



HB 1372  
House Finance and Taxation Committee  
Rep. Headland, Chair  
January 27, 2021

Good morning Chairman Headland and Committee members. For the record, Blake Crosby, Executive Director, North Dakota League of Cities

I am concerned about passing a bill without any idea of the financial impact to cities, counties, school districts, townships, and others. What we do know is that for every property tax freeze or cap, it really amounts to a shift. Personally, I would qualify under the age criteria but that means when I pay less, those of you under 65 pay more. And, there is a multiplier effect here as we are living longer. Age-wise, there are between 115,000 to 200,000 persons age 65+ and about 34,000 in the 60-64 age range according to U S Census data.

I refer you to the spreadsheet. Being very conservative, if we were to guess that this bill would only effect 50% of the "Occupied Housing Units" as defined by U S Census; we are looking at the potential for a large impact on all political subdivisions.

With the drop in oil related revenue, farm income down, the concern about coal and the downturn caused by the pandemic, this is not the biennium to be adding further stress on the under-65 working families that would have to fund this shift with higher property taxes. Cities don't have a Legacy Fund they can use to balance their budget. This is not the biennium to adding to their stress. For small North Dakota cities that have a large portion of their population 65+, this bill could be especially penalizing.

I have two suggestions:

- There are currently two bills recommending a study of property taxes. This idea should be rolled into one of those studies. Let's use the interim to have a robust, prudent and thorough discussion of our property tax system.
- Or, incorporate the true and full value language of this bill to the Homestead Credit eligibility criteria as in NDCC 57-02-08 as it is already the vehicle for tax relief based on specific criteria.

I respectfully ask for a Do-Not-Pass on HB 1372 as written. Thank you for time and consideration. I will try to answer any questions.