

RE: Opposition to HCR 3024 – Resolution to Eliminate Property Taxes

Chair Headland and Committee Members, I'm Donnell Preskey with the ND Association of Counties. ND Counties oppose House Concurrent Resolution 3024 as they believe it threatens local control that is vital to counties providing local services to their citizens at the levels those citizens desire. Also, contrary to what the sponsors of this resolution may assume, counties are fiscally responsible with their property tax dollars, budgeting only for what they need.

This information from the ND Red Book is valuable information on property taxes in North Dakota. The first chart illustrates how counties have reduced the property taxes collected in 2017.

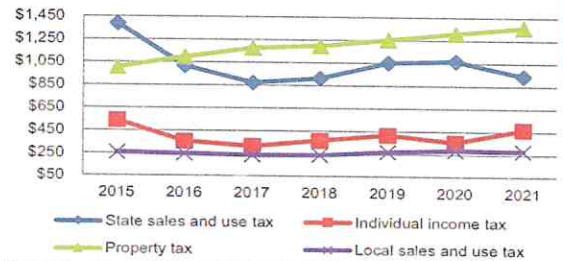
When counties received CARES dollars in 2020 many counties lowered taxes as a result.

- 45% of the counties (24) lowered tax rates for 2021
- 7 Counties decreased tax rate by more than 10%
- 14 Counties lowered taxes levied for 2021
- 11 Counties lowered BOTH tax rate and tax levies

It's also important to highlight that in 2022 numerous counties had property tax levies on the ballot. (Chart on back side)

Overwhelmingly, voters approved to continue or increase property tax levies – most of those levies were for roads. The election results show that citizens recognize the needs in their area and support tax increases to support these important services.

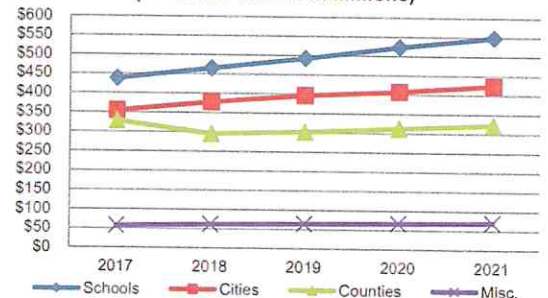
MAJOR SOURCES OF STATE/LOCAL REVENUE
 (Amounts Shown in Millions)



Fiscal Year	State Sales and Use Tax	Individual Income Tax	Property Tax ¹	Local Sales and Use Tax ²
2015	\$1,389.0	\$537.6	\$1,005.1	\$258.1
2016	\$1,017.4	\$355.5	\$1,096.1	\$248.9
2017	\$872.4	\$314.2	\$1,177.9	\$236.7
2018	\$912.5	\$366.3	\$1,198.7	\$239.6
2019	\$1,053.1	\$415.4	\$1,254.2	\$270.9
2020	\$1,067.9	\$354.3	\$1,310.5	\$286.8
2021	\$939.9	\$467.6	\$1,365.4	\$280.9

¹Property taxes include the 12 percent state-paid credit for 2015 (\$105.4 million) and 2016 (\$116.3 million).
²Local sales tax amounts do not include city occupancy or city restaurant and lodging taxes.

PROPERTY TAXES BY TAXING DISTRICTS
 (Amounts Shown in Millions)



Year Payable	2017	2018	2019	2020	2021
Schools	\$438	\$465	\$492	\$523	\$549
Cities	354	377	396	407	424
Counties	328	296	302	313	323
Misc.	57	61	64	67	70
Total	\$1,177	\$1,199	\$1,254	\$1,310	\$1,366 ¹

¹The increase for 2021 is primarily due to continuing growth in taxable valuations and to support the increasing budgets of political subdivisions.

Based on property taxes levied in 2021, payable in 2022, one mill generated approximately \$5.3 million statewide.

Source: North Dakota Tax Department

Economic Statistics

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