

2023 SENATE FINANCE AND TAXATION

SB 2147

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2147
1/17/2023

Relating to an income tax deduction for retired law enforcement personnel benefits; and to provide an effective date.

9:00 AM **Chairman Kannianen** opens the meeting.

Senators Present: **Kannianen, Weber, Magrum, Patten, Rummel, Piepkorn.**

Discussion Topics:

- Fiscal note
- Active-duty law enforcement vs. active-duty military
- State average police pay
- Participating departments
- Retirees

9:30 AM **Senator Larson** in favor.

9:35 AM **Stephanie Dassinger Engebretson**, verbally in favor.

9:36 AM **Jason J. Ziegler chief of police for city of Mandan**, in favor. #13818

9:44 AM **Donnell Presky ND Association of Counties – Public Relations Specialist**, in favor.

9:50 AM **Blair Thoreson ND Peace Officer Association**, in favor.

9:51 AM **Chairman Kannianen** closes the meeting.

Nathan Liesen, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2147
1/17/2023

Relating to an income tax deduction for retired law enforcement personnel benefits; and to provide an effective date.

11:41 AM Chairman Kannianen opens meeting.

Senator present: **Kannianen, Weber, Patten, Rummel, Piepkorn, Magrum.**

Discussion Topics:

- Bill review

11:43 AM Senator Magrum moved a do pass on SB 2147.

11:43 AM Senator Weber seconded the motion.

11:48 AM Senator Weber withdrew his seconded do pass motion on SB 2147.

11:48 AM Senator Piepkorn Seconded do pass motion on SB 2147.

Senators	Vote
Senator Jordan Kannianen	Y
Senator Mark F. Weber	Y
Senator Jeffery J. Magrum	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Dean Rummel	y

Motion passed 6-0-0

11:49 AM Senator Piepkorn will carry the bill.

11:50 AM Chairman Kannianen closed meeting.

Nathan Liesen, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2147: Finance and Taxation Committee (Sen. Kannianen, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2147 was placed on the Eleventh order on the calendar. This bill affects workforce development.

2023 HOUSE FINANCE AND TAXATION

SB 2147

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

SB 2147
3/7/2023

A bill relating to an income tax deduction for retired law enforcement personnel benefits.

Chairman Headland opened the hearing at 9:01AM.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. Members absent: none.

Discussion Topics:

- Peace Officer definition
- Income tax credit
- Law enforcement retirement issues
- Military and law enforcement income tax deduction similarities

Senator Larson verbally introduced the bill in support.

Stephanie Dassinger Engebretson, representing the Chiefs of Police Association of North Dakota, verbally testified in support.

Jason Ziegler, Chief of Police for the City of Mandan, testified in support (#22544).

Donnell Preskey, North Dakota Association of Counties, verbally testified in support.

Jason Ziegler, Chief of Police for the City of Mandan, answered questions from the committee.

Blair Thorson, North Dakota Peace Officers Association, verbally testified in support.

Chairman Headland closed the hearing at 9:32AM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

SB 2147
3/7/2023

A bill relating to an income tax deduction for retired law enforcement personnel benefits.

Chairman Headland opened the meeting at 3:06PM.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. No members absent.

Discussion Topics:

- Dedicated years of service for law enforcement personnel

Committee discussion on possibly adding dedicated years of service to the bill.

Committee will work with Legislative Council on changes to the bill.

Chairman Headland adjourned at 3:15PM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

SB 2147
3/8/2023

A bill relating to an income tax deduction for retired law enforcement personnel benefits.

Chairman Headland opened the meeting at 2:25PM.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. Members absent: Representative Bosch.

Discussion Topics:

- Proposed amendment 23.0019.01001

Representative Motschenbacher distributed proposed amendments 23.0019.01001 (#23086).

Dee Wald, General Counsel with the Office of the State Tax Commissioner, clarified the amendment and possible additions.

Chairman Headland adjourned at 2:30PM.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

SB 2147
3/8/2023

A bill relating to an income tax deduction for retired law enforcement personnel benefits.

Chairman Headland opened the meeting at 2:44PM.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVilleville, and Representative Ista. No members absent.

Discussion Topics:

- Discussion of proposed amendment 23.0019.01001
- Committee vote

Dee Wald, General Counsel with the Office of the State Tax Commissioner, answered questions from the committee.

Representative Olson moved an amendment to include the language from 23.0019.01001 and after “officer” add “with a medical certificate due to a medical disability.”

Representative Grueneich seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	AB
Representative Jason Dockter	Y
Representative Lisa Finley-DeVilleville	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

Motion carried 13-0-1

Representative Dockter moved a Do Pass as Amended.

Representative Ista seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	N
Representative Dick Anderson	Y
Representative Glenn Bosch	AB
Representative Jason Dockter	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

Motion carried 12-1-1

Representative Dockter is the bill carrier.

Chairman Headland adjourned at 2:50PM.

Mary Brucker, Committee Clerk

March 8, 2023

24
3/8/23

PROPOSED AMENDMENTS TO SENATE BILL NO. 2147

Page 1, line 7, after "amount" insert "of retired law enforcement personnel benefits"

Page 1, line 7, remove "as retired law enforcement"

Page 1, line 8, replace "personnel benefits" with "who has served a combined total of at least twenty years as a peace officer or has medically retired from the taxpayer's duties as a peace officer with a medical certificate due to a permanent mental or physical disability that rendered the taxpayer unable to discharge the taxpayer's duties as a peace officer"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2147: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2147 was placed on the Sixth order on the calendar.

