

TESTIMONY HB 1382

Senate Finance and Tax Committee

Chairman Weber and Members of the Senate Finance and Tax Committee thank for the opportunity to testify on HB 1382. My name is Matt Bjornson, my family is in the Petroleum Distribution Business as well in the Real Estate Business. I am here today to testify in strong opposition to the gas tax portion of HB 1382.

We all support good roads. You have heard from a number of professional lobbyists today saying now is the time to catch up with other states and raise taxes. You have heard about all of the generalized needs statements. It's hard for individual tax payers to win battles with state associations largely funded by our own local tax dollars in the form of dues and program revenue. We have some big shooters in the room promoting this increase. Association of Counties with over 7 million in revenue, with 2.3 million dollars in the bank, 2 million in wages and compensation paid for an army of people to help advocate for more taxes. We have the associations for the contractors and engineers that will be the beneficiaries of more taxes being collected.

So, the proponents say they have a great need for more money. I'd like to share some non-generalized, specific examples of increases in revenue that have already occurred for local entities. In dollars paid, right off our property tax statements, here is what we have seen in increase percentages from just 2022-2024.

Pembina County Farmland +13%

Pembina County Commercial Property +24%

Pembina County Rental Property +21%

City of Cavalier Commercial Property +61%

City of Cavalier Rental Property +57%

Grand Forks County Rental Property +20%

Ramsey County Commercial Property +18%

Pembina County Personal Home +62%

City of Fargo Commercial Property +31% in 2021 alone.

So yes, I understand that we are not debating property taxes. But the point is that these increases are now the basis from which any property tax reform will be based on. Whether the increases stem from valuations or mills is irrelevant, the dollars have been paid and received. These increases have brought in substantial revenue to our local government. And now we have the lobbyists for these local entities coming before you seeking more tax dollars.

Also, some of the proponents of more tax have stated that nobody will notice 3 cents more tax. It's time for them to get in touch with the real world that most of our ND citizens living in today. I can tell you from my personal interactions with our customers, our tenants, and my neighbors, the average person in this state is having a hard time making ends meet. They WILL in aggregate miss the \$42 million dollars that this tax will take out of their pocket. It will be \$42 million dollars that they won't have to support their families.

As a conservative, I find it hard to believe that anyone can state with a straight face that now is the time that North Dakota needs to raise any tax of any kind.

Thank you for your time and I'd be glad to take any questions.