

March 22, 2021

Dave Klein
1152 16th Ave SW
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To: The Finance Committee

I am writing this letter in support of House Bill No. 1471 relating to the property tax exemption for property of churches.

I am a member of First Assembly of God Church in Minot ND. I am also a member of the Finance Committee at the church. Several years ago, First Assembly of God purchased approximately 21 acres of property in the Hacienda Hills subdivision in Southeast Minot for the purpose of building a new church campus. In 2012 the church moved forward with the development of the property. Improvements included, sitework, water, sewer, a lift station and paving of the adjacent street, 16th Ave SE. Total expenditures for improvements were approximately \$1.3 million. Additionally, about \$500,000 in fees have been incurred towards architectural plans. At this point, the church has not moved forward with any construction at the site.

Once the church begin improvements on the property, property taxes increased dramatically. In 2013 the property taxes increased to approximately \$10,000. In 2015 they increased further to \$13,000. In 2017 they increased to \$23,000. In 2018 they increased to \$30,000. In 2020 they increased to \$33,500.

Even though there has not been a building constructed on the property to date, we believe that the church has showed clear intent that the purpose for the purchase of the land was to further the religious purposes of the church. We feel that the expenditure of \$1.8 million on the property makes this clear. The property is not otherwise leased or used for profit.

We believe that religious organizations who own property that is purchased exclusively for religious purposes should be exempt from property tax on that property. We believe that HB 1471 would resolve differences between what is intended by the North Dakota Constitution and the actual treatment of church property by the local taxing authorities . We urge your support of HB 1471.

Thank you.
Dave Klein

