

1999 SENATE NATURAL RESOURCES
SB 2382

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2382

Senate Natural Resources Committee

Conference Committee

Hearing Date February 2, 1999

Tape Number	Side A	Side B	Meter #
1		x	2866-end
2	x		0-2693
Committee Clerk Signature <i>Sheila Wald</i>			

Minutes:

SENATOR URLACHER opened the hearing on SB2382: A BILL RELATING TO THE MILL LEVY FOR SENIOR CITIZENS PROGRAM.

SENATOR MUTZENBERGER explained the bill which gives authority to districts to control mill levies.

WAYNE GRANFOR testified because mill levy and trust funds do not meet budget requests, there are no funds available to back individual operational costs. If a county chooses not to increase the mill levy, a local city can put in a 1 mill levy to support a senior center. There is no fiscal note because this would strictly be up to the county and has to be passed by citizen vote.

SENATOR WARDNER asked if the county could vote to put the mill levy on without our putting it in code.

WAYNE GRANFOR replied only if they have not exceeded the mill. The county commissioners can initiate anything up to 1 mill, but it is already at 1 mill so we cannot go beyond that. We have to look at some alternative.

SENATOR WARDNER stated you have to have an election of the county people and it is a majority vote that will increase the mill levy. If we put this mill in place, you still have to go to the county for the vote.

SENATOR STENEJHEM stated the state has authorized the county commissioners to go up on the mill levy to 1%. The electors in any district can go to the county and ask to be put on the ballot to raise the mill to any number of mills they want, and if the residents in that district or county decide to raise the mill, they can raise the mill levy caps on any area that they want, so you don't need this bill.

IRVIN JOSE testified in support of SB2382.

SENATOR URLACHER informed John Walstad that there is a question whether a mill levy for senior citizens can be raised without a 60% majority of the vote of the people of the county. Can they raise the mill levy now without this bill.

JOHN WALSTAD, ND Legislative Council 57-15-56 is the magic section. It appears to be a majority vote requirement. The vote that is required by law is on whether to impose or remove the levy. It does not incorporate voting on the 1 mill that the statute currently provides. This bill changes the maximum from 1 to 2 mills and the question is whether that is going to require another vote to go from 1 to 2. Without this bill, I don't think that there is authority to increase this levy for senior citizen programs beyond the 1 mill. The county has authority to go to the voters for an increase in levy authority, but that is the general fund levy. This is outside the

general fund and is on top of the general fund and does not count in the county dollars up to their general fund limit.

SENATOR STENEJHEM asked is this considered a special fund and the county itself cannot raise the caps on that special fund by a vote of the people and increase the mills.

JOHN WALSTAD replied the only way the counties could do that is Home-Rule. You could by Home-Rule put that question before the voters of the county to increase it and in that case you could go to as many mills as the voters would approve. This levy is limited to 1 mill and there is no provision in this section for going beyond 1 mill by voter approval so I see no other way of putting it before the voters, other than a Home-Rule petition.

SENATOR STENEHJEM asked if it is a general fund mill levy increase, the counties could do that without being a Home-Rule charter and raise the mill levy tax.

JOHN WALSTAD replied that is correct. I think the county could take general fund money and make it available for senior citizen programs, if the county chose to do that.

SENATOR STENEHJEM stated if the counties wanted to, they could add more mills to general fund levy by a vote of the people and use them for these programs.

JOHN WALSTAD replied I think that is correct. The county general fund can be used for general county purposes, one of which would be funding senior citizens programs and activities.

SENATOR WARDNER asked is that true for all special funds that the county may have.

JOHN WALSTAD replied I think the county can use its general fund money for whatever it thinks is a significant enough issue for using county funds and the fact that the Legislature has created special levy authority for a number of things, it seems to be that is a county interest. The county general fund is capped at 23 mills, but most counties are probably above that level

because of those optional percentage dollar increases that have been allowed since 1981. The money that is in the county general fund budget is probably pretty well screwed down by that cap and there is not a lot of excess money there right now so it probably would take the vote of the people to expand that to make money for additional programs.

SENATOR CHRISTMANN asked if an amendment needs to be made because if the county is levying 1 mill now and this allows them to levy 2, can they switch it or does this allow a new one to have a vote and levy 2. Does it ready correctly to do what we want to do if we want to increase it.

JOHN WALSTAD asked do you want them the flexibility to go from 1 to 2 mills without going back on the ballot. Do you want them to have to go back to the voters to go to 2. Perhaps it ought to be amended either way. It seems there is a question now to impose the 1 mill takes the vote of the people, but it only talks about imposing the tax. The way the bill is written where you go to 2, if you have the tax approved by the voters, probably all that is necessary is the county commission to approve up to 2 mills. It wouldn't require another vote to impose the levy because the voters have already voted that they approved the senior citizen program levy. The ballot question probably never said limited to 1 mill.

