

2011 HOUSE FINANCE AND TAXATION

HB 1284

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1284
February 1, 2011
#13779

☐ Conference Committee

Committee Clerk Signature

Mary Brucher

Explanation or reason for introduction of bill/resolution:

A Bill relating to appeals of property tax assessments; and to provide an effective date.

Minutes:

Representative Kasper: Sponsor. Support. This bill deals with notification of property tax assessments and makes minor changes in law. It will improve the process so that the citizens have proper and adequate notice when their assessments change. On page 1 section 1 line 8 the first part of the bill deals with Township Board and as you know the Township Board of Equalization can levy property taxes and the citizen has the right to appeal if they feel the tax was incorrect or too high. If we go down to line 19 if the citizen does not like or receives a notice of increased taxation it requires the Township Board after 10 days after the rejection of changes urged by the citizen has to send a written notice to the citizen who lets that citizen know he/she has a right to appeal to the County Board of Equalization what the assessment was done by the Township Board. If you flip over to section 2 on the top of page 2 we are now talking about if the citizen believes there were errors in the valuation of their property (lines 5 and 6) and if they appeal that and are rejected in 10 days they must also receive a written notice that they have the right to appeal to the County Board of Equalization on the lines 9 and 10. Down on section 3 if the County Board of Equalization takes adverse action with the citizen then the County Board of Equalization must give written notice to the citizen within 10 days of the adverse action and that person has a right to appeal to the State Board of Equalization.

Chairman Wesley R. Belter: Does this written notice need to be by certified letter?

Representative Kasper: I don't think the bill requires a certified letter. I don't know if that would really be necessary as the Board would already have the address of the person. If you would like to amend a certified letter it would increase the cost of the mailing but maybe not substantially so I would have no objection of going with a certified letter.

Representative Lonny B. Winrich: Do we have any data on how many appeals are made to Township Boards and then to County Boards and the State Board of Equalization and so on? Is there evidence that people are making the first one but don't know about the other process?

Representative Kasper: I have no idea how you would even gather that data because I don't think it's been gathered in the past. I do know in visiting with the constituents in Fargo that they did not know what their appeal process was. The laws that we have in our state are complex and the average citizen doesn't know what their rights are. Whether it's one person in Fargo or three in Grand Forks or 50 statewide, I think its incumbent upon those who are in government to let the citizens know what their rights are.

Marcy Dickerson, State Supervisor of Assessments: When the county board is required to give written notice to a person under this change that written notice should include the fact that if the person has appealed to both the local and the county board they are eligible to appeal to the State Board of Equalization. Someone might have appealed to the county board who did not first appeal to the township or city board they are able to do that. A lot of people don't realize that they have to appeal to both the local and the county board in order to be eligible to go before the state board. I think if a notice is required then it should include that information so some person doesn't appear at the state board just to find out that because he didn't attend the local board he is not eligible.

Chairman Wesley R. Belter: No further testimony. Closed hearing on HB 1284.

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1284
February 9, 2011
#14157

☐ Conference Committee

Committee Clerk Signature

Mary Brucke

Explanation or reason for introduction of bill/resolution:

A Bill relating to appeals of property tax assessments; and to provide an effective date.

Minutes:

No attachments.

Vice Chairman Craig Headland: Made a motion to move Marcy Dickerson's amendments. She said we had to amend it to add that after it's been appealed to both the township and the county board they are eligible to appeal to the state board. I think she wanted that addressed in section 3 subsection 4. She can draft these amendments.

Chairman Wesley R. Belter: Need to have Marcy draft the amendments. No further action at this time.

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1284
February 9, 2011
#14258

☐ Conference Committee

Committee Clerk Signature

Mary Bruckner

Explanation or reason for introduction of bill/resolution:

A Bill relating to appeals of property tax assessments; and to provide an effective date.

Minutes:

See attached amendments.

Vice Chairman Craig Headland: I believe everyone has received a copy of Marcy's amendment. See attached amendment #1. **This is the fix she asked for so I would move this amendment.**

Representative Roscoe Streyle: **Seconded.**

A voice vote was taken: MOTION CARRIED.

Representative Lonny B. Winrich: Inaudible.

Chairman Wesley R. Belter: The darkened and the over strike is the new language.

Vice Chairman Craig Headland: **Motion for DO PASS AS AMENDED.**

Representative Patrick Hatlestad: **Seconded.**

**A roll call vote was taken: YES 13 NO 1 ABSENT 0
MOTION CARRIED—DO PASS AS AMENDED.**

Representative Dave Weiler will carry HB 1284.

