

Testimony in Opposition to House Bill 1247
January 16, 2023
House Finance and Taxation Committee
Bill Wocken on behalf of the North Dakota League of Cities

Good morning, Mr. Chairman and members of the House Finance and Taxation Committee. For the record, my name is Bill Wocken, appearing on behalf of the North Dakota League of Cities in opposition to House Bill 1247.

This bill proposes to add an exemption to property taxation for a warehouse or elevator storing potatoes or grain produced by the owner of the warehouse or their relatives.

The League of Cities has consistently opposed tax exemptions in the past on the grounds that each exemption only increases the tax burden for properties that are not exempt. There are already 43 exemptions enumerated in this section of the Century Code.

The League has a specific concern with this legislation. The proposal is to exempt a facility storing only the potatoes or grain produced by the owner or their relatives. From the language in the bill, we are not sure how large that family can be or how the family relationship can be known. The bill merely says on Page 1, Line 11 included individuals must be related to the owner by blood, adoption or marriage.

Many potato and grain facilities are located in smaller cities. For those cities an exemption of the type requested may have a very significant impact on local budgets. We would ask you to consider the effect of this bill on smaller cities' budgets and on those who will pay the exempted properties' share of taxes if this exemption is granted.

For these reasons the North Dakota League of Cities opposes this bill and respectfully requests a Do Not Pass recommendation from the committee. I will be happy to answer any questions you may have of me.