SENATOR STENEHJEM asked if we brought this up to 2 at this point, what if there is a county that added 1 mill on, took all those increases and ended up at 3 or 4 mill now, what would that do to those people.

JOHN WALSTAD replied the provision that allows those optional levies in dollars says you can either use that optional authority or you can levy up to what is otherwise provided by law. If you are above 2 now, I am not sure you could get there by compounding. If you would happen to be

above 2 now, and this became law, it would not bring you down to 2. You could still use that authority to levy the same dollars you did last year for whatever that purpose is. If you are at 1.89 right now in dollars of compounding, this would allow you to go up to 2. It is not going to add a mill on top of everybody's levy. Those that are over 1 now would only have the float room that takes them up to 2.

SENATOR WARDNER asked if they went from 1 to 2, they would have to go to the voters. If the mill levy for the senior citizens program is in place, now because it is established, you say the county commissioners can put it up to 2.

JOHN WALSTAD replied I am not sure. The committee should look at an amendment to make that clear.

SENATOR KINNOIN asked wouldn't it depend upon how that ballot was worded.

JOHN WALSTAD replied that would be a legitimate question. This probably wouldn't let you go to 2 unless you go back to the voters. If the ballot said do you approve a levy for the senior citizens programs in accordance with Section 57-15-56, if that was the question the voters approved, then it probably wouldn't take a vote to go 1 to 2.

SENATOR KINNOIN asked the 44 cent match that you are getting now, did the reduction take place gradually or did it suddenly kick in at 44 cents. Who administers those matching funds.

CHERYL PFLIGER, Dept. of Human Services, replied Human Services does have within the budget the mill levy matched dollars. It did occur gradually.

NORM STUHMILLER stated it is a basic bill so let the people decide.

SENATOR URLACHER closed the hearing on SB2382.

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Senate Natural Resources Committee
Bill/Resolution Number SB 2382 F&T
Hearing Date February 2, 1999

DISCUSSION ON 2-3-99 MOVED TO ACCEPT AMENDMENTS MOTION BY SEN
STENEHJEM, AND SECONDED BY SEN WARDNER. 7 Y 0 N . A MOTION TO DO PASS
W/ AMENDMENTS WAS MADE BY SEN STENEHJEM AND SECONDED BY SEN.
SCHOBINGER. CARRIER OF THE BILL SEN .STENEHJEM.

FISCAL NOTE

(Return original and 14 copies)

Resolution No.: SB 2382

Amendment to: _____

Requested by Legislative Council

Date of Request: 1/25/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: SB 2382, if enacted, allows counties and cities to increase the property tax levy for senior citizen programs by one mill. While one additional mill will annually generate approximately \$1.15 million property tax revenue for counties and \$565,000 for cities, this bill, by itself, does not cause a change in the property tax revenue to counties or cities. The level at which senior citizen programs and activities are funded by property taxes is a county or city governing body decision.

2. **State fiscal effect in dollar amounts:**

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: _____
 (Indicate the portion of this amount included in the 1999-2001 executive budget:)
- b. For the 1999-2001 biennium: _____
 (Indicate the portion of this amount included in the 1999-2001 executive budget:)
- c. For the 2001-03 biennium: _____

4. **County, city, and school district fiscal effect in dollar amounts:**

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed
attach a supplemental sheet.

Signed: *Kathryn L. Strombeck*

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: January 26, 1999

Phone Number: 328-3402

Date: 2/3/99
Roll Call Vote #: ①

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2382

Senate Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do Pass w/amend

Motion Made By Sen Stenehjem Seconded By Sen Schobinger

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 _____

Floor Assignment Sen Stenehjem

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

REPORT OF STANDING COMMITTEE

SB 2382: 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 2382 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the second "and" with a comma

Page 1, line 2, after "57-15-10" insert ", and subsection 3 of section 57-15-56"

Page 1, after line 12, insert:

"SECTION 3. AMENDMENT. Subsection 3 of section 57-15-56 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The levy authorized by this section may be imposed or removed only by a vote of a majority of the qualified electors of the county or city voting on the question directing the governing body to do so. The levy authorized by this section may not be increased to a levy of more than one mill under the authority of this section unless approved by a vote of a majority of the qualified electors of the county or city voting on the question. The governing body shall put the issue before the qualified electors either on its own motion or when a petition in writing, signed by qualified electors of the county or city equal in number to at least ten percent of the total vote cast in the county or city for the office of governor of the state at the last general election, is presented to the governing body."

