the Sheridan County Auditor. Sheridan County is in opposition of HB 1194 in regards to truth in property taxation.

I have emailed you DO NOT PASS recommendations from other Counties within N.D. that stated their concerns and costs associated if this bill were to pass.

Let me take you through the timeline that is in place right now in the NDCC and is online @ [www.nd.gov](http://www.nd.gov) (State Tax Commissioner's website) I have circled the areas of importance to direct you to the timeline. February 1<sup>st</sup> is the starting date that the local assessors set an assessment value on all local properties. The property owner receives a notice of increase in writing from their assessor if their true and full valuation of any lot or tract of land including any improvements thereon has increased by \$3,000 or more and to 10% or more than the amount of the last assessment according to the (NDCC 57-12-09). Delivery of this notice to the property owner must be not fewer than 15 days prior to the local equalization hearing. The local Boards of Equalization Hearings are held – (Township) - 2<sup>nd</sup> Monday in April (NDCC 57-09-01) (Cities) – 2<sup>nd</sup> Tuesday in April (NDCC 57-11-01). If the property owner still has questions or is unsatisfied with the local board action the property owner can attend the County Board of Equalization Hearing that is held the 1<sup>st</sup> week in June for further investigation on their property (NDCC 57-12-01), and if the property owner is still unsatisfied with the action of the County Board of Equalization the property owner can attend the State Board of Equalization Hearing that is held the 2<sup>nd</sup> Tuesday in August as long as the property owner has first

appealed to the prior local boards where the property was assessed.  
(NDCC 57-13-03 & 04).

The property owners can attend local and County budget hearings also to ask questions on budgeted amounts to understand how a County or School manages their funding. All of these hearing notices are advertised in the local papers. We rarely have anyone that show up! But complain later!! This is human nature??? (Do we need to hire somebody out on the street waving a sign like liberty tax or space aliens do that a public hearing is going on!) How far do we go to serve and help the property owners to understand where their tax dollars are spent??? The property owners need to take responsibility and pay attention!!!

The property owner can apply for an abatement of taxes even after they receive their tax statement and attend public hearings again at their local board and the County Board for investigations and even take it further to District Court if they still are unsatisfied with what their tax amount or what their valuation is. (NDCC 57-23-04)

This is not making any sense!! We have many hearings for the public to attend already. Why change what we have in place, there is nothing broke to fix??

The public would rather see their tax dollars spent on repairing roads and snow removal than extra foolish administration and publishing costs!!!

Please give HB 1194 a Do **NOT** Pass recommendation.



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- » Admin. and Research
- » Alcohol
- » Coal
- » Corporation Income
- » Estate
- » Fiduciary
- » Financial Institutions
- » Fuels
- » Income Tax Withholding
- » Individual Income
- » Oil and Gas Severance
- » **Property**

Forms «

Publications «

Calendar Info «

- » Sales and Use
- » S Corp and Partnership
- » Telecommunications
- » Tobacco
- » Disaster Relief
- » Tax Incentives
- » Tax Professionals

- Career Opportunities
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### Property Calendar

#### 2011:

[January 11](#) · [February 11](#) · [March 11](#) · [April 11](#) · [May 11](#) · [June 11](#) · [July 11](#) · [August 11](#) · [September 11](#) · [October 11](#) · [November 11](#) · [December 11](#)

#### 2011

##### January 1

**Important note:** Because January 1 is a state holiday and falls on a Saturday, any return, tax payment, or other required action is not due until January 3.

- 2010 Real estate tax is due and payable to county treasurer
- Assessment date for centrally assessed railroad, airline, and utility property
- 2010 electric generation, distribution, and transmission tax is due and payable to Tax Commissioner

##### January 7

- State Board of Equalization - Monthly meeting

##### January 10

- Mobile home tax - 1st installment of 2011 mobile home tax is due

##### January 20

- Mobile home abstract - Due date for submission of mobile home abstracts by counties to Tax Commissioner

##### February 1

- Homestead credit - Due date for submission of application for homestead credit and optional special assessments credit. (File with local assessor)
- **Assessment date of real property**

##### February 3

- State Board of Equalization - Monthly meeting

##### February 15

- Mobile home tax - Last day to pay 2011 mobile home tax in full and receive 5% discount
- Last day to pay 2010 real estate tax in full and receive 5% discount

