

Oppose HB 1461
House Finance and Tax Committee
January 14, 2025

Chairman Headland and Committee members,

I am Larry Syverson from Mayville. I grow soybeans on my farm in Traill County. I am the Chairman of the Board of Supervisors for Roseville Township and the Executive Director of the North Dakota Township Officers Association. NDTOA represents 6,000 Township Officers who serve in more than 1,100 dues-paying member townships.

NDTOA does support most of HB1176; we understand the desire and need for property tax reform. However, the limitations in the bill will pose a significant problem for township funding of necessary services, mostly road maintenance. Township levies are already limited to 18 mills, with an option to go up to 36 mills with a special election. Most townships are levying less than half of what they could under the law. Township electors vote to tax themselves, and they have been keeping the levy low. Some are just now realizing that more funding is needed to maintain their deteriorating roads and that they can budget and levy for more. They may need to increase the levy to 18 mills to qualify for Flex Fund Grant consideration.

Each year, for the annual township meeting in March, the township clerk publishes a notice in the official paper advising the citizen-electors of the time and place of the meeting. At the annual meeting, the electors are given the reports of the township officers covering the finances and road maintenance activities. The board of supervisors will also submit a proposed budget for the approval of the electors.

The electors at the annual meeting can modify the budget; the electors could move and vote to stop all expenses and not levy any taxes; they have that right and ability. However, in my experience, few, if any, will vote against the proposed budget. Those who came in with concerns about spending will see where last year's spending went and can be a part of directing the future. They might have attended because they didn't understand the scale of expenses. But they will vote on a budget.

57-15-19. Township tax levies. The electors of each township have power at the annual meeting to vote to raise such sums of money for the repair and construction of roads and bridges, and for all township charges and necessary expenses as they deem expedient, within the limitations prescribed in section 57-15-20, and on the fourth Tuesday in March, or within ten days thereafter, of each

year, the board of supervisors of each civil township shall levy annual taxes for the ensuing year, as voted at the annual township meeting, and the tax levy must be limited by the amount voted to be raised at such annual meeting. The electors at such annual meeting may direct the expenditure of the road tax, or a part of it, in an adjoining township under the joint direction of the boards of supervisors of the townships interested and furnishing such funds.

The township levy is limited to 18 mills unless the published meeting notice includes notice of a special election. Upon approval by the electors at the special election, the levy can be expanded to an additional 18 mills, a total of 36 mills. The expanded levy lasts for 5 years and then must be put up for election again.

A special election may be held for the purpose of approving an unlimited levy to deal with an emergency matter. Notice of that election must be published in the official newspaper and may be levied for a maximum of five years.

57-15-19.7. Township levy for emergency purposes.

1. Upon approval of a majority of electors of the township voting on the question, a township may levy the number of mills necessary for the purpose of addressing natural disasters or other emergency conditions.
2. The levy under this section may be made only if notice of the question of the approval of the levy has been included with the notice of the annual or special meeting provided in chapter 58-04.
3. Approval by the electors of increased levy authority under this section may not be effective for more than five taxable years.

Taxes are levied because citizens need services; they need snow plowed so they can get to work or school. They need roads maintained so they can haul their product to market. For those reasons the electors of the township have already approved the budget and resulting levy. Please don't make the citizen-electors redo their actions.

The North Dakota Township Officers Association requests that you allow the townships' budget and levy approval process to work. Please amend HB1176 to consider the voice and vote of the township citizen-electors and the unique way the township budget and levy are set.

Thank you, Chairman Headland and Committee members, I will try to answer any questions you may have.