

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2063

2001 SENATE FINANCE AND TAXATION

SB 2063

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2063

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/16/01

Tape Number	Side A	Side B	Meter #
1	x		34.2-end
		x	0-15.1
1/17/01 - 2	x		16.5-31.2
1/22/01 - 2	x		9.6-35.5
1/24/01 - 1	x		45.2-end
		x	0-4
Committee Clerk Signature <i>Lyndelle N. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 2063, relating to confidentiality of sales and use tax information.

Daniel Rouse: Legal Counsel for the State Tax Department, testified in favor of the bill. Written testimony attached.

Senator Urlacher: Would one city be able to request information for another city?

Daniel Rouse: No.

Senator Stenehjem: What kind of information are they asking for?

Daniel Rouse: Explains examples. Meter number 41.5-43.7.

Senator Stenehjem: So if a city asks something about revenue, you can't tell them?

Daniel Rouse: Exactly.

Senator Stenehjem: Is there any reason that we as legislators may want to look at the same information for budgeting purposes on our end, that maybe should have been included in this? Or is that too broad? Is there some reason that a legislator might want some of that information so that he can make an informed decisions on tax initials that might come before him?

Daniel Rouse: I think that might be a bit excessive.

Senator Nichols: Do any cities or counties collect their own? Or do you collect for them?

Gary Anderson: Director of Sales & Special Taxes for State Tax Dept., answers for Rouse. We currently collect all of the taxes that are administered that are imposed by the cities in ND for sales taxes. The exception would be the city lodging tax.

Senator Nichols: This would enable cities or counties to come to you for more detailed information if they have a problem?

Daniel Rouse: Yes.

Senator Christmann: The cities and counties can get to the bottom of the different types of taxes coming out of their community or county, am I correct?

Daniel Rouse: You're correct. The problem is, you as a city commissioner or auditor may be in a smaller city or county with a more limited number of tax payers, if there's an aberration of that individual tax payer, you're going to see it on your bottom line.

Gary Anderson: Mistakes may happen on tax forms and as a result a city might ask what happened here. It's hard to explain what actually happened. Meter number 52.

Senator Kroeplin: With the open meeting laws, how can that be kept confidential information at the city council meeting?

Gary Anderson: The city will have to verify a particular transaction or discuss with us a particular aberration that occurred in detail. A member of that group could visit with us and

obtain an explanation. They would not be able to discuss in a public meeting the specifics of a situation.

Senator Christmann: In the smaller communities if you tell somebody one thing, you might as well be giving someone's specific tax forms out, because they're probably the only business such as that in the whole community. If you explain to the auditor or commissioner, how does that comfort the rest of them, if that person can't tell them?

Daniel Rouse: That's the limitation that we're working with in this statute, that there is a limit, for the privacy interests of that taxpayer who submits their returns and reports.

Senator Stenehjem: If one city or county commissioner found out that information, every other commissioner could do the very same thing. Or even if it's one commissioner in confidence that can talk to another commissioner, they just couldn't bring it up at the public meeting. If the cities are truly concerned about this, they can just stop entering into the contract with the tax dept. Over all this information that's submitted and require it to be submitted to the city auditor.

Daniel Rouse: Yes and yes.

Connie Sprynczynatyk: ND League of Cities, Doesn't think it will be a problem to disclose the information. The cities have an excellent working relationship with the Tax Dept. But there is this little barrier that disallows any further information. Explains Bismarck City Commission through meter number 9.2

Senator Kroeplin: It has been working reasonably well the way it is. The city has to have a certain amount of trust in the tax dept. In the confidentiality portion of it and open meetings, can you even do this?

Connie Sprynczynatyk: It is possible for a problem, but officials understand private business is private business. People don't want to violate the open meetings open records laws. They would not do that purposefully.

Rick Clayburgh: State Tax Commissioner, testified in support. We take confidentiality very seriously. Explains example of problem and why this bill would help through meter number 15.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 1/17/01. Meter number 16.5-31.2.

Discussion held 1/22/01. Meter number 9.6-35.5.

Gary Anderson: Reappeared to clarify some things.

Senator Urlacher: Would it be workable to designate one or two people to tell the information?

Gary Anderson: Yes.

Senator Kroeplin: Does it happen very often?

Gary Anderson: We don't get a huge number of requests.

Senator Stenehjem: Would they have to come in to look at the information?

Gary Anderson: We're not sure how we're going to facilitate it.

Dan Rouse: Reappeared to explain more. Demonstrates on the board.

Senator Kroeplin: If they don't contract with you, what confidentiality standards are the held to?

Dan Rouse: None that I'm aware of.

Gary Anderson: Explains further. Meter number 22.3-23.2.

Senator Stenehjem: Expresses concern of how far the information goes.

Discussion continues. Put on hold for amendment.

AMENDMENT ACTION:

Page 5
Senate Finance and Taxation Committee
Bill/Resolution Number 2063
Hearing Date 1/16/01

Motion made by Senator Kroeplin, Seconded by Senator Stenehjem, to amend. Voice
Vote taken. All in favor, motion carried.

Discussion held 1/24/01. Meter number 45.2-end, tape 1 side B, 0-4, tape 2 side A.

Rick Clayburgh: Reappeared to propose amendments and answer questions.

AMENDMENT ACTION:

Motion made by Senator Kroeplin, Seconded by Senator Nichols, to move amendment
numbered 18078.0100. Voice Vote taken. All in favor, amendment adopted.

COMMITTEE ACTION: 1/24/01

Motion made for a DO PASS AS AMENDED by Senator Wardner, Seconded by Senator
Kroeplin. Vote was 6 yeas, 0 nays, 0 absent or not voting. Bill carrier was Senator Kroeplin.

18078.0100
Title.

Prepared by the Office of State Tax
Commissioner
January 24, 2000

PROPOSED AMENDMENTS TO SENATE BILL NO. 2063

Page 2, line 16, after "available" insert "for inspection at the office of the commissioner in Bismarck"

Page 2, line 16, replace "a" with "no more than two"

Page 2, line 16, replace "member" with "members"

Page 2, line 21, replace "obtained" with "acquired"

Renumber accordingly

Date: 1/22/01
Roll Call Vote #:)

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2063

Senate Finance and Taxation Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move to Amend (voice vote)

Motion Made By Kroeplin Seconded By Stenehjem

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

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

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

Date: 1/24/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2063

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By Wardner Seconded By Kroeplin

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

Total (Yes) 6 No 0

Absent 0

Floor Assignment Kroeplin

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

REPORT OF STANDING COMMITTEE

SB 2063: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2063 was placed on the Sixth order on the calendar.

Page 2, line 16, after "available" insert "for inspection at the commissioner's office", replace "a" with "no more than two", and replace "member" with "members"

Page 2, line 21, replace "obtained" with "acquired"

Renumber accordingly

Date: 3/12/01
Roll Call Vote #:

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2063

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move to Concur

Motion Made By Wardner 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) 6 No 0

Absent _____

Floor Assignment _____

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

2001 HOUSE FINANCE AND TAXATION

SB 2063

