



**North Dakota Grain Growers Association
Testimony in Opposition to
SB 2387
Senate Finance and Taxation Committee
January 31, 2023**

Chairman Kannianen, members of the Senate Finance and Taxation Committee, for the record my name is Cale Neshem. I own and operate a family farming partnership in Berthold, North Dakota where we raise wheat, corn, soybeans and sunflowers among other crops. I am also a Director of the North Dakota Grain Growers Association (NDGGA). I appear before you today in both capacities to oppose SB 2387.

SB 2387 seeks to remove the farm home property tax exemption for farmers and ranchers. Farmers and ranchers already do more than their share to support North Dakota with their current property taxes especially in the rural areas where our property taxes support our schools, our counties and our townships. We do this despite the fact we do not enjoy the urban infrastructure amenities offered to our city cousins through their property taxes such as city water and sewer, paved streets, well maintained roads and timely snow removal.

How can a farm/ranch home receive a fair property tax evaluation? Obtaining fair home values and home value comparisons on the farm or ranch would be difficult if not impossible to obtain. How would/could assessors possibly do a reasonable job if the information necessary to carry out this bill is not readily available?

Another question I and the North Dakota Grain Growers Association would have is this a way to open the door to tax all farm and ranch buildings in the future? This bill would have us believe this is the direction that some in the policy arena are looking at.

"You Raise; We Represent"

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Chairman Kannianen, members of the Senate Finance and Taxation Committee, SB 2387 is a tax increase, and it is the only tax increase being considered by the 68th Legislative Assembly. The farm home property tax exemption historically has recognized the disparity between agricultural property taxes and the services they provide verses the services received by urban property taxpayers. Additionally, the farm home property tax exemption recognizes the amount of property taxes already paid for by local farmers and ranchers.

Therefore, I and the North Dakota Grain Growers Association strongly oppose SB 2387 and would hope the Senate Finance and Taxation Committee would give the bill a Do Not Pass recommendation and would hope the full Senate concur.