

Testimony Prepared for the
House Political Subs
February 11, 2021
By: Donnell Preskey, NDACo



RE: Opposition to HB 1367: Referral of Prelim Budgets

Mr. Chairman and Committee members, I'm Donnell Preskey with the North Dakota Association of Counties. One of my roles at NDACo is serving as the executive director for the North Dakota County Auditors Association. Our county auditors stand in opposition to HB 1367.

While the intentions of the bill have merit – to bring each political subdivision's citizens to the table early in the budget process – I don't believe they would find it helpful nor would your local officials find it functional.

First and foremost, allowing for the referral of preliminary budgets, is the equivalent to allowing voters to refer the Legislative Appropriation for the Department of Corrections at crossover. Most preliminary budgets are adjusted – often many times – before they are finally approved in late September. And, in case you are not aware, the property taxes supporting the budget can only be adjusted lower. They are adjusted based on input from citizens at their budget hearings.

Secondly, the timeline proposed in this bill with moving the preliminary budget deadline from August 10th to July 10th - would not (and could not) provide the citizens accurate information regarding the potential effect of that budget on their property taxes. The state board of equalization meets the 2nd Tuesday in August and would not have met to finalize all values. In addition, the county auditor receives the centrally assessed property values in mid-July from the State Tax Department.

And finally, and maybe most importantly – there simply is not enough time in the budget timeline to allow for this to occur. Attached to my testimony, we have outlined the process related to the assessment and budget process. The time constraints for petitioning, providing the proper notice of an election (64 days prior to election), ballot preparation, ballot printing, and holding a special election would be too tight, while waiting until a regular November election (if held that year) would place the results after levies had been certified and taxes prepared. Imagine the confusion over a citizen getting multiple tax statements if they are needed to be re-worked.

We have gradually made improvements to the budget and tax process with the common goal to increase transparency, education, and awareness with our citizens. The greatest of these efforts came in 2017, as a result of legislation to require counties to send estimated tax notices. These estimated tax notices are sent to property taxpayers, with a breakout of the taxes for each taxing entity (City, County, Schools, Parks). The form shows which entity is raising or decreasing taxes and the amounts. The notice also provides the information for each taxing entities budget hearing. This allows the property taxpayer to be better informed. It connects them with the hearing dates and locations. Each property taxpayer has the opportunity to voice their concerns at the public hearing. I've been at these hearings. I've heard the discussions between commissioners and citizens. This process works.

The North Dakota Association of Counties urges a DO NOT PASS on HB 1367.