Renumber accordingly

1999 HOUSE FINANCE AND TAXATION

SB 2382

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2382

House Finance and Taxation Committee

Conference Committee

Hearing Date March 3, 1999

Tape Number	Side A	Side B	Meter #
2	x		4.5
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

SEN. MARV MÜTZENBERGER, DIST. 32, Introduced the bill as the prime sponsor. When the session started, there were some folks who came to see me who had some concerns about financing the senior citizen's program. The bill is a direct result of their interest.

WAYNE GRANFOR, PRESIDENT OF THE WILTON SENIOR CITIZEN'S CENTER,

Testified in support of the bill. Gave a background relating to a Silver Haired Legislative Assembly, who passed a resolution endorsing a change in the mill levy, which presently, counties can levy for senior citizen's centers, limited to one mill. This bill goes back to 1971 and has not been changed since. This bill changes the limit from one mill which the county can levy to two mills, or a municipality, in case the county chooses not to levy that. Gave a scenerio of the Wilton situation because they are on the border, they get money from Burleigh County and

from McLean County. We, like so many other centers, are finding that the centers are needing repair. We have some very active members, however, they are getting to be in their higher 80's and 90's, if we have to depend on bake sales, etc., to finance the maintenance of the center, it may mean the demise of the center. The State Senior Citizen's Trust Fund, is the appropriation from the state, pays directly to the meals and transportation programs to insure that both programs receive adequate operating funds to meet their budget requests. Because of a one mill levy and the trust fund do not meet the budget request, there are no funds available to allocate back to individual operating costs. This was a letter received from the McLean County Auditor. We get some money from Burleigh County, we have met with Kevin Glatt, and he informed us they are also at their maximum and cannot give us anymore. We need some kind of alternative, and someplace to turn to. We are hoping that, perhaps, by changing the mills, the counties would have to vote on it, they could go up a quarter a mill or one half, or whatever. Gave a report regarding an elderly person who is now in a nursing home, giving an example of what the cost is for an individual in a nursing home versus being in her own home getting meals on wheels, etc.

JOHN HAGEN, MEMBER OF THE WILTON SENIOR CITIZEN'S CENTER, AND ALSO

SENIOR COUNCIL IN BURLEIGH COUNTY, BALDWIN, Testified in support. Stating the

Mercer McLean Senior Citizen's Centers are hurting bad. They are operating on deficit spending money. They borrow money annually from the bank in Hazen or Beulah to operate on, when they get their funds from the county from the mill levies, they have to pay this off. They are continually going down hill. McLean County only levies one mill. The state used to match this one mill levy, but right now it is only forty four hundredths of a mill which they match. We need this extra mill.

REP. MICKELSON TO STATE TAX DEPARTMENT How was the bill changed with this new addition of Section 3?

GARY ANDERSON, STATE TAX DEPARTMENT Stated he was not sure, he had not been following this bill.

REP. WINRICH Answered, the limit is the same, it simply talks about the county levying the tax, so presumably the county commission would levy that tax. Section 3, the amendment, requires that there be a referendum, a vote of the majority of qualified electors.

REP. GROSZ I think the way the bill was introduced, it was from one to two mills, an extra mill was added, and the people would have had to vote on it. It looks to me like the first mill would not have to be voted on but the second one would be.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 3-3-99, Tape #2, Side B, Meter #10.5

REP. GROSZ Suggested that the Senate amendments be stripped from the bill.

REP. GRANDE Second that motion.

After discussion, committee members wanted to research the bill and the amendments before acting on the bill.

Rep. Grosz and Rep. Grande, withdrew their motion. The bill will be acted on at a later date.

COMMITTEE ACTION 3-8-99, Tape #1, Side B, Meter #40.6

REP. WINRICH Made a motion for a DO PASS.

REP. NICHOLAS Second the motion. MOTION CARRIED.

14 Yes 0 No 1 Absent

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House Finance and Taxation Committee

Bill/Resolution Number Sb 2382

Hearing Date ~~March 3, 1999~~

3-8-99

The floor assignment was given to REP. WARNER.

Please type or use black pen to complete

Date 3-8-99
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2382

House HOUSE FINANCE & TAX Committee

Subcommittee on _____ } Identify or check where appropriate
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Winrich Seconded By Rep. Nicholas

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

Total 14 0
(Yes) (No)

Absent 1

Floor Assignment Rep. Warner

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)
March 8, 1999 11:36 a.m.

Module No: HR-41-4206
Carrier: Warner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2382, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman)
recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed SB 2382 was placed on the Fourteenth order on the calendar.