##### February 28

- Mobile home tax - Last day to pay 1st installment of 2011 mobile home tax without penalty. (Penalties are imposed on March 1, April 1, May 1, and June 1 on any amount outstanding on those dates)

**March 1**

- Homestead tax credit - Due date for submission of certification of homestead tax credit for homeowners and homestead tax credit for special assessment installment by counties to Tax Commissioner
- Disabled veterans tax credit - Due date for submission of certification of disabled veterans tax credit by counties to Tax Commissioner.
- Last day to pay 1st installment of 2010 real estate tax and total special assessments without penalty. (Penalties are imposed on March 2, May 1, July 1, and October 15 on any amount outstanding on those dates)
- Last day to pay electric generation, distribution and transmission tax before penalty

**March 3**

- State Board of Equalization - Monthly meeting

**April 7**

- State Board of Equalization - Monthly meeting

**April 11**

- Township Board of Equalization - Annual meeting. (This date is subject to change by the Board. Contact the county auditor or township supervisors to confirm date and time)

**April 12**

- City Board of Equalization - Annual meeting. (This date is subject to change by the Board. Contact the city auditor to confirm date and time)

**April 15**

- Air transportation company tax due for 2010

**May 1**

**Important note:** Because May 1 falls on a Sunday, any return, tax payment, or other required action is not due until May 2.

- Annual reports of railroads, air transportation companies, public utilities, and electric generation, distribution and transmission companies are due
- Last day to pay 2010 air transportation company tax without penalty

**May 5**

- State Board of Equalization - Monthly meeting

**May 31**

- Renter refund - Due date for submission of application for renter refund

**June**

- County Board of Equalization - Annual meeting. (The County Board of Equalization meets annually during the first ten days of June. Contact the county auditor for the actual date and time)

**June 1**

- Homestead tax credit - Due date for Tax Commissioner's certification of homestead tax credit for homeowners to State Treasurer for payment to counties and state medical center fund
- Disabled veterans tax credit - Due date for Tax Commissioner's Certification of disabled veterans tax credit to State Treasurer for payment to counties and state medical center fund

- Mobile home tax - 2nd installment of 2011 mobile home tax is due

**June 2**

- State Board of Equalization - Monthly meeting

**June 30**

- Abstract of assessments (Property tax) - Due date for submission of abstract of assessments, supplemental abstracts, State Game & Fish abstracts, National Guard abstracts, Board of University & School Land abstracts, certain exempt real property abstracts, Farmland or Ranch Land Owned by Nonprofit Organizations for Conservation Purposes abstracts, Workforce Safety and Insurance abstracts, and Land Aquired for the Devils Lake project by the State Water Commission abstracts to Tax Commissioner.
- Mobile home tax - Last day to pay 2nd installment of 2011 mobile home tax without penalty. (Penalties are imposed on July 1, August 2, September 1, and October 1 on any amount outstanding on those dates)

**July 7**

- State Board of Equalization - Monthly meeting

**August 2**

- State Board of Equalization - (First Tuesday in August) Annual meeting to assess centrally assessed property and hold hearings on telecommunications gross receipts tax

**August 9**

- State Board of Equalization - (Second Tuesday in August) Annual meeting to hear testimony and equalize locally assessed property

**September 1**

- State Board of Equalization - Monthly meeting

**October 6**

- State Board of Equalization - Monthly meeting

**October 15**

- Last day to pay 2nd installment of 2010 real estate tax without penalty

**November 1**

- Property tax: Abatement - Due date for submission of application for abatement of 2009 property tax (payable in 2010)

**November 3**

- State Board of Equalization - Monthly meeting

**December 1**

- State Board of Equalization - Monthly meeting

**December 31**

- Abstract of tax list - Due date for county certification of abstract of tax list to Tax Commissioner



# MINOT PARK DISTRICT

Administration  
857-4136  
FAX: 857-4769  
Zoo/GMZS  
857-4166

Pro Shop  
857-4189  
Maysa Arena  
857-1544

Park Maintenance  
Forestry  
857-4178

SVGC  
Maintenance  
857-4188  
Horticulture  
857-4765

**Testimony of Ron Bieri, Park Board Commissioner, Minot Park  
District to the Senate Finance and Taxation Committee in opposition to HB 1194.  
Monday, March 21, 2011**

Chairman Cook and members of the Committee. My name is Ron Bieri and I am a Park Board Commissioner for the Minot Park District. I have served on the Board since 1992.

