

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2062

2001 SENATE FINANCE AND TAXATION

SB 2062

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2062

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/15/01

Tape Number	Side A	Side B	Meter #
1	x		33.6-53.4
Committee Clerk Signature <i>Lyndelle M. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 2063, relating to tax lien information requirements.

Charles Krueger: State Supervisor of Assessments and Director of the Property Tax Division of the State Tax Department, testified in favor of the bill. Written testimony attached.

Senator Urlacher: Did that knock out the interest for one year?

Charles Krueger: Basically it would if this legislation is introduced.

Senator Urlacher: What are the other costs associated with it?

Charles Krueger: There might be publication costs and costs of getting the notices out.

Senator Christmann: How come you didn't put this bill in with 2059? Is there a big difference in it because of the fiscal note?

Charles Krueger: We thought there might be some features in this proposed legislation that might be controversial so we separated them.

Senator Christmann: But what we would be doing here is returning to the code as it was before.

There's not change in it from the 1999 session, correct?

Charles Krueger: That's correct.

Senator Kroeplin: Is the 12% interest the same interest that was there prior or is it increased?

Charles Krueger: It is the same.

Terry Traynor: NDACo Assistant Director, testified in support of the bill. Written testimony attached.

Senator Kroeplin: There's not interest in this for counties and cities and schools if we don't pass this?

Terry Traynor: That's correct from 1999 and on.

Senator Stenchjem: Asked Terry Traynor and Charles Krueger to clarify if taxes are due from 1998 in 1999.

Senator Nichols: Are you sure we didn't do this on purpose last time? Was this a part of a bill or was it involved in study? If we're back to the first of this year is all right that we be retroactive on these? Is that a problem?

Charles Krueger: I think what happened is that in the attempt to streamline the process and improve it, some things just got inadvertently got set aside. In my opinion, it was not their intent that delinquent property owners not pay any interest.

AMENDMENT ACTION:

Motion made by Senator Stenchjem, Seconded by Senator Christmann, to move the amendment later numbered 18075.0100. Vote Vote taken. All in favor, amendment adopted.

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Senate Finance and Taxation Committee
Bill/Resolution Number 2062
Hearing Date 1/15/01

COMMITTEE ACTION:

Motion made by Senator Stenehjem for DO PASS AS AMENDED, Seconded by Senator Christmann. Vote was 5 yeas, 1 nay, 0 absent or not voting. Bill carrier was Senator Stenehjem.

FISCAL NOTE
 Requested by Legislative Council
 01/17/2001

Bill/Resolution No.:

Amendment to: SB 2062

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$179,000	\$94,000	\$411,000	\$714,000	\$374,000	\$1,644,000			

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2062 First Engrossment reinstates provisions for political subdivisions to assess interest on delinquent property taxes, beginning with taxes due in 2000.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*
A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/18/2001

FISCAL NOTE

Requested by Legislative Council
12/14/2000

Bill/Resolution No.: SB 2062

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$357,000	\$187,000	\$822,000			

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2062 reinstates the provision for counties, cities and school districts to assess interest on delinquent property taxes. The interest provisions were inadvertently removed in a prior session. The amounts shown here are estimates of typical interest assessments in a one-year period. Note: The effective date of this bill may need to be amended to allow interest assessments on delinquent taxes for 1999, payable in 2000, with interest starting in 2001.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/12/2001

18075.0100
Title.

Prepared by the Office of State Tax
Commissioner
January 15, 2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2062

Page 1, line 16, replace "taxable years beginning" with "taxes which become due"

Page 1, line 17, replace "2000" with "1999"

Renumber accordingly

Date: 1/15/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2062

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Amendment (Voice Vote)

Motion Made By Stenehjem Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman					
Senator Wardner-Vice Chairman					
Senator Christmann					
Senator Stenehjem					
Senator Kroeplin					
Senator Nichols					

Total (Yes) 0 No 0

Absent 0

Floor Assignment _____

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

Date: 4/15/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2067

Senate Finance and Taxation Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken So Pass

Motion Made By Stenehjem Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroeplin	✓				
Senator Nichols		✓			

Total (Yes) 5 No 1

Absent 0

Floor Assignment Stenehjem

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

REPORT OF STANDING COMMITTEE

SB 2062: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2062 was placed on the Sixth order on the calendar.

Page 1, line 16, replace "taxable years beginning" with "taxes that become due"

Page 1, line 17, replace "2000" with "1999"

Renumber accordingly

2001 HOUSE FINANCE AND TAXATION

SB 2062

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2062

House Finance and Taxation Committee

Conference Committee

Hearing Date March 7, 2001

Tape Number	Side A	Side B	Meter #
1		X	1,117
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing and read the fiscal note.

CHUCK KRUEGER, STATE SUPERVISOR OF ASSESSMENTS, DIRECTOR OF PROPERTY TAX DIVISION IN THE OFFICE OF THE STATE TAX COMMISSIONER

Testified in support of the bill. See attached written testimony.

REP. CARLSON What did the Senate do with their amendments?

CHUCK KRUEGER The Senate amendments have to do with determining the effective date of this legislation. It goes back to assess interest on 1999 taxes.

REP. WINRICH If 1999 taxes were paid in 2000, they only become delinquent in 2001.

REP. CARLSON We are going back to the first day of 2000? He obviously hasn't paid the taxes yet, so the interest would apply.

CHUCK KRUEGER The interest would apply for those taxes that are paid after January 1, 2001.

REP. LLOYD Is twelve percent the standard interest rate that is charged or is that an escalation of what has been charged in the past?

CHUCK KRUEGER The interest rate of twelve percent was in the old statute of what was repealed, so we reinstated it here.

MIKE MONTPLAISER, AUDITOR OF CASS COUNTY, Testified in support of the bill. He stated he was involved in the bill two years ago which repealed some of these things. One of the things he wanted to point out, is two years ago seven sections of the Century Code were repealed and three entire chapters, so it really streamlined the tax process. In answer to the question about the effective date, this is for the 1999 taxes, the taxes which became due and owing January 1, 2000. In the first year that the taxes are levied, there is a penalty provision which applies for the first year. It is a three percent penalty. This provision kicks in January 1, 2001, on the 1999 taxes, which then adds one percent per month. It is consistent with the other provisions in the Century Code. We didn't realize it at the time we repealed it. The section we overlooked or missed, was a problem after January 1, of the year following the tax return. A simple interest at the rate of twelve percent per annum upon the principal of the unpaid taxes on personal property must be charged.

With no further testimony, the hearing was closed.

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House Finance and Taxation Committee
Bill/Resolution Number SB 2062
Hearing Date March 7, 2001

COMMITTEE ACTION 3-7-01, TAPE #1, SIDE B, METER #3395

REP. CARLSON Reviewed what the bill does.

REP. CLARK Made a motion for a **DO PASS**.

REP. WINRICH Second the motion. **MOTION CARRIED.**

12 YES 0 NO 3 ABSENT

REP. WIKENHEISER Was given the floor assignment.