

1999 SENATE FINANCE AND TAXATION

SB 2246

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2246

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 01/27/99

Tape Number	Side A	Side B	Meter #
2,246	X		0-3460
Committee Clerk Signature <i>Sheila Wald</i>			

Minutes:

Sen Urlacher opened the hearing on Bill 2246, and roll was taken. RELATING TO PROPERTY TAX RECEIPTS.

Sen Anders submitted testimony in support. This testimony is attached.

Sen Urlacher- Do you object to the second set of amendments?

Sen Anders - Yes, delaying implementation of this, this is totally unnecessary, for 2 years anyway.

Sen. Stenehjem - However long it is going to take, would the filer requests a return paid statement, then just automatically mailing one.

Sen Anders - You mean not to send them out unless they send the check in. It would eliminate the requirement that they must send the receipt.

Mark Johnson - Testimony submitted and attached. NDACO Executive Director. In support.

Our concern is on the language. Original will have details. We have no problem with that.

Helen Schatz - Burleigh County Treasure, Neutral opinion. Explained the self-mailer, with detailed description for their use.

Sen. Kinnoin - Would this mailer you send out, IRS accepts the check as a paid receipt, can the taxpayer retain the pink copy, and then the check will be a receipt anyway or do you require the pink copy to go back?

Helen Schatz - The reason we need the copy is we need the description and the address we can find you. The pink copy is the original. If we go to stuffing envelopes, and we have to hire extra people to work the expense is very costly.

Connie Sprynezatyk - We have an account of the first meeting of 1912. In that account, indicates the Pres, has the authority to appoint Leg. Comm. as they meet the next Jan. and on one of the issues was county treasurer should issue receipts should be issued in duplicate or triplicate.

So this has been an issue for a long time.

Sen Anders - If you pass it out, to run the amendment to be run by John Walstad and have him take a look at it. I will be happy to have John Walstad to look at it.

Sen Urlacher Closed hearing.

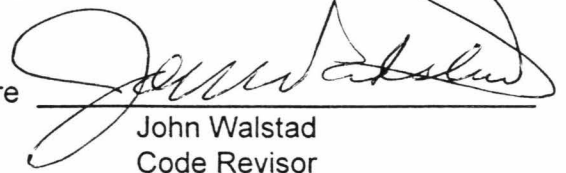
DISCUSSION - 02/03/99 A MOTION TO ACCEPT AMENDMENTS BY SEN. STENEHJEM AND SECONDED BY SEN. CHRISTMANN 7 Y 0 N 0 . THE BILL HAD A MOTION TO DO PASS WITH AMENDMENTS WAS MADE BY SEN STENEHJEM AND SECONDED BY SEN WARDNER. ROLL TAKEN 7 Y O N O ABSENT OR NOT VOTING, AND SEN. SCHOBINGER CARRIER. TAPE #2 2246-5960

FISCAL NOTE STATEMENT

Senate Bill or Resolution No. 2246

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.

Signature



John Walstad
Code Revisor

PROPOSED AMENDMENTS TO SENATE BILL NO. 2246

Page 2, line 8 , replace "duplicate so" with "a manner that allows", replace "may" with "to", and replace "copy as a receipt" with "printed record of the obligation"

Page 2, line 9, after "taxes" insert "and special assessments"

Page 3, line 21, replace "1998" with "2000"

Renumber accordingly

Date: 2/3/99
 Roll Call Vote #: 0

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2246

Senate Senate Finance and Taxation Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass w/ amend

Motion Made By Sen. Stenehjem Seconded By Sen. Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM	✓				
SENATOR WARDNER	✓				
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Schobinger

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

REPORT OF STANDING COMMITTEE

SB 2246: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2246 was placed on the Sixth order on the calendar.

Page 2, line 8, replace "duplicate so" with "a manner that allows", replace "may" with "to", and replace "copy as a receipt" with "printed record of the obligation"

Page 2, line 9, after "taxes" insert "and special assessments"

Page 3, line 21, replace "1998" with "2000"

Renumber accordingly

1999 HOUSE FINANCE AND TAXATION

SB 2246

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2246

House Finance and Taxation Committee

Conference Committee

Hearing Date March 2, 1999

Tape Number	Side A	Side B	Meter #
2	x		10.2
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

SEN. JOHN ANDRIST, DIST. 2, Introduced the bill as the sponsor of the bill. See written testimony. Suggested changes in amendment that would state that the bill may not need to be implemented before the tax year beginning Dec. 31, 2000.

