

# MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2394

2001 SENATE NATURAL RESOURCES

SB 2394

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2394

Senate Natural Resources Committee

Conference Committee

Hearing Date 2-8-01

Tape Number	Side A	Side B	Meter #
	Start -end		
2-8-01	X		23.2 - 49.8
Committee Clerk Signature <i>Jeanette Johnson</i>			

Minutes:

SENATOR FISCHER opened the committee hearing. Roll was taken indicating that all committee members were present.

SENATOR DWIGHT COOK of District 34, cosponsor introduced SB 2394, A BILL RELATING TO FEE HUNTING AND GUIDE LICENSE FEES. This bill reflects four conviction that he has, 1.) Land ownership comes with rights, specifically that the owner has the rights to charge a fee for hunting on his property. 2.) That people who engage in commerce have responsibility, that they have to collect and remit sales tax, 3). In regard to taxes in general, that for a tax to be fair must be tax all equally. 4). The role of Game & Fish Department and their responsibility to make the hunting program successful but must now compete with commercialized hunting. Senator Cook continued to walk through the SB 2394. He defined that an outfitter can be a guide, can do anything a guide can do the only difference is if they are taking revenue you are an outfitter. Anyone collecting revenue for hunting or fishing relating

services whether it is a landowner or an outfitters requires an outfitters license, a sales tax permit and will have to post the land that is open for a fee. They will have collect sales tax and remit the tax to the State Tax Commissioner and will have to do some reporting to Game & Fish. Hunters will have to pay sales tax and will require them to carry the receipt for fee hunting.

REPRESENTATIVE LYLE HANSON, of District 48 cosponsor of SB 2394 testified before the Committee.

SENATOR TODD PORTER, of District 34 cosponsor of SB 2394 testified that this growing industry should be brought but to the requirements of other businesses and should be required to pay taxes.

PAT CANDRIAN, manager of the Cannonball Company of Regent, ND testified in support in SB 2394. He feels that there is a lot of tax revenue not being collected at this time and that the bill would clean up the industry. He is not totally in support of the posting for fee hunting.

MIKE DONAHUE representing the North Dakota Wildlife Federation and the United Sportsman Club testified in support of SB 2394.

ROGER ROSTUET, Deputy Director the North Dakota Game & Fish Department was available for any questions. He answered that the only fiscal change to the department would be the additional outfitters licenses that would be required to be purchased with passage of this bill. Because of printing technology must hunting for fee signs are mostly personalized. Receipts for hunting fee including taxes paid will need to be carried by the hunter along with his hunting license.

GARY ANDERSON, Director of Sales and Special Taxes of the Office of the State Tax Commissioner was available to answer any questions of the Committee. He explained how the fiscal note was prepared.

JIM NAGEL, representing the North Dakota Guides and Outfitters Association testified in opposition to SB 2394 (See attached testimony).

SENATOR TOLLEFSON: questioned who holds the liability of an injury on fee hunted property.

JIM NAGEL explained that to his understanding that as long as the land owner is not taking a fee, it is the responsibility of the outfitter. Unfortunately many land owners who do collect for fee hunting think that their farm policy will cover them and is concerned that someone might "lose the farm".

RON WANNER, owner of Knife River Ranch testified in opposition of SB 2394. He feels there are good items in the bill but is opposed to posting his land and the negative attitude of the state towards non resident hunters.

SENATOR FISCHER: closed the hearing on SB 2394.

**FEBRUARY 8, 2001**

SENATOR FISCHER reopened discussion on SB 2394.

Discussion was held about the taxing of tangible property not services and posting of property for fee hunting. There were questions about who is the lessee, is it the landowner or the outfitter who is paying for fee hunting? Also how do you enforce the bill and the fee hunting. Should the charge be for the whole event or separate the service out and charged only?

SENATOR TRAYNOR made a motion to adopt an amendment to add the definition of lessee.

SENATOR TOLLEFSON second the motion.

SENATOR FISCHER called for roll vote # 1. The vote indicated 6 YAYS, 0 NAYS, 1 ABSENT to adopt the amendment.

