

Chairman Headland and members of the House Finance & Taxation committee. My name is Mike Blessum. I am a Minot resident and sitting alderman on the Minot City Council. I'd like to give you my perspectives on the property tax issues you will be facing this session. These thoughts are mine and are not the official positions of the City of Minot or other council members.

First, I'd like to discuss what does not work. Increasing property tax buydowns through the Primary Residence and Homestead Property Tax Credits will give many local subdivisions the cover they want to increase spending and levies. Placing caps on local spending may seem like the answer to offset that issue, but I believe it will just lead to ever increasing burdens on our residents as subdivisions max out their levies to protect against future needs. Allowing us to bank savings is a better version of the caps, but I still believe it is the heavy hand of the state manipulating local decision making. For those that opposed Measure 4 on the grounds of local control, I can't see how this is a better method.

So, what approaches could make a difference? I have a set of structural ideas that I believe would level the playing field and make a real difference for the local subdivisions.

1. Eliminate as many of the local carve outs as possible from century code. While it is true that we could remove programs like the Renaissance Zones and Tax Increment Financing at the local level, there are those that believe we would put our city at a disadvantage if we didn't offer the same programs as the other cities in the state. Remove the incentives to make sure everyone is paying their own (lower) share.
2. Move away from the valuation based system of portioning the levy. Instead, move to something tangible like land and building square footage or some other fixed quality of the property. This will remove the opaque nature of the assessment and improve transparency for property owners. If it is done correctly and other assessment requirements are removed it can also have a direct financial impact on local budgets by

allowing us to close our assessor offices. This alone would save about \$1 million per year in the Minot budget!

3. Roll back the current property tax buydowns in combination with reducing the state share of sales tax. The state has plenty of revenue to reduce the sales tax burden and leave more money in our local communities. This reduction could then be used in local subdivisions to (hopefully) leave more money with residents or introduce new sales tax pennies to provide property tax relief. We do not need a revolving door of cash paid to the state to later be doled back out to the residents through their local subdivisions. Leave the money here in the first place.

As elected officials we all know that the best route to better public policy is electing the right people. Lowering property tax depends on local elected officials making a concerted effort to lower the cost of government and pass those savings along to the taxpayer. With that in mind, you have the opportunity to make a difference for the people of North Dakota through the law. I hope you will consider these ideas as I believe they represent the best set of adjustments that could make real differences at the local level while reducing the burden on the state.

Thank you for your consideration. I would stand for any questions.

Alderman Mike Blessum – Minot City Council

[mblessum@min.midco.net](mailto:mblessum@min.midco.net)

701-818-2000