REP. BILL DEVLIN, DIST. 23, Testified in support as a co-sponsor of the bill. He stated this bill would enable counties to cut some paperwork and reduce some printing costs. It would move us up to today the way things are being done with any other business.

REP. GROSZ Had a question relating to giving a receipt, does the County Auditor get a copy today and why do we send a copy of every receipt to them?

REP. DEVLIN Deferred the question to Mark Johnson.

Page 2

House Finance and Taxation Committee

Bill/Resolution Number Sb 2246

Hearing Date March 2, 1999

MARK JOHNSON, ASSOCIATION OF COUNTIES, Testified in support of the bill. See

written testimony. Also presented written testimony from Mark Montplaisir of Cass County and from Carol Kessler, Mercer County Treasurer.

REP. GROSZ Asked whether some counties are doing this already and giving a copy to a county auditor, wouldn't it simplify things a lot more if they give a copy of a list of the people who haven't paid?

MARK JOHNSON I believe that would be possible under this bill.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 3-2-99, Tape #2, Side A, Meter #25

REP. GROSZ Stated that some of the county treasurers don't bother to send receipts over to the auditors, this says they have to do that. Rep. Grosz offered to have some amendments drafted that would incorporate everyone's suggestions.

The bill will be acted on at a later date.

COMMITTEE ACTION 3-3-99, Tape #2, Side A, Meter #37.3

REP. GROSZ Presented amendments to the committee which will make it optional if the county commissioners want a receipt sent to the county auditor. This will also change the date when it goes into effect back to 1998.

REP. GROSZ Made a motion to adopt the amendments as presented.

REP. WINRICH Second the motion. MOTION CARRIED BY VOICE VOTE.

REP. WINRICH Made a motion for a DO PASS AS AMENDED.

REP. RENNER Second the motion. MOTION CARRIED

Page 3

House Finance and Taxation Committee

Bill/Resolution Number Sb 2246

Hearing Date March 2, 1999

The vote was 14 Yes 0 No 1 Absent

REP. WINRICH Was given the floor assignment.

Please type or use black pen to complete

Date 3-3-99
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2246

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
- Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep. Winrich Seconded By Rep. Renner

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	✓				
FROELICH	✓				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	✓				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 14 0
(Yes) (No)

Absent 1

Floor Assignment Rep. Winrich

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)
March 4, 1999 1:48 p.m.

Module No: HR-39-4045
Carrier: Winrich
Insert LC: 90267.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2246, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2246 was placed on the Sixth order on the calendar.

Page 2, line 21, after the comma insert "if directed by the board of county commissioners"

Page 3, line 1, overstrike "The" and insert immediately thereafter "If directed by the board of county commissioners, the"

Page 3, line 21, replace "2000" with "1998"

Renumber accordingly

1999 SENATE FINANCE AND TAXATION

SB 2246

CONFERENCE COMMITTEE

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2246

Senate Finance and Taxation Committee
Conference Committee MINUTES FOR CONFERENCE COMMITTEE
Hearing Date 3-16-99

Tape Number	Side A	Side B	Meter #
# 1	X		0-2280
Committee Clerk Signature <i>Sheila Wald</i>			

Minutes:

Sen. Wardner opened the hearing and roll call was taken - and Sen. Wardner explained the voting positions of the House and Senate. This bill relates to property tax receipts. We are looking at the amendments put on by the House. On page 2, Line 21-22, the wording is on the 3rd page, and the line 23, House changed the effective date back to 1998.

Rep. Winrich - That applies to the providing of the paper receipts to the county auditor. Why do we have to pass paper between the treasurers office and the auditors office, when in fact the County has automated their system, and that could be all one part of the database. The provision was put in so the Board of County Comm. says we will keep the paper system in place, otherwise they can use automated system.

