

**1999 HOUSE FINANCE AND TAXATION**

**HB 1351**

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1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1351

House Finance and Taxation Committee

Conference Committee

Hearing Date January 25, 1999

Tape Number	Side A	Side B	Meter #
1	x		3.3
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

REP. PAT GALVIN, DIST. 33, Introduced the bill as the prime sponsor. The bill deals with property tax exemptions for buildings and fixtures primarily to provide early child care service. This bill adds to the language to include adult day care centers. I would assume the reason adult day care was not included, because it is a fairly new concept. Adult day care centers are designed to meet the needs of adults with functional impairments. If you are unable to care for an adult with a functional impairment for twenty four hours or less, you can place them in an adult day care center where they will be comfortable and receive care and medication. An adult day care center is consistent with keeping our elderly at home. Group homes, nursing homes, retirement homes, etc. are now exempt from property tax. I hope you see fit to include adult day care centers in this exemption.

REP. WINRICH The original language of the law refers to the organizations license, is there any provision for license in an adult day care center?

REP. GALVIN These are not licensed. There is another procedure they go through.

MARILYN JENSEN, WORKING AT ADULT DAY CENTER, Testified in support of the bill.

She answered the question regarding licensing. Instead, they apply for a qualified service provider's status from the department. That, in essence, is similiar to a license, in that you go through a period of fire inspections, sanitation inspections, which is similiar to things that are addressed in a licensure. Once you become a qualified service provider, you become eligible for your individual to receive financial assistance under the Aging Waiver. I am told there are policies written on the qualified service provider. We provide a variety of social support services in a protective home like setting. There are about four adult day care centers in North Dakota. Adult day care is an up and coming mode. The average rate if about \$30 to 35 dollars per day. We are a nonprofit organization.

REP. HERBEL If this is going to be exempt, wouldn't there be a fiscal note.

BARRY HASTI, STATE SUPERVISOR OF ASSESSMENTS, TAX DEPARTMENT,

Answered questions for the committee. Regarding the fiscal note, does not believe granting this exemption would give any impact to political subdivisions.

REP. WINRICH Should this bill define what an adult day care center is?

BARRY HASTI I think that would be a good idea.

With no further testimony, the hearing was closed.

COMMITTEE ACTION, 1-25-99, Tape #2, Side A, Meter #26.2

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House Finance and Taxation Committee  
Bill/Resolution Number Hb 1351  
Hearing Date January 25, 1999

REP. GRANDE Made a motion for a DO PASS.

REP. SCHMIDT Second the motion. MOTION CARRIED.

14 Yes 0 No 1 Absent

REP. SCHMIDT Was given the floor assignment.

Please type or use black pen to complete

Date 1-25-99  
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1351

House HOUSE FINANCE & TAX Committee

Subcommittee on \_\_\_\_\_ } Identify or check where appropriate  
 Conference Committee

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

Action Taken Do Pass

Motion Made By Rep. Grande Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	✓				
FROELICH	A				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	A				
NICHOLAS	✓				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 14 0  
(Yes) (No)

Absent 1

Floor Assignment Rep. Schmidt

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)  
January 25, 1999 2:53 p.m.

Module No: HR-15-1135  
Carrier: Schmidt  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1351: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1351 was placed on the Eleventh order on the calendar.**

**1999 SENATE FINANCE AND TAXATION**

**HB 1351**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1351

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2-15-99

Tape Number	Side A	Side B	Meter #
HB 1351 # 1 A	X		0-2693
Committee Clerk Signature <i>Shila Wald</i>			

Minutes:

Sen Urlacher opened the hearing on HB 1351, roll call taken. A BILL RELATING TO A PROPERTY TAX EXEMPTION FOR ADULT DAY CARE CENTERS & PROVIDE AN EFFECTIVE DATE.

Repr. Galvin - Asked the Comm., for a tax exemption on adult day care centers. This would keep people home and not put into a nursing home. It gives family members time to shop, run errands, and know that the person who needs supervising and care, this will give extra time for family members to get out and have time to do their thing.

Sen Kinnoin - Could you give us a example of a facility?

Sen. Christmann - In Hazen, we use an old store building, which has been turned in to a adult care center.

Sen. Urlacher - How about equipment, how specialized is it?

Sen Christmann - It is fairly new.

Muriel Peterson - Dept. of Human Services. We fund adult day care facilities. These facilities help constructively bide a persons time, while the family has other matters or business to attend to.

Sen Urlacher - Are these centers self supporting?

Muriel Peterson - They have the rates high enough to cover their costs. We don't pay more than general public pays. People live in homes as long as they can & not be in an out of home setting, like a nursing home. We pay basically \$30 - \$40 a day.

Mark Johnson - Testimony submitted and attached. ND Assoc. of Counties. I urge a Do Not Pass.