February 9, 2011

V/C
2/9/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1284

Page 1, line 22, replace "and of" with an underscored comma

Page 1, line 23, after "57-12-01" insert ", and the requirement that a person must have
appealed to both the township and county boards of equalization to be eligible to
appeal to the state board of equalization"

Page 2, line 10, replace "and of" with an underscored comma

Page 2, line 11, after "57-12-01" insert ", and the requirement that a person must have
appealed to both the city and county boards of equalization to be eligible to appeal to
the state board of equalization"

Page 3, line 25, replace the first "and" with an underscored comma

Page 3, line 26, after "57-13-03" insert ", and the requirement that a person must have
appealed to both the local and county boards of equalization to be eligible to appeal to
the state board of equalization"

Renumber accordingly

Date: 2-9-11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1284

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
as prepared by the Tax Department.
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Headland Seconded By Rep. Streyle

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

Date: 2-9-11
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1284

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. Hatlestad

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) 13 No 1

Absent Ø

Floor Assignment Rep. Weiler

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

REPORT OF STANDING COMMITTEE

HB 1284: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1284 was placed on the Sixth order on the calendar.

Page 1, line 22, replace "and of" with an underscored comma

Page 1, line 23, after "57-12-01" insert ", and the requirement that a person must have appealed to both the township and county boards of equalization to be eligible to appeal to the state board of equalization"

Page 2, line 10, replace "and of" with an underscored comma

Page 2, line 11, after "57-12-01" insert ", and the requirement that a person must have appealed to both the city and county boards of equalization to be eligible to appeal to the state board of equalization"

Page 3, line 25, replace the first "and" with an underscored comma

Page 3, line 26, after "57-13-03" insert ", and the requirement that a person must have appealed to both the local and county boards of equalization to be eligible to appeal to the state board of equalization"

Renumber accordingly

2011 SENATE FINANCE AND TAXATION

HB 1284

2011 SENATE STANDING COMMITTEE MINUTES

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

HB 1284
3/2/2011
Job Number 14854

☐ Conference Committee

A. R. Hogue

Explanation or reason for introduction of bill/resolution:

Relating to appeals of property tax assessments

Minutes:

Chairman Cook opened the hearing on HB 1284.

Representative Jim Kasper – We have a real simple bill in HB 1284. It simply says that when property is assessed and when a taxpayer does not agree with the assessment and begins the appeal process, at whatever level that taxpayer goes to appeal, whether it's the township, city, or county, if the appeal is not agreeable to the taxpayer that taxpayer is notified in writing of the next appeal process. So if they go to the township and they are not given satisfaction it could be as simple as the township would hand them a piece of paper when they leave the hearing that says your next appeal process is such and such. The bill says the notice must be given to the taxpayer within 10 days but it could be given to the taxpayer the day of the appeal. It could be a simple form letter. The intent of the bill is, some of our taxpayers don't know the process, and they don't know how the system works. I thought this would be a consumer friendly piece of legislation that would not be onerous on any of our taxing entities and help our citizens learn the ropes of assessment of property and what their next appeal process is.

Senator Hogue – What should be the consequence to the taxing authority if they fail to provide the notice?

Representative Jim Kasper – There's no consequences in the bill. I don't know why any of the taxing authorities would not simply abide by the new law. It's a simple matter of a piece of paper that you hand to the taxpayer when they leave, here's your appeal process. I don't think it's to the point that we should be thinking of a penalty. If the committee thinks there should be a penalty and looking to have something to do with an amendment that's certainly your ability to consider.

Chairman Cook – Is the time and place of the next appeal opportunity even known at the time of the first appeal?

Representative Jim Kasper – I believe that they are. If they are not, then it would require written notice after the meeting had adjourned.

Senator Triplett – I'm wondering if this bill came about as a complaint from somewhere or if you know how counties across the state are managing this process now.

Representative Jim Kasper – I've gone to the appeal process in Fargo. There were people not getting satisfaction, they were somewhat upset, and they did not like how the process went. I don't know if they know the next appeal process or not.

Chairman Cook asked for testimony opposed to HB 1284. No one came forward.

Chairman Cook asked for neutral testimony for HB 1284.

Jerry Hjelmstad, North Dakota League of Cities – We just had the same question you raised about the time and place in the notice.

Chairman Cook asked Marcy Dickerson to come forward to answer questions.

Chairman Cook – Can this even work as it's written? Will a township commission know when the county is going to have the specific date and time the county will have the next appeals opportunity for a resident who's appealing?

Marcy Dickerson – I don't know exactly when they do finalize the date for the county meetings but as Jerry said it's supposed to be between the 1st and 10th day of June. I would think that by the time the second week of April rolls around when the township and city meetings take place that the county could have determined what they are going to have in June. I don't know for sure that they do but I think they can.

Chairman Cook – This is standard process no matter where you live in North Dakota. At what point can you go to the townships to appeal, at what point can you go to the city to appeal, and at what time the county has to have their meeting and at what time the state has their final appeal chance? Somewhere is a nice little explanation of these opportunities to appeal. Is that not correct?