Sen. Wardner - We felt the treasurer is an elected position, and we would pass the bill as such, and make an effective date on it.

Rep. Winrich - The language without the House amendment, the treasurer shall provide receipts at the end of each day to the Auditor. Our interpretation was that the transaction had to take place

within the courthouse. If County automates their systems, a transfer could take place more efficiently.

Rep. Clark - I would like to say, different counties have different policies, we could let them handle it on the local control.

Sen. Urlacher - Are you saying some maybe automated or some may not be?

Rep. Winrich - Yes, that is our understanding.

Sen. Wardner - We are thinking they send out the document, tell you what your property taxes are, and there is a duplicate copy, and one they send back.

Sen. Urlacher - Lands are owned different parties and in different counties.

Sen. Michelson - The language we put in only applies to the transfer between the county and the auditor. On page 2 - that refers to it. We didn't change and that is to be sent out to taxpayers.

Sen. Wardner - Reads Section 2 - I interpret this as a mandatory to have a copy.

Sen. Urlacher - On the effective date, some thought because of automation?

Rep. Winrich - I think we wanted to allow this in case the County wanted to use it, immediately.

Sen. Kinnoin - We had it in the original bill at 1998. Auditors needed time to do paperwork, and that's why they wanted year 2000.

Rep. Clark - They can do it now or whenever.

Rep. Michelson - Counties are up and ready to go.

John Walstad - Treasurer is going to have to send some sort of printed record, receipt, not necessarily carbon. It would be mandatory.

Sen. Urlacher - Can use check as a receipt.

John Walstad - Yes.

Rep. Winrich - When we heard this in the House, thought the current situation would satisfy the taxpayer. It does give them a record.

Sen. Kinnoin - Effective date, back to 1998, doesn't this affect this at all?

John Walstad - It does make a difference. It speeds it up. The statements being sent out this year, would be the first one, subject to this change requirement. The bill originally drafted did give some delay time. So counties could figure out how they would change their procedures.

Sen. Wardner - Continue to send out what they were sending, because that has a carbon on it. However this bill does mandate that they can not send another receipt? That's my question?

John Walstad - Requirement is in law- person gets receipt. The language is being struck out there. Eliminates the requirement for the treasure to provide a receipt. Objective of the legislation is to eliminate the expense to the county.

Rep. Winrich - As counties automates the receipts, the paper trail is not needed.

SEN. KINNOIN, SENATE ACCEDES TO THE HOUSE AND SECONDED BY SEN.
URLACHER. 6 Y VOTES.

Date: 3/16/99
 Roll Call Vote #: ①

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2246

Senate Senate Finance and Taxation Committee

Subcommittee on _____
 or

Conference Committee

Legislative Council Amendment Number _____

Action Taken _____

Motion Made By _____ Seconded By _____

Roll Call -

Senators	Yes	No	Senators Repts.	Yes	No
SENATOR URLACHER -	✓		Rep. Mickelson	✓	
SENATOR CHRISTMANN					
SENATOR SCHOBINGER			Rep. Clark	✓	
SENATOR STENEHJEM					
SENATOR WARDNER -	✓		Rep. Merrick	✓	
SENATOR KINNOIN -	✓				
SENATOR KROEPLIN					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

=====
REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE) - 420
=====

07398

(Bill Number) 2246 (, as (re)engrossed):

Your Conference Committee

For the Senate:

For the House:

Sen. Gardner Y
Sen. Urlacher Y
Sen. Kinnoin Y

Rep. Mickelson Y
Rep. Clark Y
Rep. Menrich Y

[X] recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)
the (Senate/House) amendments on (SJ/HJ) page(s) 661 -

[X] and place on the Seventh order.

[] , adopt (further) amendments as follows, and place
on the Seventh order:

[] having been unable to agree, recommends that the committee be discharged
and a new committee be appointed.

((Re)Engrossed) 2246 was placed on the Seventh order of business on the
calendar.

DATE: 3/16/99
CARRIER: Rich Gardner
LC NO. . of amendment
LC NO. . of engrossment
Emergency clause added or deleted
Statement of purpose of amendment

(1) LC (2) LC (3) DESK (4) COMM.

Insert LC: .

