

Testimony Prepared for the  
**House Finance & Taxation Committee**  
February 1, 2021  
By: Linda Svihovec, NDACo



## **RE: House Bill 1471 – Church Property Tax Exemption**

Good morning Chairman Headland and committee members. For the record, my name is Linda Svihovec with the North Dakota Association of Counties. Thank you for the opportunity to provide testimony in opposition to House Bill 1471 on behalf of our 53 North Dakota counties.

House Bill 1471 expands the property tax exemption allowed for churches and religious organizations by eliminating the threshold on the amount of acreage a religious organization can be taxed on. Although it may appear to be appropriate, as with the expansion or addition of any unfunded property tax exemption, the ND Association of Counties is consistent on our opposition to unfunded property tax exemptions because it shifts the tax burden to other taxpayers.

Removing the five-acre threshold on buildings and the two-acreage threshold for residences would increase the potential for shifting substantial property tax revenue on entire farms and estates to other taxpayers. The Section 1 Amendment language beginning on line 22 broadens the description of church exemption to “any real property owned by any religious corporation” that is not leased or used for profit must be exempt from taxation. This definition is extremely broad without knowing fully what the future implication of that definition may have on local property taxes.

The House Finance and Taxation Committee has often expressed their concern about increasing property taxes. Expanding unfunded exemptions is in complete contrast to the goal of local subdivisions efforts to control property taxes.

Chairman Headland and committee members, the ND Association of Counties and its members request a DO NOT PASS on HB1471 and encourage the committee to consider the negative implications of the expansion on property tax exemptions for the remaining taxpayers.