

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2185

2001 SENATE FINANCE AND TAXATION

SB 2185

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2185

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/22/01

Tape Number	Side A	Side B	Meter #
1	x		38.2-end
1		x	0-19
2	x		42.1-50.3
Committee Clerk Signature <i>Lynelle N. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 2185, relating to payments in lieu of taxes on farmland or ranch land acquired by nonprofit organizations for conservation purposes.

Senator Steve Tomac: Testified in support. Bill requires nonprofit groups pay in lieu of taxes. Constitutional questions involved. Through meter number 45.7.

Senator Christmann and Senator Tomac discuss caps.

Bill Pfeifer: ND Chapter of the Wildlife Society, testified in support of the bill. Written testimony attached.

Senator Urlacher: As of now, it's voluntary to pay taxes on that land?

Bill Pfeifer: Yes.

John Walstad: Legislative Council, addressed the constitutionality. Meter number .8-2.3.

Senator Stenehjem: What if a nonprofit group comes up at a future date and wants their taxes back?

Page 2

Senate Finance and Taxation Committee

Bill/Resolution Number 2185

Hearing Date 1/22/01

John Walstad: I doubt they would ask for it back.

Senator Stenchjem: What if we pass this bill and, in 20 years, one of these groups comes back and wants to test the constitutionality and want their money back? Would whoever levied these taxes have to pay them back?

John Walstad: Not 20 years worth. They could maybe go back a few years.

Senator Urlacher: The cap is in place now?

John Walstad: Yes. Explains the cap meter number.

Keith Trego: Executive Director of ND Wetlands Trust, explains previous bills and caps. Meter number 6-7.1.

Wade Williams: ND Assoc. of Counties, testifies in support. Written testimony attached.

Mike Donahue: United Sportsman of ND, in support.

Brian Kramer: ND Farm Bureau, in support.

Mark Sitz: ND Farmers Union, in support.

Julie Ellingson: ND Stockman's Assoc., in support.

Ken Yantes: ND Township Officers, in support.

Senator Christmann: How do you figure the productivity of the land?

John Walstad: These lands will be assessed & valued like any other land. You could look at surrounding properties and how they are assessed.

Keith Trego: Clarifies some questions.

Senator Nichols: What would happen if an organization would change the operation of the land, would that change the value?

Keith Trego: I don't know.

Senator Urlacher: Closed the hearing. Action delayed.

Page 3

Senate Finance and Taxation Committee

Bill/Resolution Number 2185

Hearing Date 1/22/01

Discussion held later on constitutionality. Meter number 42.1-50.3.

COMMITTEE ACTION:

Motion made by Senator Stenhjem for a DO PASS, Seconded by Senator Wardner.

Vote was 6 yeas, 0 nays, 0 absent or not voting. Bill carrier was Senator Wardner.

## FISCAL NOTE STATEMENT

Senate Bill or Resolution No. 2185

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, or school districts. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

John Walstad  
Code Revisor

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

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2185

Senate Finance and Taxation Committee

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

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

Action Taken DO PASS

Motion Made By Stenehjem Seconded By Wardner

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 Wardner

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

**REPORT OF STANDING COMMITTEE (410)**  
January 22, 2001 4:12 p.m.

**Module No: SR-10-1407**  
**Carrier: Wardner**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2185: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2185 was placed on the Eleventh order on the calendar.**



2001 HOUSE FINANCE AND TAXATION

SB 2185

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2185

House Finance and Taxation Committee

Conference Committee

Hearing Date March 5, 2001

Tape Number	Side A	Side B	Meter #
1	X		5,684
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

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

**SEN. STEVE TOMAC, DIST. 31**, Introduced the bill stating this bill was a product of the interium committee involving ranchers, wildlife society, etc. It is the product of an ad hoc committee. One of the items we addressed during the interim was, how do we create better working relationships between wildlife groups and landowner groups. One of the concerns that always comes up is, there is some ambiguity in the constitution that says non profit groups don't have to pay property taxes. There is always the concern that the nature conservancy, those groups acquire titles to farm and ranch land, and aren't paying their taxes. In fact, the nature conservancy has paid in lieu of taxes. All this bill does is, it requires them to pay, in lieu of, property tax. It has the blessings of the conservation groups, and all the property tax payers. You should also be aware of SCR 4045 which is the constitutional amendment that these same sponsors of this bill, are bringing forward. This will allow the legislature to determine which non

Page 2

House Finance and Taxation Committee

Bill/Resolution Number SB 2185

Hearing Date March 5, 2001

profit groups will pay property taxes. Every non profit group, isn't necessarily, a charitable group.