REPORT OF CONFERENCE COMMITTEE

SB 2246, as engrossed: Your conference committee (Sens. Wardner, Urlacher, Kinnoin and Reps. Mickelson, Clark, Winrich) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 661 and place SB 2246 on the Seventh order.

Engrossed SB 2246 was placed on the Seventh order of business on the calendar.

1999 TESTIMONY

SB 2246

**TESTIMONY TO THE
SENATE FINANCE & TAXATION COMMITTEE**
Prepared January 27, 1999 by the
North Dakota Association of Counties
Mark Johnson, NDACo Executive Director

Concerning Senate Bill No. 2246

Thank you Chairman Urlacher and members of the Committee for the opportunity to present a few very brief remarks concerning our Association's support for Senate Bill 2246, as well as a concern we have with the wording in the bill as introduced.

County officials recognize and applaud the sponsors' intentions to reduce the required mailings that are now involved in administering the property tax system on behalf of the cities, townships, and schools as well as the counties. We believe that this bill could eliminate at least one mailing; that of the receipt once taxes are paid. But it is our understanding that the bill would not prohibit that mailing, if the County Board or the State Auditor determined that it was prudent to continue this practice.

Our concern is with the language of line 8 on page 2 that suggests the duplicate tax statement may be retained "as a receipt". We believe with this wording, counties could have problems with unpaid taxes, if someone claims to have paid their taxes, using the duplicate statement as legal evidence. To address this, but without eliminating the flexibility of the proposal or removing the requirement that some sort of documentation be available for retention by the taxpayer; we have proposed the attached amendment.

This amendment would require that the statement include “a printed record of the total payment of taxes” but not necessarily a “duplicate”. This we believe would allow for two-part statements, as well as duplicate statements. Many counties, as you may be aware, are moving toward plain paper statements to avoid the considerable cost of carbonless copies, and this language, we believe, would facilitate that option. If counties found the cost of mailing duplicate statements to actually increase their postage costs, this language would also allow them to consider other means of achieving the required documentation.

Our amendments also suggest delaying the effective date of this change until tax years beginning after 2000. This is requested because duplicates or two-part statements will likely result in computer programming efforts, which may be difficult to undertake as counties are attempting to address potential problems related with the year 2000 programming issue.

Again, Mr. Chairman and Committee members, we are hopeful that the added flexibility proposed in Senate Bill 2246 can be retained, but you will find a way to amend the bill to avoid the problems we have raised.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2246

Page 2, line 8, replace “duplicate so” with “such manner as” and replace “copy as a receipt for” with “printed record of the total”

Page 3, line 21, replace “1998” with “2000”

Re-number accordingly

FACSIMILE COVER SHEET

**TO: Senator Andrist, Senator Flakoll, Representative Devlin,
Representative Kerzman and Representative Wentz:**

**FROM: LESLIE HAGE
RICHLAND COUNTY FINANCE & ACCOUNTING SUPERVISOR
RICHLAND COUNTY TAX & BUSINESS OFFICE
418 2ND AVE N
WAHPETON ND 58075
701-642-7706
FAX 701-642-7701**

COVER SHEET PLUS 1 PAGE TO FOLLOW.

Following is testimony regarding Senate Bill No. 2246. The County Treasurers and Auditors listed support this bill and want to thank you for your support and assistance in getting this legislation passed into law.

Please submit this testimony Wednesday, January 27, 1999, at the Finance and Taxation Committee Meeting to be held at 9:00am in the Lewis and Clark Room at the State Capitol.

If you have any questions, please do not hesitate to contact any of the persons listed. And, once again, thank you for your support on this very timely and appropriate bill.

TESTIMONY REGARDING SENATE BILL NO. 2246

Chairman Urlacher and members of the Finance and Taxation Committee:

This bill would provide major savings for counties. With rising property taxes, and the public's rightful dissatisfaction with these rising costs, this bill would provide a means to save the counties money while not reducing the quality of service provided to the taxpayer.