Page 4

Senate Natural Resources Committee

Bill/Resolution Number SB 2394

Hearing Date 2-8-01

SENATOR TOLLEFSON made a motion for a "DO PASS as AMENDED"

SENATOR TRAYNOR second the motion.

SENATOR FISCHER called for roll vote # 2. The vote indicated 5 YAYS, 1 NAYS, 1 ABSENT  
FOR A "DO PASS as AMENDED.

SB 2394 will be rereferred to Appropriations Committee.

SENATOR FISCHER will carry SB 2394.

**FISCAL NOTE**  
 Requested by Legislative Council  
 03/01/2001

Bill/Resolution No.:

Amendment to:           SECOND ENGROSSMENT  
                                   SB 2394

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>				(\$10,000)		(\$10,000)
<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.*

Currently hunting or fishing guides and outfitters pay \$100 for a license or \$150 if they guide for both hunting and fishing. This bill reduces the fee for guides who work for an outfitter to \$50.

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.*

It is estimated that 100 guides will pay \$50 for their license, a reduction of \$50 per year. The total revenue reduction will be \$5,000 per year.

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>	Paul Schadewald	<b>Agency:</b>	ND Game and Fish Department
<b>Phone Number:</b>	328-6328	<b>Date Prepared:</b>	03/01/2001



**FISCAL NOTE**  
 Requested by Legislative Council  
 01/30/2001

Bill/Resolution No.: SB 2394

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

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

The fiscal impact of SB 2394 cannot be determined. For information purposes, please note: Nine entities affected by this bill currently hold sales tax permits and deducted (in 2000) \$416,000 in tax-exempt services. If all of these services become subject to sales tax under the provisions of this bill, and if these 9 entities represent 20% of the entire market, the bill could generate \$100,000 in annual tax revenues.

**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.*

<b>Name:</b> Kathryn L. Strombeck	<b>Agency:</b> Tax Department
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Phone Number: 328-3402

Date Prepared: 02/07/2001





**REPORT OF STANDING COMMITTEE**

**SB 2394: Natural Resources Committee (Sen. Fischer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2394 was placed on the Sixth order on the calendar.

Page 3, line 22, after the period insert ""Lessee" means a person renting the land for agricultural purposes and a person defined as an outfilter in this section.

20."

Page 3, line 29, overstrike "20." and insert immediately thereafter "21."

Page 4, line 3, overstrike "21." and insert immediately thereafter "22."

Page 4, line 5, overstrike "22." and insert immediately thereafter "23."

Page 4, line 6, overstrike "23." and insert immediately thereafter "24."

Page 4, line 16, replace "24" with "25"

Page 4, line 21, replace "25" with "26"

Page 4, line 30, replace "26" with "27"

Page 5, line 3, replace "27" with "28"

Page 5, line 7, replace "28" with "29"

Page 5, line 9, replace "29" with "30"

Page 5, line 17, replace "30" with "31"

Page 5, line 18, replace "31" with "32"

Page 5, line 22, replace "32" with "33"

Page 5, line 24, replace "33" with "34"

Page 5, line 25, replace "34" with "35"

Page 5, line 27, replace "35" with "36"

Page 6, line 1, replace "36" with "37"

Page 6, line 4, replace "37" with "38"

Page 6, line 6, replace "38" with "39"

Page 6, line 7, replace "39" with "40"

Page 6, line 10, replace "40" with "41"

Page 6, line 13, replace "41" with "42"

Page 6, line 15, replace "42" with "43"

**REPORT OF STANDING COMMITTEE (410)**  
**February 9, 2001 1:28 p.m.**

**Module No: SR-24-2876**  
**Carrier: Fischer**  
**Insert LC: 10389.0401 Title: .0500**

Page 6, line 17, replace "43" with "44"

Page 6, line 18, replace "44" with "45"

Page 6, line 19, replace "45" with "46"

Page 6, line 21, replace "46" with "47"

Renumber accordingly

2001 SENATE APPROPRIATIONS

SB 2394

