

**TESTIMONY ON SENATE BILL 2270**

**Senate 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 Senate Bill 2270. This bill would have devastating effects to all local taxing jurisdictions. It will eliminate a portion of the tax base for all taxing entities by making exempt 70% of all primary residences of people that are 65 years of age and older. Without a plan to replace that lost revenue I cannot support this legislation. People 65 years of age and older may already qualify for a homestead credit. The criteria for this program are based on an income and asset test, giving tax relief to property owners where it is needed most. When a significant portion of your residential property is owned by people over the age of 65, as is the case in many small towns in North Dakota, the implications of this bill would be difficult for any local jurisdiction to absorb. A 70% exemption on these homes would shift the tax burden to all parcels that are owned by people under the age of 65, as well as commercial and agricultural property within the jurisdiction. This is simply shifting the tax burden to a smaller pool of taxpayers causing default tax increases to all other property owners. This will lead to a decrease in taxable values and an increase in mill rates which would not otherwise happen without this law. There is no “needs test” at all in this bill. Many retirement age property owners have a significant financial portfolio which further complicates this issue. A 70% exemption of the value for a person who has a good retirement income as well as significant assets is simply shifting that burden onto young families and is not an appropriate solution. While this would have a positive effect on the property owners that qualify it would adversely affect all other property owners by an increase in the tax burden. Line 7 of this bill states 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. Thank you for considering my testimony.

The Grand Forks City Assessor and the City of Grand Forks Legislative Committee oppose SB 2270 and we ask you to do the same.