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Page 1, line 7, remove "as retired law enforcement"

Page 1, line 8, replace "personnel benefits" with "who has served a combined total of at least twenty years as a peace officer or has medically retired from the taxpayer's duties as a peace officer with a medical certificate due to a permanent mental or physical disability that rendered the taxpayer unable to discharge the taxpayer's duties as a peace officer"

Renumber accordingly

TESTIMONY

SB 2147



POLICE

Mandan North Dakota

Jason J. Ziegler
 Chief of Police
 205 1st Ave NW
 Mandan, ND 58554
 701-667-3250

Date: January 17, 2023

To: Chair Kannianen and Committee Members

From: Jason J. Ziegler Chief of Police for City of Mandan

Reference: SB 2147 Tax Deduction for Retired Law Enforcement Personnel Benefits

I am Chief Jason J. Ziegler, the Chief of Police for the City of Mandan and the current sitting president for the North Dakota Chiefs of Police Association. I am here today in support of SB2147.

I have been in law enforcement for almost 33 years and have seen many ups and downs over the years. What I have never seen in my honorable profession's history is the lack of interest in individuals who want to become police officers. It is my belief that the lack of interest is due to over the past several years the law enforcement profession has been publicly devalued and even defunded in many parts of our country.

I am truly blessed to be here in North Dakota, and to work for a city that not only wants good police officers but also appreciates the work that all police officers do. Even with the great support that the police officers get from our State and communities, every agency in North Dakota is still having difficulties in recruiting and retaining good people.

When a community hires a police officer, and that officer dedicates their life to protecting and serving a community, there are four things (in my opinion) that the officer is hoping for:

- 1. If when called to protect others, and they give their life in the line of duty, that our State and communities would take care of their families that they have left behind.*
- 2. To be compensated for the service and commitment they will give to keep and protect everyone who lives, visits and works in our communities (to include surrounding communities).*
- 3. To be trained well and have the equipment to protect others and themselves from individuals who want to do harm.*
- 4. When they have completed the life of public service to our communities that we receive a fair retirement.*

SB 2147 will address the fourth reason any person would do the hero's work and accept the call to serve as a police officer. When a police officer has completed 30 to 40 years of service, one way to say thank you for all that you have endured to keep our communities safe is their retirement.

If our Great State would make that retirement tax exempt from state income tax for retired police officers, not only would it make recruiting good people into public service easier but it would assist with the retention of officers.

Another aspect to SB2147, is that it could attract officers who retire from other states to not only move to our State but also contribute to the economy of our State. This would give departments the ability to hire experienced officers who would be able to fill leadership roles. This bill could also keep police

officers from moving out of state, upon retirement, to states that do not have income taxes such as South Dakota, Florida or Texas. Let's keep some of the best people in our communities, who have dedicated a life of service to protecting our citizens and visitors, here so they can call North Dakota home.

I want to thank Chair Kannianen and this committee for their time, and I am recommending a do pass on SB 2147.

Respectfully,

A handwritten signature in black ink, appearing to read "Chief J. Ziegler". The signature is fluid and cursive, with the first name "Chief" written in a larger, more prominent script than the last name "Ziegler".

*Jason J. Ziegler
Chief of Police
City of Mandan*



POLICE

Mandan North Dakota

Jason J. Ziegler
 Chief of Police
 205 1st Ave NW
 Mandan, ND 58554
 701-667-3250

Date: March 3, 2023

To: Chair Rep. C. Headland and Finance and Taxation Committee Members

From: Jason J. Ziegler Chief of Police for City of Mandan

Reference: SB 2147 Tax Deduction for Retired Law Enforcement Personnel Benefits

I am Chief Jason J. Ziegler, the Chief of Police for the City of Mandan and the current sitting president for the North Dakota Chiefs of Police Association. I am here today in support of SB2147.

I have been in law enforcement for almost 33 years and have seen many ups and downs over the years. What I have never seen in my honorable profession's history is the lack of interest in individuals who want to become police officers. It is my belief that the lack of interest is due to over the past several years the law enforcement profession has been publicly devalued and even defunded in many parts of our country.

I am truly blessed to be here in North Dakota, and to work for a city that not only wants good police officers but also appreciates the work that all police officers do. Even with the great support that the police officers get from our State and communities, every agency in North Dakota is still having difficulties in recruiting and retaining good people.

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- 1. If when called to protect others, and they give their life in the line of duty, that our State and communities would take care of their families that they have left behind.*
- 2. To be compensated for the service and commitment they will give to keep and protect everyone who lives, visits and works in our communities (to include surrounding communities).*
- 3. To be trained well and have the equipment to protect others and themselves from individuals who want to do harm.*
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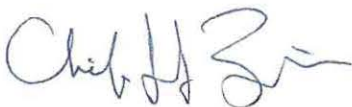
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officers from moving out of state, upon retirement, to states that do not have income taxes such as South Dakota, Florida or Texas. Let's keep some of the best people in our communities, who have dedicated a life of service to protecting our citizens and visitors, here so they can call North Dakota home.

I want to thank Chair Headland and this committee for their time, and I am recommending a do pass on SB 2147.

Respectfully,

A handwritten signature in blue ink, appearing to read "Chief J. Ziegler". The signature is stylized and cursive.

Jason J. Ziegler
Chief of Police
City of Mandan

23.0019.01001
Title.

Prepared by the Legislative Council staff for
Representative Motschenbacher
March 8, 2023

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Renumber accordingly