At current, the NDCC requires that all payers of taxes be mailed a property tax receipt. This constitutes a large monetary outlay for the counties (i.e. the taxpayers), in the form of tax receipts, envelopes, labor and postage. This bill would enable counties to provide a duplicate statement at the time of billing. This duplicate statement would be retained by the taxpayer and would contain all of the information that is currently sent to the taxpayer on their receipt. As with other types of payments that individuals make, their cancelled check would be their proof of payment.

An example of the public's acceptance of using their cancelled check as proof of payment comes from Cass County. Last year, the postal service returned to Cass County approximately 1,500 tax receipts that could not be forwarded to the taxpayers' new addresses. Of those 1,500 tax receipts, only three people contacted the Cass County Treasurer's Office to inform them that they had not received their receipts and to request duplicate copies.

Many escrow companies, which pay a large percentage of tax statements, no longer require counties to mail them tax receipts. However, to be in compliance with NDCC, we have to send them out, generating unneeded and unwanted expense for the counties and taxpayers.

This bill would enable the counties to cut costs, while still providing good service. Any taxpayers who requests a receipt would be gladly accomodated.

We urge you to support Senate Bill No. 2246 as a cost saving measure for counties and taxpayers. Please feel free to contact us if you have any questions regarding our support for this bill. Thank you.

Gina Hillestad, Sargent County Treasurer and President of the ND County Treasurer's Association 701-724-6241

Leslie Hage, Richland County Finance and Accounting Supervisor 701-642-7705

Kelly Hornstein, Richland County Auditor 701-642-7700

Charlotte Sandvik, Cass County Treasurer 701-241-5611

Michael Montplaisir, Cass County Auditor 701-241-5601

ND Legislative Assembly

John M. Andrist
State Senator - District 2
Post Office Box E
Crosby, ND 58730

Phone: 701/965-6798
FAX: 701/965-6089
email: jandrist@state.nd.us

TO: Senate Finance and Taxation Committee Members
FROM: John Andrist, District 2
RE: Senate Bill 2246

Why can't government operate more like a business? It can, and SB 2246 is just one small way to help. It's always stuck in my craw that everytime I pay a county tax bill, the county treasurer has to take time to mail a receipt back to me.

That was once the way everybody did business. Send a receipt. But virtually nobody does it in today's business world. It's time consuming, it's costly. More important it's waste.

SB 2246 simply says the county should send two copies of the bill, just like anyone else does in the business world, with instructions to return one copy with the check and to keep the second as a receipt.

The Association of Counties is offering two amendments. The first makes the bill even better, because it would provide a further option that they could, if they chose, send a perforated single statement, with a stub to return for the check. I support that amendment.

The second amendment would delay implementation for two years. That's senseless, in my view, because it simply suggests that they can't figure out how not to send receipts in the nine months between now and the time they send out statements. They can do that job in an hour's time.

Perception is as bad as the waste itself. When people pay taxes they don't want to see their nickles wasted. I hope you'll end this redundant exercise by passing 2246.

Wed 9 AM

SAMPLE

**TESTIMONY TO THE
SENATE FINANCE & TAXATION COMMITTEE**
Prepared January 27, 1999 by the
North Dakota Association of Counties
Mark Johnson, NDACo Executive Director

*Wednesday
Audits Bill*

Concerning Senate Bill No. 2246

Thank you Chairman Urlacher and members of the Committee for the opportunity to present a few very brief remarks concerning our Association's support for Senate Bill 2246, as well as a concern we have with the wording in the bill as introduced.

County officials recognize and applaud the sponsors' intentions to reduce the required mailings that are now involved in administering the property tax system on behalf of the cities, townships, and schools as well as the counties. We believe that this bill could eliminate at least one mailing; that of the receipt once taxes are paid. But it is our understanding that the bill would not prohibit that mailing, if the County Board or the State Auditor determined that it was prudent to continue this practice.

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Our concern is with the language of line 8 on page 2 that suggests the duplicate tax statement may be retained "as a receipt". We believe with this wording, counties could have problems with unpaid taxes, if someone claims to have paid their taxes, using the duplicate statement as legal evidence. To address this, but without eliminating the flexibility of the proposal or removing the requirement that some sort of documentation be available for retention by the taxpayer; we have proposed the attached amendment.

