

Testimony to the
Senate Finance & Taxation Committee

Prepared March 16, 2021

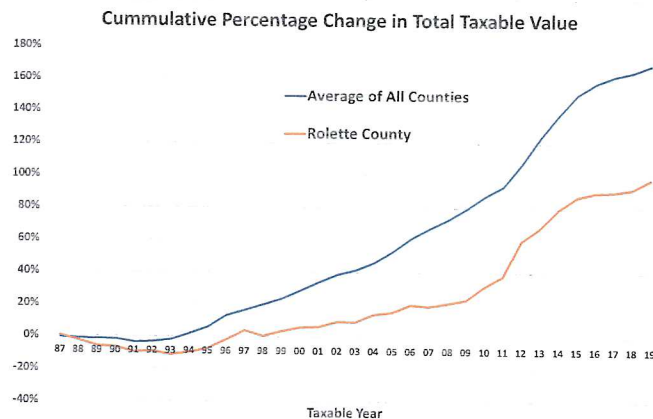
by Terry Traynor, NDACo Executive Director



Regarding: Engrossed House Bill 1449

The following has been prepared to provide background information regarding the relative revenue generating capacity of counties across the state.

Background: While federal and state governments provide some “payment in-lieu of taxes” for non-taxable government-owned lands (BLM, CoE, FWS), there is no such funding for non-taxable tribal lands (except for specific school funding). Several counties are heavily impacted as they remain responsible for many local government services throughout the county without the property tax base sufficient to support them.



In North Dakota this can be significant. The chart shows the relative percentage growth of taxable value in Rolette County and then you look at all 53 counties combined. This also clearly illustrates that this is not a recent development, but a problem that has been growing over time. As taxable value has been growing on an annual average of 5% statewide over the last 30 years, Rolette County has been averaging a 3% increase over that period.

Although they are not alone, the size and distribution of non-taxed property in some counties with tribal lands makes their taxable property deficit not as significant. The attached table below illustrates the challenge. This shows the taxable value of each county, its population, their general fund levy, and the ratio of value to population.

The table also identifies Rolette as one of only three counties that are currently limited in their General Fund, levying at the statutory cap of 60 mills. Counties have no statutory option to increase their general fund beyond 60 mills, and after the “levy consolidation” of 2015, additional (formerly special levy-funded) services were moved into the general fund. Only through adoption of a Home Rule charter can a county expand its tax revenue options, by adjusting its mill levy maximum or authorizing county sales tax.

As the cost of government services has risen, and property tax levies have been capped, particularly Rolette County has struggled to maintain general government services, and especially law enforcement and correctional responsibilities.

Analysis of Taxable Value and Population

COUNTY	2020 Taxable Value	Population	2020 GF Mills	Gen. Fund Dollars	\$ of Value/ person
Sioux	\$6,580,718	4,230	60.00	\$394,843	\$1,556
Rolette	\$22,179,629	14,176	60.00	\$1,330,778	\$1,565
Grand Forks	\$324,102,844	69,451	47.13	\$15,274,967	\$4,667
Ward	\$336,938,140	67,641	28.59	\$9,633,061	\$4,981
Benson	\$34,663,670	6,832	24.24	\$840,247	\$5,074
Cass	\$976,813,585	181,923	30.00	\$29,304,408	\$5,369
Walsh	\$57,583,446	10,641	60.00	\$3,455,007	\$5,411
Morton	\$172,699,058	31,364	37.50	\$6,476,215	\$5,506
Ramsey	\$63,818,829	11,519	46.00	\$2,935,666	\$5,540
Burleigh	\$544,472,357	95,626	25.89	\$14,096,389	\$5,694
Stutsman	\$128,016,189	20,704	42.04	\$5,381,801	\$6,183
Stark	\$199,192,209	31,489	35.00	\$6,971,727	\$6,326
Richland	\$102,682,476	16,177	58.75	\$6,032,595	\$6,347
Mercer	\$52,036,721	8,187	48.45	\$2,521,179	\$6,356
Eddy	\$15,174,715	2,287	54.23	\$822,925	\$6,635
Average	\$5,200,290,756	762,062	37.86		\$6,824
Trail	\$59,121,055	8,036	36.80	\$2,175,655	\$7,357
Ransom	\$39,268,000	5,218	43.47	\$1,706,980	\$7,525
Adams	\$17,299,536	2,216	37.67	\$651,674	\$7,807
McHenry	\$46,531,746	5,745	26.74	\$1,244,259	\$8,100
Kidder	\$20,608,990	2,480	43.50	\$896,491	\$8,310
Barnes	\$86,922,255	10,415	58.00	\$5,041,491	\$8,346
Oliver	\$16,500,714	1,959	10.00	\$165,007	\$8,423
Pierce	\$33,819,472	3,975	34.14	\$1,154,597	\$8,508
Golden Valley	\$15,441,994	1,761	17.63	\$272,242	\$8,769
McLean	\$83,619,294	9,450	49.43	\$4,133,302	\$8,849
Dickey	\$43,128,170	4,872	44.71	\$1,928,260	\$8,852
Foster	\$29,027,771	3,210	35.81	\$1,039,484	\$9,043
Logan	\$16,829,029	1,850	52.00	\$875,110	\$9,097
Bowman	\$27,558,701	3,024	12.50	\$344,484	\$9,113
Nelson	\$26,514,756	2,879	56.57	\$1,499,940	\$9,210
McIntosh	\$23,661,517	2,497	50.63	\$1,197,983	\$9,476
Pembina	\$65,414,695	6,801	49.56	\$3,241,952	\$9,618
Grant	\$22,108,878	2,274	45.56	\$1,007,280	\$9,722
Hettinger	\$24,691,990	2,499	44.09	\$1,088,670	\$9,881
Sargent	\$39,266,239	3,898	49.76	\$1,953,888	\$10,073
Bottineau	\$63,605,508	6,282	43.05	\$2,738,217	\$10,125
Williams	\$395,331,519	37,589	8.14	\$3,217,999	\$10,517
Renville	\$24,854,004	2,327	36.21	\$899,963	\$10,681
Griggs	\$23,893,682	2,231	14.74	\$352,193	\$10,710
LaMoure	\$43,902,718	4,046	52.17	\$2,290,405	\$10,851
Wells	\$44,023,777	3,834	44.46	\$1,957,297	\$11,482
Sheridan	\$15,594,914	1,315	50.41	\$786,140	\$11,859
Emmons	\$39,049,066	3,241	40.00	\$1,561,963	\$12,048
Towner	\$28,435,006	2,189	55.92	\$1,590,086	\$12,990
Burke	\$27,728,729	2,115	41.11	\$1,139,928	\$13,111
Mountrail	\$148,825,942	10,545	13.31	\$1,980,873	\$14,113
Cavalier	\$55,897,363	3,762	35.00	\$1,956,408	\$14,858
Steele	\$30,912,137	1,890	32.56	\$1,006,499	\$16,356
Slope	\$12,468,675	750	30.00	\$374,060	\$16,625
Dunn	\$75,598,410	4,424	12.00	\$907,181	\$17,088
Divide	\$39,156,982	2,264	15.79	\$618,289	\$17,295
Billings	\$19,760,351	928	22.77	\$449,943	\$21,293
McKenzie	\$336,011,651	15,024	2.75	\$924,032	\$22,365