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GRAND FORKS
CITY OF
NORTH DAKOTA

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TESTIMONY ON HOUSE BILL 1372

Finance & Taxation Committee

January 27, 2021

Paul Houdek, City Assessor

City of Grand Forks, ND

Mr. Chairman and members of the committee, my name is Paul Houdek, and I am the City Assessor for the City of Grand Forks. I want to thank you for the opportunity to provide testimony and express my opposition to this legislation.

I am contacting you today in opposition of House Bill 1372. This bill will eliminate value increases on all residential property owned by people that are 65 years of age and older that have income less than $42,000. Age and income are the requirements to qualify for the homestead credit tax relief program offered by the State of North Dakota. This bill will save the State of North Dakota money as future value increases would not be reflected on properties that meet the requirements for the homestead credit program, but at the same time this bill shifts the tax burden to younger property owners, as well as, commercial and agricultural property owners. As is the case with all bills that freeze values, this is a shift in the tax burden, and I believe this will lead to increases in mill rates which would not otherwise happen without this law. There is a "needs test" in this bill. Taxpayers that qualify for this value freeze likely already qualify for tax relief through the homestead credit program. If you want to expand tax relief for this elderly population, I feel a better way to accomplish this would be thru an expansion of the homestead credit law already in place. This would keep the local jurisdictions whole in terms of a tax base while at the same time increasing the desired property tax relief that this bill seeks. Line 7 of this bill state it is "optional"? I am not sure how this bill is optional. There does not seem to be any criteria in the bill to "opt in" or "opt out" for the local jurisdictions.

The Grand Forks City Assessor and the City of Grand Forks Legislative Committee oppose HB 1372 and we ask you to do the same.