

**Senate Finance and Taxation  
Chairman Jordan Kannianen  
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**By: David Lakefield  
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**SB 2361**

Chairman Kannianen and Members of the Senate Finance and Taxation Committee, my name is David Lakefield and I am the Finance Director for the City of Minot. I would like to thank you for your time to address this bill this morning.

As a city staff member that is very involved in preparation and management of the annual budget for the City of Minot. I would like to highlight a few concerns with the proposed legislation. This bill as I understand it would provide a mechanism for property owners to apply for a freeze the valuation of their primary residence. I feel this bill will have the unintended consequence of shifting the tax burden to properties that have not applied for the freeze or other types of property such as commercial and agricultural.

As we develop a budget for the city, we determine how much money is required to be raised via property tax. The amount to be raised is divided by the overall taxable value to arrive at the mill rate. That rate can then be applied to individual parcels to calculate the tax for that property. Freezing the true and full value for some properties will artificially reduce the overall

valuation and result in a higher mill rate. This would result in an assessment of tax that would not be equitable even among similar properties of like value.

The City of Minot 2023 budget totaled \$182,627,269 of which \$27,186,821 or 14.9% was funded by property tax. The bulk of the funds raised through property tax are used to fund public safety, street maintenance and general administrative functions. In the 2023 budget, Minot appropriated \$23,413,081 for public safety activities and another \$5,596,528 for street maintenance. One could argue that all of the properties enjoy these services, yet some would benefit from having their values frozen while others would not get that benefit.

NDCC chapter 57-02 outlines in great detail the process that assessors must go through to ensure that all properties are assessed in an equitable fashion. In recent years, there has been a push to ensure that properties are assessed as close to market value as possible. This bill would undermine that effort and make it difficult to evaluate how close to market the assessments are each year.

For these reasons, I would request that the committee give SB 2361 a do not pass recommendation.

Thank you.