



House Bill 1176 – Support Primary Residence Credit and Homestead Property Tax Credit  
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House Finance and Tax Committee  
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Chairman Headland and members of the House Finance and Tax Committee, my name is Josh Askvig, State Director of AARP North Dakota. We are here to provide support for the Homestead Property Tax Credit and Primary Residence Credit portions of House Bill (HB) 1176. Creating livable communities where residents of all ages can live, work, raise their families, and retire is a priority for AARP North Dakota. Essential to this vision is affordable housing.

Attached to my testimony are a couple of charts from AARP's 2023 North Dakota Vital Voices Survey, a state-specific survey of issues that impact North Dakotan's 45+ conducted every three years. In our survey last year, 78% indicated that staying in their homes as they age was important. Getting to the places they need to go independently and access to quality long-term care and home care in their community was extremely or very important. Also, 68% said staying in their community as they aged was extremely or very important.

When survey respondents were asked what factors would impact their ability to remain in their homes as they age, they listed property tax, the cost of heating and cooling, and increasing maintenance costs. Also, 28% identified increasing rent as an issue. Clearly, being able to age at home is a priority in North Dakota, and property tax is a concern.

Property taxes are burdensome for many low-income and older homeowners. Many of our older citizens have lived in their homes for a long time, and as their property values have increased, so have their property taxes. But, older residents are often on fixed incomes and can't afford yearly property tax increases and also meet their basic needs for food, medicine and utilities.

AARP supports property tax relief provided in an equitable manner to low- and moderate-income homeowners and renters. Circuit breaker programs offer property tax credits or homestead exemptions that decrease as income increases, resulting in a more progressive tax system. Therefore, lower-income households receive greater tax relief than higher-income households.

We want to thank you and previous legislatures for the continued support of the Homestead Property Tax Credit and the expansions approved in previous sessions. Section 5 of HB 1176 expands income thresholds up to \$50,000 for a 100% reduction (up to \$11,250 dollars of taxable valuation) and up to \$80,000 of income for a 50% reduction. Section 6 recognizes the importance of relief for older renters by expanding the renters refund from \$400 to \$600/year. These important programs provide relief to financially vulnerable older North Dakotans. We support the

changes to the Homestead program outlined in HB 1176. **Our only recommendation is to index the adjustments to inflation, so the legislature doesn't have to re-visit this issue every two years.**

HB 1176 also expands on the existing Primary Residence Credit passed last session. Our understanding is that the bill would expand the existing credit of \$500 up to \$1550. We support this expansion as it provides relief for primary residences, the main complaint we heard in 2024.

By combining the Primary Residence Credit with targeted relief programs, like the Homestead Property Tax Credit, many older adults, especially those age 65+, will see significant or even full relief from the concern noted in our 2023 survey, property taxes. AARP North Dakota supports the Primary Residence Credit and Homestead Property Tax Exemption sections in HB 1176.

Thank you.