Sen Urlacher - My county 1/3 of the participants in a nursing home were covered by the county costs. Wouldn't this alleviated some of those added costs?

Mark Johnson - Prior to the last session, counties participated in 25% of the cost of maintaining persons in a nursing home setting. Since we swapped administrative costs for grant costs, counties are no longer participating in the direct cost, they do administer the admittance and the recognition of the person eligible for Medicaid to enter into the nursing home or eligible for any public assistance. We do all the administrative work on the local level. It is a user pay as of now. This exemption is not going to stop people from going to a nursing home, when in fact it is time for them to go.

Sen Kinnoin - When you take the cost, are taxes paid, how do you figure this?

Muriel Peterson - We only look at the cost of person providing care. It would be legitimate costs.

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Senate Finance and Taxation Committee

Bill/Resolution Number Hb 1351

Hearing Date 2-15-99

Bev Neilson - School Board Association- I agree with Mark Johnson. Schools rely over 50% on property taxes for their operational budget. Every exemption shifts the burden to some one else.

To address the question of local control, brings us back to the school districts, who rely most heavily on property tax, have no vote. It is not local control for us.

Sen Urlacher -Would this free up more \$ for school districts?

Bev Neilson - When \$ is free it does not automatically a recipient of the \$.

Connie Sprynynatyk - League of Cities - If you narrow it down, because it is reasonably open ended. There may be a way to do that. There will be a hearing soon, HCR 3061, and that is a study to look at taxes by State and local govt.. We think this is an important issue of this study.

Somebody who wants an exemption, must come in and prove their case.

Stan Wright - Stanley, City Commissioner. Our stand has been now, that this is benefiting from outside of big companies coming in.

Sen Urlacher closed the hearing.

DISCUSSION 2-24-99 TAPE B 2145 - 2850 MOTION MADE BY SEN. CHRISTMANN  
AND SECONDED BY SEN. WARDNER CARRIER SEN. CHRISTMANN, 6 - 1- 0  
DO PASS.

Date: 2-24-99  
Roll Call Vote #: \_\_\_\_\_

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1351

Senate Senate Finance and Taxation Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken Do Pass

Motion Made By Christmann Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM	✓				
SENATOR WARDNER	✓				
SENATOR KINNOIN		✓			
SENATOR KROEPLIN	✓				

Total (Yes) 6 No 1

Absent \_\_\_\_\_

Floor Assignment Sen Christmann

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

REPORT OF STANDING COMMITTEE (410)  
February 25, 1999 10:48 a.m.

Module No: SR-34-3525  
Carrier: Christmann  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1351: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1351 was placed on the Fourteenth order on the calendar.**

**1999 TESTIMONY**

**HB 1351**

Submitted after  
the hearing

**TESTIMONY TO THE  
HOUSE FINANCE & TAXATION COMMITTEE**  
Prepared January 25, 1999, by the  
North Dakota Association of Counties  
Mark A. Johnson, Executive Director

**CONCERNING HOUSE BILL NO. 1351**

Chairman Belter and members of the committee, as Executive Director of the North Dakota Association of Counties, I am here to express the concern of county commissioners for yet another property tax exemption.

It is recognized that this exemption is not mandatory, but it does create a situation where significant pressure can be generated to apply the exemption. Already State Law allows 39 separate property tax exemptions, and at least three new or expanded exemptions have been proposed this session. The value of already exempt property is staggering, and it results in increased taxes on the fewer and fewer property owners that don't have their own personal exemption.

While we recognize the situation addressed by this well intentioned piece of legislation; county officials are the ones forced to raise taxes on all other property, each time a new exemption is created or an existing one expanded. The impact of this is not limited to county taxes. It includes cities, city parks, townships, school districts and other entities dependent on property tax revenues such as county social service boards that must fund services for many of the same people to benefit from this exemption.

When the state established the homestead tax credit program, the Legislature wisely funded the exemptions granted. Each session since its creation, the Legislature has appropriated a sufficient amount to reimburse all taxing districts for the credits granted. County officials view the proposal in House Bill 1351 as very similar in nature. It is the position of this Association, that this bill can only be supported, if the costs if the exemption are refunded to the local political subdivisions. If the Legislature believes that there is statewide benefit to granting a property tax exemption in this case, then the benefit extends beyond the borders of the township, the school district, and the county; which must bear the burden of increased taxes.

Mr. Chairman and committee members, I urge a "Do Not Pass" recommendation on House Bill 1351, unless funding can be attached.

**TESTIMONY TO THE  
SENATE FINANCE & TAXATION COMMITTEE  
Prepared February 15, 1999, by the  
North Dakota Association of Counties  
Mark A. Johnson, Executive Director**

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