

MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

40006

2001 SENATE FINANCE AND TAXATION

SCR 4006

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 4006

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 01/10/01

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|---------|
| 1 | x | | 31.6 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Rynell M. Kraft</i> | | | |

Minutes:

Senator Urlacher: Called the hearing on SCR 4006, a resolution urging Congress to enact legislation to allow farm and ranch risk management (FARRM) accounts and to consider limiting the size of the accounts rather than the time funds may be held in the accounts.

John Walstad, Legislative Council, introduced the bill.

John Walstad: The legislation being considered by Congress takes a number of forms, one of which is a five year limitation. The resolution allows you to defer some income, it's a way of bringing back income averaging. The suggestion of this resolution is Congress ought to look at eliminating the five year limitation or extending to allow long range planning and perhaps even retirement planning. The suggestion is for Congress to limit the amount set aside rather than the time the money can stay there.

Senator Nichols: What does the fed allow as far as investing these account into savings accounts, CD's, etc.? What would happen there?

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Senate Finance and Taxation Committee

Bill/Resolution Number 4006

Hearing Date 01/10/01

John Walstad: I don't think any of these Congressional proposals contain a lot of detail. I don't think they really limit what you can do with that money while it's in there. The only thing is, when it comes out, it's taxable income to the owner.

Senator Urlacher: That might be restricted as to what you could put in or where you could put them as well.

John Walstad: I'm not aware of any limitations in the bills that have been pending on what kinds of investments can be made with the money that's in those accounts.

No Opposition Testimony.

Senator Christmann: Does the opposition to 4003 carry over to the other bill, including 4006?

John Risch: We are only opposed to 4003.

Senator Urlacher: Closed the hearing on 4006.

Committee Action:

Motion made by Senator Christmann for DO PASS, seconded by Senator Kroeplin. Vote was 6 yeas, 0 nay, 0 absent or not voting. Bill carrier was Senator Christmann.

Date: 1/10/01
Roll Call Vote #:

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 2

Senate Finance and Taxation Committee

- Subcommittee on _____
- or
- Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Sen. Christmann Seconded By Sen. Kroeplin

| Senators | Yes | No | Senators | Yes | No |
|-------------------------------|-----|----|----------|-----|----|
| Senator Urlacher-Chairman | ✓ | | | | |
| Senator Wardner-Vice Chairman | ✓ | | | | |
| Senator Christmann | ✓ | | | | |
| Senator Stenchjem | ✓ | | | | |
| Senator Kroeplin | ✓ | | | | |
| Senator Nichols | ✓ | | | | |
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Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Christmann

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

REPORT OF STANDING COMMITTEE (410)
January 10, 2001 12:31 p.m.

Module No: SR-02-0859
Carrier: Christmann
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4006: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4006 was placed on the Eleventh order on the calendar.

2001 HOUSE FINANCE AND TAXATION

SCR 4006

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4006

House Finance and Taxation Committee

Conference Committee

Hearing Date March 20, 2001

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|---------|
| 1 | X | | 1.858 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Jamie Klein</i> | | | |

Minutes:

REP. AL CARLSON Opened the hearing.

JOHN WALSTAD, ATTORNEY FOR THE LEGISLATIVE COUNCIL Gave an explanation of what occurred during the interim tax committee. See Report of the North Dakota Legislative Council, Fifty-Seventh Legislative Assembly, 2001, Page 350.

REP. RENNERFELDT Would it be a non interest bearing account?

JOHN WALSTAD I would presume there would be some kind of earning in the account. I don't recall from federal legislation that it addressed that. It didn't say whether this was a passbook savings account, C D's or whether the farmer would have investment control and could speculate and put all of his money in dot.com's or gold, or whatever it might be.

REP. RENNERFELDT On deferred payment contracts, when you sell grain now and don't take the money, you can't be paying any interest on it, or the IRS looks at it as income today, did they have any exceptions in that for

JOHN WALSTAD The bill really didn't talk about what you could do with the account. I would presume though, that the earnings of the account would accumulate in the account and whatever you take out of the account will be taxable income. It would eventually be taxable income.

REP. CARLSON This did not pass the Congress level?

JOHN WALSTAD I am thinking it was passed and vetoed, but maybe I am mistaken on that. There were about five different bills pending in the last Congress, when they went off to do their election business. I think there have been some introduced in the current Congress as well that deal with this same topic.

REP. WINRICH This strikes me as sort of a slight modification of IRA's, and the second resolution about withdrawals without penalty, would actually create another kind of an account, would it not?

JOHN WALSTAD It does have some aspects of an IRA, but, it would not be that same provision with regard to IRA's where you can't take the money out without penalty. It is going to be taxable when it is withdrawn from these funds, and it is limited in time under the legislation that has been proposed. It seems to me like it is kind of a hybrid between an IRA and income averaging.

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

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

15 YES 0 NO 0 ABSENT

REP. RENNERFELDT Was given the floor assignment.

Date: 3-20-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4006

House FINANCE & TAXATION Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Nicholas Seconded By Rep. Renner

*Consent
amendment*

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------|-----|----|-------------------|-----|----|
| CARLSON, AL, CHAIRMAN | ✓ | | NICHOLAS, EUGENE | ✓ | |
| DROVDAL, DAVID, V-CHAIR | ✓ | | RENNER, DENNIS | ✓ | |
| BRANDENBURG, MICHAEL | ✓ | | RENNERFELDT, EARL | ✓ | |
| CLARK, BYRON | ✓ | | SCHMIDT, ARLO | ✓ | |
| GROSZ, MICHAEL | ✓ | | WIKENHEISER, RAY | ✓ | |
| HERBEL, GIL | ✓ | | WINRICH, LONNY | ✓ | |
| KELSH, SCOT | ✓ | | | | |
| KROEBER, JOE | ✓ | | | | |
| LLOYD, EDWARD | ✓ | | | | |
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Total (Yes) 15 No 0

Absent 0

Floor Assignment Rep. Rennerfeldt

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

REPORT OF STANDING COMMITTEE (410)
March 20, 2001 11:30 a.m.

Module No: HR-48-6122
Carrier: Rennerfeldt
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4006: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4006 was placed on the Tenth order on the calendar.