Marcy Dickerson – Those opportunities are only in the century code which your typical Joe taxpayer probably doesn't access very often. We did in the Tax Department add a little extra language to the original version of this bill. We added, on the bottom of page 1 line 23, and the requirement that a person must have appealed to both the township and county boards of equalization to be eligible to appeal to the State Board of Equalization. We have similar language in the next section that they must have appealed to both the city and county boards to be eligible and also in the last section, again, that they must have appealed to the local and county boards. We have run in to a number of instances where people came before the state board or wanted to, and then found out they weren't eligible. They might have gone to the county board but not the local board, or the local board and figured they wouldn't get anywhere at the county so they didn't go there. I don't think that language has been available to anybody who didn't read the century code.

Chairman Cook – Nobody wants to have a governing body be secretive of what the next opportunity somebody has. Nobody wants to mislead them or not tell them if asked, but I don't know if we need to go so far as to put a responsibility on them that they might make a mistake and not follow through and all of the sudden they are accountable for some reason for a taxpayer not knowing. It's the same process for every county. They all do it at the same time of year, correct?

Marcy Dickerson – That's correct.

Chairman Cook – Is it that difficult just to have a simple little appeal process all drafted out that you could just hand anyone?

Marcy Dickerson – I think that's sort of what Representative Kasper mentioned. That you wouldn't have to send something out within 10 days, maybe just have a whole stack of flyers available and make them available to everybody.

Chairman Cook – That's not what this says.

Marcy Dickerson – That's true. It might work just as well that in some way that at each board level they have to make that information available to the individuals.

Leon Samuel, Morton County – I'm the one who sends out the notices and so forth. Basically I think it would probably be a better way if at the equalization meeting, township, whatever, we had the appeal process and just handout then instead of 10 days. Within 10 days you send them out. What happens? They throw it in a corner and forget about it. It's the same thing with our equalization notice and we send them out 10-15 days prior. We tell them the equalization meeting is going to be a certain date at a certain time at a certain place and they don't show up, but when they get their tax statement they come back in and say hey, how come my taxes went up so much. We sent you a notice, well... I'm just saying that especially from April to June if you are in that process if you send them within 10 days, what they are going to do with that notice. They are probably going to misplace it, forget about it, whatever. If they have the appeal process in front of them, it's the same thing but they still know they have this appeal process. Everybody that comes in my office and complains about his taxes I tell him what his options are. Now that doesn't get to every taxpayer, but it gets to the ones that are coming in to talk to me. If we had just a sheet or whatever and say these are your options, these are your appeal processes, I think that would help. This 10 day notice might get a little cumbersome.

Chairman Cook – This doesn't start any notification until they show up at either the township or city.

Leon Samuel, Morton County – Or if they would come in and complain about an assessment, but it wasn't that they got a notice or anything.

Chairman Cook – When you send out a letter notifying a property owner that their taxes are going up do you in that letter tell them what their appeal process is?

Leon Samuel, Morton County – I believe on the bottom it does say something to the effect that they can appeal to the State Board of Equalization.

Chairman Cook closed the hearing on HB 1284.

2011 SENATE STANDING COMMITTEE MINUTES

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

HB 1284
3/29/2011
Job Number 161055

☐ Conference Committee

A. B. Miller

Explanation or reason for introduction of bill/resolution:

Relating to appeals of property tax assessments

Minutes:

Committee Work

Chairman Cook opened discussion on HB 1284.

Vice Chairman Miller – I think the whole point on trying to clarify is so that people understand what their next move is and a little bit more of the process.

Senator Triplett – I will move a Do Not Pass.

Seconded by **Senator Oehlke**.

Chairman Cook – Ask the clerk to take the roll. (7-0-0)

Carried by **Senator Triplett**.

Date: 3-29-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1284

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 Triplett Seconded By Senator Oehlke

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) 7 No 0

Absent 0

Floor Assignment Senator Triplett

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

REPORT OF STANDING COMMITTEE

HB 1284, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman)
recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1284 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1284

Proposed amendments to HB 1284 **REVISED**

Page 1, line 19:

the county board of equalization. Within ten days after rejection of the changes urged by a complaint or grievance, the board shall provide written notice to the person who expressed the complaint or grievance regarding the persons' right to appeal the board's decision to the county board of equalization and of, the time and place the county board of equalization will meet for that purpose as required by section 57-12-01, and the requirement that a person must have appealed to both the township and county boards of equalization to be eligible to appeal to the state board of equalization.

Page 2, line 7:

it may deem just. Within ten days after rejection of the changes urged by a complaint or grievance, the board shall provide written notice to the person who expressed the complaint or grievance regarding the person's right to appeal the board's decision to the county board of equalization and of, the time and place the county board of equalization will meet for that purpose as required by section 57-12-01, and the requirement that a person must have appealed to both the city and county boards of equalization to be eligible to appeal to the state board of equalization.

Page 3, line 22:

Within ten days after rejection of the changes urged by an appeal, the county board of equalization shall provide written notice to the person who appealed an assessment to the county board of equalization regarding the person's right to appeal the board's decision to the state board of equalization and, the time and place the state board of equalization will meet for that purpose as required by section 57-13-03, and the requirement that a person must have appealed to both the local and county boards of equalization to be eligible to appeal to the state board of equalization.