

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Tentative Agenda

**TAXATION COMMITTEE**

Tuesday and Wednesday, November 5-6, 2013

Roughrider Room, State Capitol

Bismarck, North Dakota

**Tuesday, November 5, 2013**

- 10:00 a.m. Call to order  
Roll call  
Consideration of the minutes of the July 31, 2013, meeting
- 10:05 a.m. Presentations by representatives of the Tax Department regarding:
- Information showing 10 years of statewide valuation increases and property taxes levied and the amount of reduction provided by legislative property tax relief
  - Information on statewide property tax collections from each property tax levy authorized for political subdivisions and relative use of each levy
  - Information on homestead and veterans' property tax credits administration after 2013 legislative changes
  - Information showing effective property tax rates statewide from 2002 to 2012
  - Information on the department's experience with development and use of forms for property tax notices and statements after 2013 legislative changes
  - Report on development of rules for detailed and efficient administration and supervision of assessment officials
- 10:45 a.m. Break
- 11:00 a.m. Continued presentations by representatives of the Tax Department and the Office of Management and Budget regarding:
- Current information on oil tax distributions to political subdivisions
  - Current information on oil tax distributions among state funds
- 11:15 a.m. Presentation by the Legislative Council staff of a background memorandum on legislative authority to classify and exempt property from taxes
- 11:30 a.m. Presentation by the Legislative Council staff of background information on 1981 legislative property tax restructuring
- 11:40 a.m. Committee discussion and directives
- 12:00 noon Luncheon recess
- 1:00 p.m. Presentations by representatives of the North Dakota League of Cities regarding:
- 2008-12 taxable valuation and property tax collections for cities and comparison of tax imposition for new property value compared to preexisting property values
  - Review of how city budget and revenue needs are determined and established
  - Information on cities' notices of property tax levy increases and public participation in budget hearings for 2013
  - Information on percentage rate of growth among general spending categories for cities

- 2:15 p.m. Presentation by Mr. Terry Bjerke, Grand Forks, regarding issues of state versus local control in property tax assessment and exemptions
- 2:30 p.m. Presentations by representatives of the North Dakota Association of Counties regarding:
- Information on counties' notices of property tax levy increases for 2013
  - Information on percentage rate of growth among general spending categories for counties
  - Review of how county budget and revenue needs are determined and established
  - Briefing on county experience after the 2003 legislation allowing county levy consolidation
- 3:00 p.m. Break
- 3:15 p.m. Presentation by Mr. Jerry Coleman, Director of School Finance, Department of Public Instruction, regarding 2013 legislative school district foundation aid and property tax restructuring
- 3:45 p.m. Presentation by Dr. Jon Martinson, Executive Director, North Dakota School Boards Association, on results of a survey by the School Boards Association of 2013 school district property tax levies
- 4:00 p.m. Presentation by the Legislative Council staff of a 10-year history of statewide property tax collections and state aid to political subdivisions
- 4:15 p.m. Review by the Legislative Council staff of information from "Financing Options for North Dakota Cities and Park Districts" prepared by Arnston Stewart Wegner PC
- 4:30 p.m. Committee discussion and directives
- 5:00 p.m. Recess

**Wednesday, November 6, 2013**

- 8:00 a.m. Presentation by a representative of the North Dakota League of Cities regarding grantor reports prepared by cities to evaluate property tax exemption proposals
- 8:30 a.m. Presentation by Mr. Bill Wocken, City Administrator, Bismarck, relating to city evaluation methods for property tax exemption proposals
- 9:00 a.m. Presentation by Mr. John Phillips, President, Economic Development Association of North Dakota, relating to economic development tax incentives
- 9:20 a.m. Presentation by Mr. Justin Dever, Manager, Office of Innovation and Strategic Initiatives, Department of Commerce, of the annual business incentive accountability report
- 9:40 a.m. Break
- 10:00 a.m. Presentation by Mr. Jeff Chapman, Manager, Economic Development Tax Incentives, The Pew Charitable Trusts, entitled "Evidence Counts: Evaluating Tax Incentives for Jobs and Growth"
- 11:00 a.m. Break
- 11:10 a.m. Panel discussion on issues relating to evaluation of tax incentives, including panelists Mr. Chapman, Mr. Dever, Mr. Wocken, and Mr. Keith Lund, Vice President, Economic Development Association of North Dakota
- 12:00 noon Luncheon recess
- 1:00 p.m. Presentation by Mr. Larry A. Kotchman, State Forester, relating to the committee's forestry stewardship tax study

- 1:15 p.m. Presentation by a representative of the North Dakota Association of Counties relating to the committee's forestry stewardship tax study
- 1:25 p.m. Presentation by a representative of the Game and Fish Department relating to the committee's forestry stewardship tax study
- 1:30 p.m. Committee discussion and directives relating to the forestry stewardship tax study
- 1:40 p.m. Review by the Legislative Council staff of bills considered during the 2013 legislative session relating to caps on political subdivision property tax levies and partial tax application for owners of exempt properties
- 1:50 p.m. Presentation by the Legislative Council staff of background information and a bill draft relating to notice to taxpayers of assessment increases made for an entire class of property by the county board of equalization
- 2:00 p.m. Presentation by Mr. Joe Becker, Tax Department, of information on the effects of legislative reductions of individual and corporate income tax rates from 2009, 2011, and 2013
- 2:10 p.m. Committee discussion and directives
- 2:30 p.m. Adjourn

#### **Committee Members**

Senators: Dwight Cook (Chairman), Randall A. Burckhard, Jim Dotzenrod, Lonnie J. Laffen, Ronald Sorvaag, Jessica K. Unruh

Representatives: Wesley R. Belter, Jason Dockter, David Drovdal, Glen Froseth, Patrick Hatlestad, Craig Headland, Jim Kasper, Jerry Kelsh, Scot Kelsh, Mike Nathe, Mark S. Owens, Dan Ruby, Jim Schmidt, Robin Weisz, Steven L. Zaiser

Staff Contacts: John Walstad, Code Revisor  
Samantha E. Kramer, Counsel