

OFFICE OF TAX EQUALIZATION

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2025 Senate Finance and Taxation Committee  
Honorable Senator Mark F. Weber, Chairman  
North Dakota State Capitol

Dear Senator Weber and Members of the Senate Finance and Taxation Committee:

My name is Don Flaherty and I am the Director of Tax Equalization for Dickey County. I am writing to you today to speak in opposition to HB 1534. I believe that the proposed addition to Chapter 57-02 will be of great detriment to the taxpayers of North Dakota and will cause harmful inequities to the assessment of real property throughout the State of North Dakota. This legislation is not tax reform or relief but is the creation of a system of taxation that is unfair and unexplainable when comparing one property to another.

The proposed legislation is fraught with several problems that the sponsors have not taken into account when drafting and amending this bill. Those problems include:

1. A complete usurpation of the taxable valuation formula outlined in NDCC § 57-02-27 by limiting increases to 3% and causing the property to no longer be reflective of the true tax burden it should bear as a part of the whole.
2. A separation in the link between True & Full Value and Taxable Value that can cause a property to increase in its Taxable Valuation even when the True & Full Valuation is stagnant or decreasing.
3. A vague definition of the word "improvements" that would be subject to various forms of interpretation and cause confusion between different jurisdictions.
4. A shifting of the tax burden from those classifications of property that are experiencing growth to those classifications that are stable or declining.
5. A permanent freeze of the initial taxable valuation based on the conditions of a property as of Dec 31<sup>st</sup>, 2024. This would mean any exemption in place at that time would never expire and jurisdictions would be hesitant to allow any new exemptions to be extended to a property where they have the discretion to do so.
6. An inability to account for a change in classification of a property that would normally cause a shift in the taxable burden of that property so that it is comparable to the other properties within the class it is changing to.

I would encourage you to cast a Do Not Pass vote for HB 1534. True tax reform should not cause inequities, it should help to guarantee that every taxpayer pays their fair share of the tax burden.

Respectfully Submitted,

A handwritten signature in blue ink, which appears to read 'Donald W. Flaherty', is written over a light blue circular stamp or watermark.

Donald W. Flaherty

Dickey County Director of Tax Equalization