11/10/98

This amendment would require that the statement include "a printed record of the total payment of taxes" but not necessarily a "duplicate". This we believe would allow for two-part statements, as well as duplicate statements. Many counties, as you may be aware, are moving toward plain paper statements to avoid the considerable cost of carbonless copies, and this language, we believe, would facilitate that option. If counties found the cost of mailing duplicate statements to actually increase their postage costs, this language would also allow them to consider other means of achieving the required documentation.

Our amendments also suggest delaying the effective date of this change until tax years beginning after 2000. This is requested because duplicates or two-part statements will likely result in computer programming efforts, which may be difficult to undertake as counties are attempting to address potential problems related with the year 2000 programming issue.

Again, Mr. Chairman and Committee members, we are hopeful that the added flexibility proposed in Senate Bill 2246 can be retained, but you will find a way to amend the bill to avoid the problems we have raised.

John - this wording

Seems awkward, below accomplishes their objective, perhaps more clearly and also adds special assessment reference we should have included in the first place

PROPOSED AMENDMENTS TO SENATE BILL NO. 2246

Page 2, line 8, replace "duplicate so" with "such manner as" and replace "copy as a receipt for" with "printed record of the total"

Page 3, line 21, replace "1998" with "2000"

Renumber accordingly

Page 2, line 8, replace "duplicate so" with "a manner that allows", replace "may" with "to", and replace "copy as a receipt for" with

"printed record of the obligation"

Page 2, line 9, after "taxes" insert "and special assessments"

ND Legislative Assembly

John M. Andrist
State Senator - District 2
Post Office Box E
Crosby, ND 58730

Phone: 701/965-6798
FAX: 701/965-6089
email: jandrist@state.nd.us

TO: House Finance and Tax Committee
FROM: Sen. John Andrist, District 2
RE: SB2246

At one time it was a common practice for everyone to supply a receipt whenever a bill was paid. But as postage began to rise from 3c to 33c, and as check writing became the norm, replacing cash payments, the private sector long ago eliminated the practice.

There is a vestige of the old way in our property tax management system, which 2246 attempts to address. Presently county treasurers prepare and mail statements. When payment is received they also send a receipt, and give a copy to the county auditor.

Under 2246 we would direct treasurers to send duplicate statements, or a statement with a return perforated stub. No receipt would be necessary, but could still be supplied on request. The treasurer would still send receipt of payment notification to the auditor for their records.

At the request of the Association of Counties, Section 5 was added to make the change effective with the tax year beginning December 31, 2000. That means, according to my understanding, that we will still send receipts until taxes are paid in 2001. This seems wasteful to me. I would urge Section 5 be amended something like this:

Changes contained in this amendment ^{may, but} need not be implemented before the tax year beginning Dec. 31, 2000.

**TESTIMONY TO THE
HOUSE FINANCE & TAXATION COMMITTEE
Prepared March 2, 1999 by the
North Dakota Association of Counties
Mark Johnson, NDA Co Executive Director**

Concerning Engrossed Senate Bill No. 2246

Thank you Chairman Belter and members of the Committee for the opportunity to present a few very brief remarks concerning our Association's support for Engrossed Senate Bill 2246, as well as clarify what we believe this bill does, and also what it does not change, with respect to property tax statements.

County officials recognize and appreciate the sponsors' intentions to allow for a reduction in the mailings that are now involved in administering the property tax system on behalf of the cities, townships, and schools as well as the counties. We believe that this bill could eliminate at least one mailing; that of the receipt once taxes are paid. But it is our understanding that the bill would not prohibit that mailing, if the County Board, the Treasurer, or the State Auditor determined that it was prudent to continue this practice.

As the bill comes to you, it does require that the tax statement "*must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.*"

Several counties have expressed the concern that this would require them to send an extra copy of the statement, even if their process involves returning a receipt with the same information. It is our belief that as long as the taxpayer is allowed to retain a record, whether it's an extra copy or the receipt, the intent of the bill is achieved.

With this understanding, Mr. Chairman and Committee members, we support the added flexibility that Engrossed Senate Bill 2246 provides and urge a Do Pass recommendation.



