

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2252

2001 SENATE FINANCE AND TAXATION

SB 2252

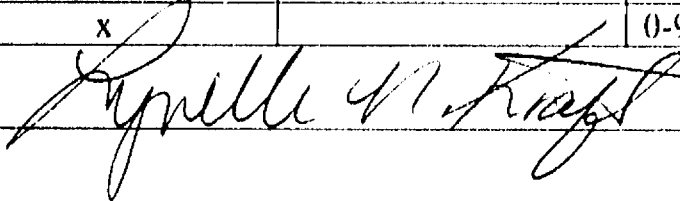
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2252

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/29/01

Tape Number	Side A	Side B	Meter #
1	x		0-29.2
1/31/01 - 2	x		52.9-end
		x	0-12.3
2/6/01 - 2		x	51-end
3	x		0-9,3
Committee Clerk Signature 			

Minutes:

Senator Urlacher: Opened the hearing on SB 2252, relating to income tax deductions or credits for adoption expenses.

Senator Aaron Krauter: Co-sponsored bill, testified in support. This bill will be a break for people wanting to adopt. The number of abortions in ND is going up. Meter number .3-3.

Christopher Dodson: Executive Director of ND Catholic Conference, testifies in support. It's important that we create a culture of life for every child and make that comfortable and convenient as possible. Abortion rates are at a 10-year high. We need to create that system in which it's easier to make adoption as open to as many couples as possible.

Senator Urlacher: What is the cost of an adoption?

Christopher Dodson: I don't exactly know. I know it's been rising.

Senator Christmann and Christopher Dodson discuss adoption costs, if this bill would affect womens' decisions, and foster care. Meter number 4.8-6.7.

Christy Zentz: On behalf of her family, testified in support. Explained that the cost of adopting an older child is more than an infant. Also, adopting a special needs child also incurs more cost. Any assistance that would help parents financially, would help place older kids in adoptive homes.

Barb Tengesdal: On her behalf having just adopted a child, testified in support. There are a number of costs that parents incur along the way and anything you could do to get these children to get these children adopted would be helpful.

Senator Urlacher: Can you identify where the costs come in at?

Barb Tengesdal: Explains the cost. Meter number 11.5-13.4.

Senator Christmann: Was the first \$500 you paid in ND, was to an agency or the state?

Barb Tengesdal: The agency.

Senator Tim Mathern: Co-sponsored the bill, registered his support.

Delores Freisz: Dept. of Human Services, neutral. Explained the number of adoptions in the state. Meter number 15.5-18.5.

Donnita Wald: ND Tax Dept., neutral. Appeared to explain the deductions on long and short forms and fiscal note. Clarifies questions for Senator Stenchjem and Senator Christmann. Meter number 19-29.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 1/31/01. Meter number 52.9-end, Side A, 0-12.3, Side B.

Senator Christmann explains why he wants amendment.

Donnita Wald: Appeared to explain tax forms.

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Senate Finance and Taxation Committee

Bill/Resolution Number 2252

Hearing Date ~~1/29/01~~

2-31-01

Senator Christmann to get amendment.

Discussion held 2/6/01 Meter number 51-end, Tape 2, Side B & 0-9.3, Tape 3, Side A.

Amendment introduced & discussed.

AMENDMENT ACTION:

Motion made by Senator Christmann, Seconded by Senator Wardner, to move  
admendment numbered 10580.0101. Voice Vote taken. 3 yeas, 2 nays, 1 absent and not voting.

Amendement adopted.

COMMITTEE ACTION: 2/6/01

Motion made by Senator Wardner for a DO PASS AS AMENDED, Seconded by Senator  
Christmann. Vote was 5 yea, 1 nay, 0 absent and not voting. Bill carrier was Senator Nichols.

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/23/2001

Bill/Resolution No.:

Amendment to:            Reengrossed  
    SB 2252

**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
<b>Revenues</b>			(\$25,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

**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

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

SB 2252 Third Engrossment expands the tax deduction for adoption available on the long form to \$1750 and provides a carryforward provision for any unused amount. The bill also allows an adjustment to federal tax liability of up to \$1750, on the short form, for expenses associated with adoption allowed by IRC Section 23. This short form adjustment is available for expenses associated with all adoptions for Form Year 2001, and for expenses associated with special needs adoptions beginning with Form Year 2002.

**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.*

SB 2252 Third Engrossment is expected to reduce revenues by \$25,000 during the 01-03 biennium.

**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.*

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Tax Department
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	02/23/2001

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/09/2001

Bill/Resolution No.:

Amendment to: SB 2252

**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
<b>Revenues</b>			(\$35,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

**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

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

SB 2252 First Engrossment provides income tax deductions and credits for certain adoption expenses.

**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.*

The provisions of Section 2 of SB 2252 First Engrossment are available for all adoptions for tax year 2001 (fiscal year 2002). We estimate the fiscal impact of the short form adjustment to "federal tax liability", for one year, is -\$35,000. Beginning with tax year 2002, the federal credit will be available for special needs children only. According to information from Human Services, parents adopting a special needs child are not faced with significant unreimbursed adoption expenses, so the fiscal impact for the second year of the biennium is expected to be less than \$5000.

**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.*



<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Tax Department
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	02/15/2001

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/01/2001

**REVISION**

Bill/Resolution No.: SB 2252

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
<b>Revenues</b>			(\$70,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

**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

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

SB 2252 increases the long-form deduction for adoption expenses to \$2500 and creates an adjustment to 'federal tax liability' for short form purposes for the federal tax credit for adoption expenses to a maximum of \$2500.

**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.*

If enacted, SB 2252 is expected to decrease state general fund revenues by \$70,000 for the 01-03 biennium. (NOTE: This revision to the original fiscal note was recommended by Human Services based on their revised estimate of qualifying adoptions.)

**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.*

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Tax Department
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	02/12/2001

# FISCAL NOTE

Requested by Legislative Council  
01/22/2001

Bill/Resolution No.: SB 2252

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
<b>Revenues</b>			(\$105,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

**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

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

SB 2252 increases the long-form deduction for adoption expenses to \$2500 and creates an adjustment to 'federal tax liability' for short form purposes for the federal tax credit for adoption expenses to a maximum of \$2500.

**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.*

If enacted, SB 2252 is expected to decrease state general fund revenues by \$105,000 for the 01-03 biennium.

**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.*

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Tax Department
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	01/26/2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2252

Page 1, line 7, after "~~one~~" insert "up to", after "dollars" insert "of expenses incurred by the taxpayer which are not reimbursed by any federal, state, or political subdivision source,", and after "each" insert "special needs"

Page 1, line 8, overstrike "twenty-one" and insert immediately thereafter "eighteen" and after the period insert "For purposes of this paragraph, a "special needs child" is a child who has any of the special needs described in section 50-09-02.2."

Page 1, line 10, after "adopted" insert "special needs"

Renumber accordingly

Date: 2/6/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2252

Senate Finance and Taxation Committee

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

Legislative Council Amendment Number 10580.0101

Action Taken Move Amendment (voice vote)

Motion Made By Christmann 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) 3 No 2

Absent 1

Floor Assignment \_\_\_\_\_

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

