



NDSBA
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HB 1372

**Testimony of Amy DeKok
House Finance & Taxation Committee
January 27, 2021**

Chairman Headland and members of the House Finance and Taxation Committee, my name is Amy DeKok. I am in-house Legal Counsel for the North Dakota School Boards Association. NDSBA represents all 178 North Dakota public school districts and their boards. I am here today in opposition to HB 1372.

Any reduction in the property tax base likely has an impact on local school districts' ability to properly fund and provide K-12 education services to the students of our state. We are particularly concerned regarding the impact of this bill to the extent it would permit a property valuation freeze for all individuals age 65 years or older. According to the last U.S. census, persons age 65 years and older make up almost 16% of North Dakota's population. In 17 of our counties, these individuals make up anywhere from 24% to 32% of the county population. Permitting all property owners in this age range to freeze the valuation of their primary residences may cap the value of large portions of property throughout North Dakota for several decades. It is difficult to ascertain the extent of the impact on local property tax collections for school districts and other political subdivisions if HB 1372 were to pass. However, if passed, HB 1372 would likely erode school districts', as well as other taxing districts', property tax base in a significant way.

Currently, school districts rely on local property taxes to fund just under 40% of the cost of educating our state's youth. The costs school districts incur are not stagnant – electricity, food, transportation costs, teacher salaries – the cost of these things increase every year. If the local property tax base is reduced, this will shift more of the burden of funding K-12 public school education onto the state. In addition, it would likely shift more burden onto other local property taxpayers to help make up the difference. Protections already exist in the state funding formula and other state law relating to increases in property tax levies from year to year without taxpayer approval. In addition, persons age 65 and older with lower incomes and assets have other options to save on property taxes, including a homestead property tax credit under North Dakota law (NDCC 57-02-08.1).

For these reasons, NDSBA stands in opposition to HB 1372 and encourages this committee to give it a do not pass recommendation. Thank you for your time. I would be happy to answer any questions the committee may have.