After several readings of the initial version and now this amended version of the Bill, I am not sure what the eventual goal of this legislation is. As I understand the Bill, the Minot Park District and other local taxing entities would not be able to levy increases in our budgets above a pre-determined level called the "Certified tax rate" unless certain steps were taken. Among those steps are included a notice to the public of our intent and a public hearing.

If the intent of this Bill is to provide the public with more information about our budget, the budget process and allow more public input, I see nothing in the bill that provides anything more than is already provided and easily available to our voters. Our budget process takes place over several weeks during which discussions and debates are held in public meetings. A public hearing specifically for the budget is also held. Preliminary and final budget figures are provided to the press and are published. The information includes the "bottom line" of the budget compared to the past year, the expected value of mills to be levied, the number of mills to be levied compared to the past year and the estimated impact on a typical home in Minot – a home valued at \$100,000 is usually used for that calculation. All that and more is also available to anyone who wishes to attend a meeting to discuss the budget or simply contacts a commissioner or the office for information.

I note that the description of the Bill refers to truth in property taxation, implying perhaps that the voters of Minot and other communities are being deceived in some way about the effect our budget has on their property taxes. With all due respect to the sponsors of the Bill, I don't agree. If this bill is intended to solve that perceived problem, I would submit that the figures don't lie and the figures are available for all to see. For all the reasons I noted earlier, our voters in Minot can see and learn about everything in our budget that I can see as a commissioner.

There is always discussion about property taxes and why they are going up and what to do about it. If helping to lower property taxes is the goal of this bill, there are many ways that problem can be addressed and debated and we won't solve that here today. But requiring a local taxing entity to take more steps in the budget process with the hope that extra notices and hearings will lower taxes is redundant and ineffective.

P.O. Box 538 • Minot, North Dakota • 58702-0538

[www.minotparkdistrict.org](http://www.minotparkdistrict.org)

The heart of a community is reflected in the quality of its parks.



# MINOT PARK DISTRICT

Administration  
857-4136  
FAX: 857-4769  
Zoo/GMZS  
857-4166

Pro Shop  
857-4189  
Maysa Arena  
857-1544

Park Maintenance  
Forestry  
857-4178

SVGC  
Maintenance  
857-4188  
Horticulture  
857-4765

The people who serve on local boards across the State are every bit as good at their jobs as you are here. I can't speak for those boards, but I doubt if their budget process is much different than ours. But if the voters anywhere in the state think their school or county or city or parks are not being forthright in any way about their budgets and about the taxes they levy then they can and should do something about it. They can read the paper, look on a website, make a phone call, attend a meeting, make suggestions, argue, and debate. But they don't need HB 1194 to do it. And neither do we. I urge a do not pass on HB 1194.

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The heart of a community is reflected in the quality of its parks.

2008 MILL COMPARISONS  
FOR 2009 APPROPRIATIONS  
FOR THE 13 LARGEST CITIES IN NORTH DAKOTA

<u>RANK THIS YEAR</u>	<u>LAST YEAR</u>	<u>2000 POPULATION</u>	<u>2007 EST. POPULATION</u>	<u>VALUATION</u>	<u>STATE &amp; COUNTY</u>	<u>CITY</u>	<u>PARK DISTRICT</u>	<u>SCHOOL</u>	<u>OTHER</u>	<u>TOTAL</u>
1	1	55,532	59,503	184,598,386	54.85	82.78	39.59	223.39	0.00	400.61
2	2	36,567	35,281	96,209,103	70.57	113.25	32.80	204.65	0.00	421.27
3	3	16,010	15,916	34,161,015	98.91	98.95	28.33	197.53	1.03	424.75
4	7	12,512	12,393	23,281,558	104.22	78.89	41.20	201.53	2.02	427.86
5	4	14,940	23,081	67,877,995	62.00	88.47	36.42	245.64	8.85	441.38
6	5	90,599	92,660	302,612,498	62.00	58.25	31.56	296.77	6.85	455.43
7	6	6,826	6,300	10,146,965	108.15	95.54	42.90	225.08	0.00	471.67
8	9	49,321	51,740	136,538,777	112.09	107.92	39.02	213.69	0.00	472.72
9	10	16,718	17,736	37,651,647	119.36	102.02	37.84	233.94	4.45	497.61
10	8	8,586	7,703	13,000,029	129.00	120.36	39.14	213.41	1.00	502.91
11	12	15,527	14,680	26,117,411	105.60	126.49	42.96	236.48	0.00	511.53
12	11	4,516	4,045	5,378,507	131.20	111.35	32.57	237.99	0.69	513.80
13	13	7,222	6,675	10,591,817	127.65	124.95	56.87	212.06	0.00	521.53

