

Testimony Prepared for the
House Finance & Tax Committee
March 3, 2021
By: Linda Svihovec, NDACo



RE: Oppose Senate Bill 2041

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 speak to you in opposition of Senate Bill 2041 on behalf of North Dakota counties.

Senate Bill 2041 provides a property tax exemption for grain elevators used for personal use to store or process grain or potatoes produced by the owner of the elevator. However, the bill fails to provide language requiring documentation for verification that the ag products stored in the elevator belong to the owner. This becomes problematic as it creates inequity with other warehouse owners that may be next door storing machinery, chemicals, or other ag products.

Senate Bill 2041 is unclear as to how far the exemption eligibility extends by “blood or marriage”. This vague language makes it difficult for a tax assessor to determine whether the facility is taxable or if it qualifies for the exemption. In most North Dakota communities, the term by “blood or marriage” could mean lots of folks.

Senate Bill 2041 adds another exemption to the already lengthy list of exemptions which shift the tax burden to the remaining taxpayers. This is in complete contrast to the efforts of local subdivisions to control property taxes which has been a concern expressed frequently by this committee.

Chairman Headland and committee members, the ND Association of Counties and its members request that you oppose SB2041 in its current form with a DO NOT PASS and to consider the negative implications on local taxpayers with the expansion of unfunded property tax exemptions.