



# NORTH DAKOTA HOUSE OF REPRESENTATIVES

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## **Representative Kim Koppelman**

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**Speaker of the House**

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## **Testimony in Support of HB 1199**

### **Before the House Finance and Taxation Committee**

Mr. Chairman and Members of the Committee,

I bring House Bill 1199 before you today to correct an injustice in North Dakota law which can rob our state's citizens of their hard-earned equity in their homes, which often represents their life savings or retirement nest egg.

Under current law, if property is sold due to unpaid back taxes, not only can the local government, understandably, recoup the taxes it is due, the government can actually keep the entire proceeds of the sale!

Let's consider what this means. If you owned a home worth \$250,000, on which you had a \$50,000 balance on your mortgage, for example, and ran into difficult financial times and were unable to pay your taxes or a portion of them for two years (the point at which, under current law, such a sale can occur). Suppose that the county decided to foreclose and sell your home to collect those back taxes, not only would you be out of your home, not only would the government collect all it is due in back taxes, penalties and interest due, but under current law, the government could also keep the entire proceeds of the sale.

In other words, you could lose the entire \$200,000 of equity which you had in your home! The quick turn-around—two years rather than the 5 years we previously had in law—exacerbates the problem. Surely anyone can come upon hard times, financially, and, under North Dakota law, quickly lose not only their home, but also all the equity they've built up in it.

**I'm sure that you'll agree that this is simply wrong.**

House Bill 1199 will correct that by both allowing the government all it is due—back taxes, penalties, interest, and even their costs incurred in the sale process—but will ensure that our citizens are never in fear of being robbed of their property, as well. I respectfully encourage you to give it a “Do Pass” recommendation.

Thank you.