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2008 MILL COMPARISONS  
FOR 2009 APPROPRIATIONS  
BY POLITICAL SUBDIVISION  
WITHIN THE 13 LARGEST CITIES IN NORTH DAKOTA

RANK	THIS YEAR	LAST YEAR	2007 CITY LEVY	2008 CITY LEVY	MILL LEVY INC/(DEC)	2007	2008	\$	INC/(DEC)	0.0%	INC/(DEC)
						TAXES \$100,000.00	TAXES \$100,000.00				
1	1	Fargo	58.25	58.25	0.00	262.13	262.13	0.00		0.0%	
2	2	Williston	84.16	78.89	(5.27)	378.72	355.01	(23.72)		-6.3%	
3	3	Bismarck	87.93	82.78	(5.15)	395.69	372.51	(23.18)		-5.9%	
4	4	West Fargo	88.87	88.47	(0.40)	399.92	398.12	(1.80)		-0.5%	
5	5	Valley City	95.18	95.54	0.36	428.31	429.93	1.62		0.4%	
6	7	Dickinson	107.03	98.95	(8.08)	481.64	445.28	(36.36)		-7.5%	
7	6	Mandan	106.97	102.02	(4.95)	481.37	459.09	(22.28)		-4.6%	
8	8	Grand Forks	110.86	104.92	(5.94)	498.87	472.14	(26.73)		-5.4%	
9	9	Grafton	111.68	111.35	(0.33)	502.56	501.08	(1.49)		-0.3%	
10	10	Minot	113.70	113.25	(0.45)	511.65	509.63	(2.03)		-0.4%	
11	11	Wahpeton	116.47	120.36	3.89	524.12	541.62	17.51		3.3%	
12	12	Devils Lake	126.27	124.95	(1.32)	568.22	562.28	(5.94)		-1.0%	
13	13	Jamestown	131.28	126.49	(4.79)	590.76	569.21	(21.56)		-3.6%	

RANK	THIS YEAR	LAST YEAR	2007		2008 SCHOOL LEVY	MILL LEVY INC/(DEC)	2007		2008 TAXES \$100,000.00	\$ INC/(DEC)	0.0% INC/(DEC)
			SCHOOL LEVY	TAXES \$100,000.00							
1	1	Dickinson	203.13		197.53	(5.60)	914.09	888.89	(25.20)	-2.8%	
2	6	Williston	223.28		201.53	(21.75)	1,004.76	906.89	(97.88)	-9.7%	
3	2	Minot	206.47		204.65	(1.82)	929.12	920.93	(8.19)	-0.9%	
4	5	Devils Lake	221.50		212.06	(9.44)	996.75	954.27	(42.48)	-4.3%	
5	3	Wahpeton	213.99		213.41	(0.58)	962.96	960.35	(2.61)	-0.3%	
6	4	Grand Forks	218.66		213.69	(4.97)	983.97	961.61	(22.37)	-2.3%	
7	8	Bismarck	229.42		223.39	(6.03)	1,032.39	1,005.26	(27.14)	-2.6%	
8	7	Valley City	224.70		225.08	0.38	1,011.15	1,012.86	1.71	0.2%	
9	9	Mandan	232.57		233.94	1.37	1,046.57	1,052.73	6.16	0.6%	
10	10	Jamestown	237.55		236.48	(1.07)	1,068.98	1,064.16	(4.82)	-0.5%	
11	11	Grafton	238.25		237.99	(0.26)	1,072.13	1,070.96	(1.17)	-0.1%	
12	12	West Fargo	248.76		245.64	(3.12)	1,119.42	1,105.38	(14.04)	-1.3%	
13	13	Fargo	299.99		296.77	(3.22)	1,349.96	1,335.47	(14.49)	-1.1%	


