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**Testimony of Lance Gaebe
North Dakota Farmers Union
In Support of HB 1575
Senate Finance and Tax Committee
March 11, 2025**

Chairman Weber and members of the Finance and Taxation Committee,

Thank you for the opportunity to testify on House Bill No. 1575. I am Lance Gaebe, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports HB 1575.

During our most recent annual convention, NDFU's members approved a special order of business declaring property tax relief and reform as our top priority for this legislative session. That special order of business supports a combination of targeted residential tax reductions and broad-based relief.

House Bill 1575 proposes a reduction in the taxable valuation formula, which would provide relief to homeowners, agricultural producers, and commercial property owners. The legislation provides a 30% reduction in taxable values for residential property owners and a 15% reduction for agricultural and commercial property owners.

As you know, residential property owners pay roughly 45% of all property tax collections in the state, excluding special assessments. However, the property tax burden is distributed differently in different regions of our state. As we have shared previously, agricultural property owners pay over half the property taxes in 30 North Dakota counties. We believe HB 1575 strikes a good balance, providing broad-based relief, including for agricultural property, with a strong focus on residential property.

Our members also support efforts to slow the growth in the local property tax burden. However, we are concerned about the negative impact of caps, particularly in rural communities and political subdivisions with smaller budgets. We think HB 1575, which establishes caps on taxable valuations, is a worthy part of the discussion. We also continue to be strong advocates for investments in rural infrastructure in services to mitigate any restriction on local budgets.

Thank you for the opportunity to testify in support of HB 1575. We look forward to working with you to provide meaningful property tax relief for all North Dakotans. I will stand for any questions.