



January 22, 2021

Honorable Craig Headland
State Representative
Chair of Finance & Taxation Committee
600 East Boulevard Avenue
Bismarck, ND 58505

RE: HB 1277 – Residential Property Tax Exemption

Dear Representative Headland:

Please accept this written testimony in support of HB 1277 related to a residential property tax exemption for new home construction as amended.

Current law allows \$150,000 of home value to be exempt for the first two years. The increase to \$250,000 is warranted because of cost increases in materials; concrete and lumber are two in particular. These costs are typically 25% higher than Fargo. We are a smaller market. Contractors see us as higher risk and have not wanted to develop a large subdivision of homes where they can gain economies of scale and reduce costs and risk. The change to \$250,000 would help off-set the higher costs and disadvantages that mid-to-smaller communities face.

We have made progress in multi-family housing, new and rehabilitation of existing units. However, we continue to be challenged with the lack of affordable, single family housing.

Homes are important and anchor people. Companies wanting to invest in our community and North Dakota look at housing, education and healthcare as the primary community drivers that impact their growth and decisions.

Please support HB 1277 as amended.

Respectfully,

A handwritten signature in blue ink that reads "Jennifer Feist". The signature is fluid and cursive.

Jennifer Feist
Director of Development