

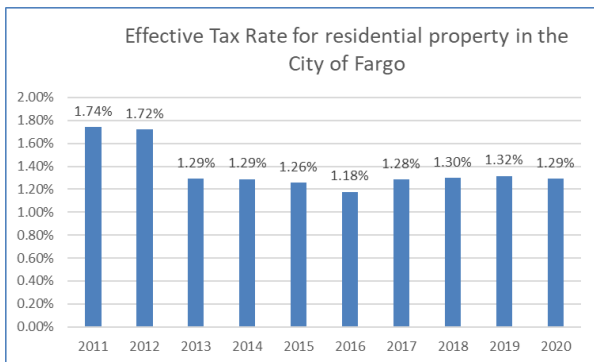
Testimony to the
House Finance and Tax Committee
January 19, 2020
Chairman Chad Peterson, Cass County Commission

Regarding: House Bill 1200

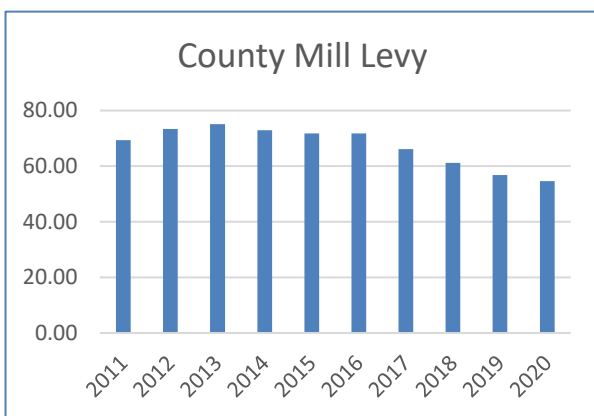
Chairman Headland and committee members, my name is Chad Peterson and I am Chairman of the Cass County Commission and serve on the North Dakota County Commissioners Association Board of Directors. I'm here to request a **DO NOT PASS** of HB 1200 regarding regulation of local government taxation.

As you may be aware, local governments have any number of outside forces that can impact budgets. From population growth to natural disasters, these impacts can affect the direction of a local governments expenses regardless of a boards fiscal desires. In the case of natural disasters there is often little time to prepare the public for the event, much less anticipate a budget for an unknown level of devastation. Limiting the taxing authority as stated in this bill makes reacting to real world events, both positive and negative, cumbersome and in the end more expensive.

My list of concerns includes, but is not limited to the logistical difficulties of preparing an annual budget, the expense for local governments managing property tax records, the fact it seeks to void home rule authority and the potential for the board to try and capture the full 2% annually in anticipation of unforeseen events. Supporters would claim all of these issues are worth the trouble because property taxes are 'out of control.' The problem with that justification is that taxes in places like Cass have been going down.



Contrary to the opinion of some, property taxes are not 'out of control'. In fact, the rate of taxation has been decreasing over time and continues to do so. To substantiate this, in Fargo we show the effective tax rate (ETR) has been decreased substantively when compared to 2011 and essentially maintained thereafter.



As an example, Cass county lowered our levies. Had voters not elected to pay for upgrades to 911 services via property tax, we'd be 5 mills lower. Pending unforeseen circumstances, I don't see tax rates accelerating in Cass to an 'out of control' level at any time in the future should the citizens continue to do their due diligence and elect sound fiscal representation. And should they choose to deviate from that path and place a 'big spender' in my place, it's their right to do so and a rule created by a centralized government shouldn't be created to prevent them from exercising their will.

Again, I urge a **DO NOT PASS** of HB 1200 regarding local government taxation.