Submitted by
Mark Johnson

March 1, 1999

Auditor

Michael Montplaisir, CPA
701-241-5601

Representative Welsey R. Belter
Chairman, Finance and Taxation Committee
State Capitol
Bismarck ND 58505

Treasurer

Charlotte Sandvik
701-241-5611

Re: Senate Bill 2246

Director of Equalization

Frank Klein
701-241-5616

Dear Representative Belter:

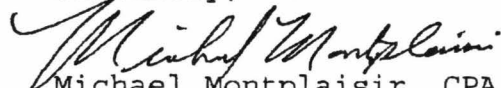
Senate Bill 2246 is a bill that has the potential of reducing county government costs and does not negatively impact the property taxpayer. The bill requires the county treasurer to send out a tax statement that "allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments." In return, the requirement to send a receipt to the taxpayer upon payment of the tax is eliminated.

Cass County's tax statement already meets the above requirement. We provide a statement with a tear off portion that can be returned with the payment. In counties that don't have that type of tax statement, a duplicate copy of the tax billing should meet the new standard.

Cass County would realize savings from not having to mail a receipt upon payment of the tax. The saving would come not only from postage, but also the labor and supplies involved in processing the receipts. Nothing in the bill prohibits sending out receipts, if a county wanted to continue sending receipts they could, or if a taxpayer requested a receipt we would, of course, mail them a receipt.

I urge you to support Senate Bill 2246.

Sincerely,


Michael Montplaisir, CPA
County Auditor

Box 2806
211 Ninth Street South
Fargo, North Dakota 58103

FAX 701-241-5728

Submitted by
Mark Johnson

**MERCER COUNTY TREASURER
PO BOX 39
STANTON, NORTH DAKOTA 58571
TELEPHONE 701-745-3353
E-MAIL ckessler@pioneer.state.nd.us**

Subject: SB 2246

**Relating to property tax receipts, and to provide an effective date
House Finance and Taxation Committee
Rep. Wesley R Belter, Chairman
Rep. Earl Rennerfeldt, Vice-Chairman
Reps. Clark, Froelich, Grande, Grosz, Herbel, Kroeber, Mickelson, Nicholas,
Renner, Schmidt, Warner, Wikenheiser and Winnrich**

Tuesday, March 2, 1999

Testimony by: Carol J. Kessler, Mercer County Treasurer

I have been employed in the County Treasurer's office since 1971. I served as a deputy for seven years, was elected treasurer and am continuing to serve in that capacity. In following SB 2246, I was against the bill in the original form because experience has shown that the tax payers want a receipt from their county treasurer showing the date their taxes have been paid, check number, treasurer's or deputy treasurer's initials and amount paid. I was told the bill was amended that allows the county to have an option on whether they issue a receipt to the taxpayer. In reading that amended form, I feel it does not give that option. The amended form reads, " The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement." I interpret that to say the county still must provide a statement in duplicate to the taxpayer so he/she has the option to keep one of the statements. In my county that that would mean designing a new statement that in effect is a duplicate so it will in turn cost more to have printed. Increase in weight to mail each envelope -increase in postage cost. In addition, we would need to have a program written so we could run that type of statement on the computer. And that will certainly be a high cost.

When the "amended" sentence says the " The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement" it is ordering me to send out duplicate statements allowing the taxpayer to keep a copy. It doesn't mention an option of issuing tax receipts.

I also feel this method is unacceptable for delinquent taxes. It is often said government should be run like a business. Well, in the case of collecting real estate taxes, that is rather hard to do. A business sends out billings every month so the debtor is aware of what he/she owes. We are required to mail tax notices twice a year -on or before December 26 of each year (NDCC 57-20-07.1) and between the first day and fifteenth day of November of the following year -annual tax sale - (NDCC 57-24-01). The penalty increases every other month on a current tax and after a year, interest on those amounts changes daily. How can counties have the option of using a duplicate statement as a receipt when there aren't monthly billings? If counties are to have the option of issuing receipts so they can save money on postage, then monthly billings should be a must. But how prohibitive that expense would be!!!!!!

I feel this bill is very misleading and confusing. I ask that you recommend a DO NOT PASS on SB 2246

Carol J. Kessler
Mercer Co. treas.