**BILL PFEIFER, NORTH DAKOTA CHAPTER OF THE WILDLIFE SOCIETY**, Testified

in support of the bill. Also submitted a handout relating to the North Dakota Wetlands Trust, American Federation of Wildlife, National Audubon Society, The Nature Conservancy showing non profit property and taxes and acreage owned by the different entities. Ducks Unlimited do not own any land, therefore, they are not included in the handout.

**REP. HERBEL** Commented on the weed problem.

**BILL PFEIFER** They will do what they can, so far they have been quite the leaders.

**REP. BRANDENBURG** Related to productivity factor of the land, asked for his comments.

**BILL PFEIFER** He stated, this land remains in productivity. Related to the Cross Ranch. A combination of the Cross Ranch and the ranch up to Turtle Lake, have just a little over one thousand cow/calf units. These lands are leased to leasees, and in the case of the Brown Ranch, there is a tenant. These lands do remain productive. As far as hunting, they also remain open to hunting, however, they do hold off some areas, such as the Bison Pasture, up at the Cross Ranch. The Nature Conservancy bought the Cross Ranch, it was about ten thousand acres. There were acres in there that they didn't want, that wasn't part of what they were after. They sold off thirty five hundred acres of that. They donated, for one dollar, the Cross Ranch public area along the Missouri River. As a result, that has boosted the economic income in Washburn, Mandan and anywhere else people are coming to in this area. Can you imagine what sort of attraction this will be in the up coming years of the Lewis and Clark Expedition that will be taking place. That is the only public place, that I know of, where you can stand on the shore where Lewis and Clark

did, and you can kick a stone in the water, or whatever you wish to do. The purchase was originally from a non profit organization.

**REP. HERBEL** Wetlands Trust has the authority to turn this property over to Game & Fish, if they choose to do so? And, if they do that, who pays the taxes?

**BILL PFEIFER** It is guaranteed by Game & Fish and by Wetlands Trust. No matter where it goes, it will be paid. There is a payment in lieu of taxes, which counts for a certain percentage that is paid by the government and the Game & Fish pays the balance, so it equals to the full tax.

**BRIAN KRAMER, NORTH DAKOTA FARM BUREAU,** Testified in support of the bill. It takes away one of the issues of non profit land acquisition that our organization had.

**MIKE DONAHUE, NORTH DAKOTA WILDLIFE FEDERATION AND UNITED SPORTSMEN OF NORTH DAKOTA,** Testified in support of the bill.

**KEN YANTES, NORTH DAKOTA TOWNSHIP ASSOCIATION,** Testified in support of the bill. He stated he has been involved for years and has always heard the same thing, oppose it they don't pay their taxes. I think I have information now, if this bill passes, I can go back and say, this is food for consideration.

**CHUCK KRUEGER, SUPERVISOR OF ASSESSMENTS, STATE TAX DEPARTMENT,**  
Appeared to answer any questions.

**REP. BRANDENBURG,** In the productivity factor, when land goes into one of the wildlife groups, the value of that land would be higher in its production, then land that is in a non productive status, is that true?

**CHUCK KRUEGER** In the valuation of agricultural land, the value is based on its ability to produce a crop or used for production of hay or livestock. The ownership is not a criteria to

Page 4  
House Finance and Taxation Committee  
Bill/Resolution Number SB 2185  
Hearing Date March 5, 2001

determine the value of the property. It wouldn't matter whether the wildlife group was the owner or if the property was owned by a private individual. The valuation should not change.

REP. LLOYD referred to BILL PFEIFER Related to the chart in his written testimony.

Asked about the tax value which doubled in the chart.

BILL PFEIFER Explained his chart.

MARK JOHNSON, NORTH DAKOTA ASSOCIATION OF COUNTIES, Submitted written testimony in support of the bill.

With no further testimony, the hearing was closed.

**COMMITTEE ACTION 3-6-01, TAPE #2, SIDE A, METER #4266**

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

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

**14 YES 0 NO 1 ABSENT**

REP. WINRICH Was given the floor assignment.

Date: 3-6-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2185

House FINANCE & TAXATION Committee

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

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

Action Taken Do Pass

Motion Made By Rep. Kelsh Seconded By Rep. Clark

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	A	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Winrich

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

**REPORT OF STANDING COMMITTEE (410)**  
March 6, 2001 4:05 p.m.

**Module No: HR-38-4958**  
**Carrier: Winrich**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2185: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2185 was placed on the Fourteenth order on the calendar.**