

Written Testimony To
THE HOUSE POLITICAL SUBDIVISIONS COMMITTEE
February 11, 2021
By Michael Montplaisir, Cass County Finance Director
Cass County Government

REGARDING HOUSE BILL 1367

Mr. Chairman and members of the House Political Subdivisions Committee, I am Michael Montplaisir, Cass County Finance Director. House Bill 1367 changes the timeline for local government budgets and the notice requirements to local government taxpayers and adds a provision for referral election on local budgets.

Under legislation passed by the 2017 Legislature, local government budget deadlines were established as August 10th. All local governments, as a result of that legislation have to file their preliminary budget with the County Auditor by that date. From that information, the county is required to compute mill levies and prepare an Estimated Tax Statement that must be sent to all taxpayers that have over \$100 dollars of consolidated tax on the Estimated Tax Statement. This statement needs to be mailed on or before August 31 of each year.

This process was initiated because taxpayers were showing up for local hearings not knowing how the percentage increases were going to affect their individual properties. As a result of the 2017 legislation, taxpayers are notified before local governments hold their final budget hearings, for those governments that levy over \$100,000 - their hearing information is included on the Estimated Statement.

This process was used in Cass County starting in 2016, before legislation was passed, and continues to this day. The process took a lot of effort to initiate with changing budget deadlines, programming changes, increased workload in county auditor offices, and increased mail costs. However, the results, I believe, have been worth it. Taxpayers know how the local budgets and their changes in valuation will affect their property taxes. We have seen very little variance from the Estimated Statement and the actual Tax Statement that goes to taxpayers in December, so there are very few surprises. When taxpayers do show up for hearings, they are better informed and are able to speak directly on how the budget of the city, school district, or county is affecting them.

House Bill 1367 I believe, would be a step backwards in transparency and provides taxpayers with less information on how the individual local budgets will affect their property taxes. With computer systems of today, individualized statements are not only possible, but have been provided by law since 2018 and are preferred by local officials and taxpayers.

When we started this practice, we received calls from people who were grateful that we sent the Estimated Statements. They not only liked the information on how each budget was affecting their eventual Tax Statement, they also like the advance notice so they could prepare their finances to pay the tax bill when they receive it in December.

I respectfully urge you to give a Do Not Pass recommendation to HB 1367.