2008 MILL COMPARISONS  
FOR 2009 APPROPRIATIONS  
BY POLITICAL SUBDIVISION  
WITHIN THE 13 LARGEST CITIES IN NORTH DAKOTA

<u>RANK</u>	<u>THIS</u> <u>YEAR</u>	<u>LAST</u> <u>YEAR</u>	<u>2007</u> <u>STATE &amp;</u> <u>COUNTY</u>	<u>2008</u> <u>STATE &amp;</u> <u>COUNTY</u>	<u>MILL LEVY</u> <u>INC/(DEC)</u>	<u>2007</u> <u>TAXES</u> <u>\$100,000.00</u>	<u>2008</u> <u>TAXES</u> <u>\$100,000.00</u>	<u>\$</u> <u>INC/(DEC)</u>	<u>0.0%</u> <u>INC/(DEC)</u>
	1	1	52.92	54.85	1.93	238.14	246.83	8.69	3.6%
	2	2	62.00	62.00	0.00	279.00	279.00	0.00	0.0%
	3	3	62.00	62.00	0.00	279.00	279.00	0.00	0.0%
	4	4	68.13	70.57	2.44	306.59	317.57	10.98	3.6%
	5	5	103.94	98.91	(5.03)	467.73	445.10	(22.64)	-4.8%
	6	8	111.53	104.22	(7.31)	501.89	468.99	(32.90)	-6.6%
	7	7	105.96	105.60	(0.36)	476.82	475.20	(1.62)	-0.3%
	8	6	104.87	108.15	3.28	471.92	486.68	14.76	3.1%
	9	9	113.71	112.09	(1.62)	511.70	504.41	(7.29)	-1.4%
	10	11	120.29	119.36	(0.93)	541.31	537.12	(4.19)	-0.8%
	11	10	118.50	129.00	10.50	533.25	580.50	47.25	8.9%
	12	12	124.43	127.65	3.22	559.94	574.43	14.49	2.6%
	13	13	128.27	131.20	2.93	577.22	590.40	13.18	2.3%

<u>RANK</u>	<u>THIS</u> <u>YEAR</u>	<u>LAST</u> <u>YEAR</u>	<u>2007</u> <u>PARK</u> <u>LEVY</u>	<u>2008</u> <u>PARK</u> <u>LEVY</u>	<u>MILL LEVY</u> <u>INC/(DEC)</u>	<u>2007</u> <u>TAXES</u> <u>\$100,000.00</u>	<u>2008</u> <u>TAXES</u> <u>\$100,000.00</u>	<u>\$</u> <u>INC/(DEC)</u>	<u>0.0%</u> <u>INC/(DEC)</u>
	1	1	30.49	28.33	(2.16)	137.21	127.49	(9.72)	-7.1%
	2	3	31.85	31.56	(0.29)	143.33	142.02	(1.31)	-0.9%
	3	4	33.46	32.57	(0.89)	150.57	146.57	(4.01)	-2.7%
	4	2	31.48	32.80	1.32	141.66	147.60	5.94	4.2%
	5	7	38.06	36.42	(1.64)	171.27	163.89	(7.38)	-4.3%
	6	9	40.10	37.84	(2.26)	180.45	170.28	(10.17)	-5.6%
	7	11	41.50	39.02	(2.48)	186.75	175.59	(11.16)	-6.0%
	8	5	33.49	39.14	5.65	150.71	176.13	25.43	16.9%
	9	8	39.66	39.59	(0.07)	178.47	178.16	(0.31)	-0.2%
	10	6	36.87	41.20	4.33	165.92	185.40	19.49	11.7%
	11	10	40.36	42.90	2.54	181.62	193.05	11.43	6.3%
	12	12	43.42	42.96	(0.46)	195.39	193.32	(2.07)	-1.1%
	13	13	57.14	56.87	(0.27)	257.13	255.92	(1.22)	-0.5%

(Cont. on next page)

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Senate Finance and Tax Committee  
March 21, 2011  
Engrossed House Bill 1194

Proposed Amendment

On page 1, Line 2 of Engrossed House Bill 1194 delete "truth" and insert in lieu thereof "additional disclosure";

On Page 2, Line 23 of the engrossed bill after "exceeding" add "five percent more than";

On Page 4, Line 23 of the engrossed bill after "exceeds" add "five percent more than".



Submitted by  
Bill Wocken