

1 Tuesday, January 28, 2025

2 Levi Bachmeier, Business Manager, West Fargo Public Schools

3 Support for HB 1559

4 Good morning Chairman Headland and members of the House Finance and
5 Taxation Committee. My name is Levi Bachmeier; I am the Business Manager at
6 West Fargo Public Schools. I am here today to speak to you in support of House
7 Bill 1559.

8 As a leader at West Fargo Public Schools, one of the state's largest taxing entities,
9 I have witnessed firsthand the concerns raised by homeowners regarding the
10 impact of property tax valuations on their financial well-being.

11 In my tenure with the school district, it has been clear that constituents rarely
12 protest the overall growth of our district's budget at annual budget hearings.
13 Instead, their concerns predominantly revolve around two issues: compensation
14 levels for employees and the significant rise in property taxes due to escalating
15 home valuations.

16 The current law leveraging a one-year based percentage of a property's true and
17 full value often leads to abrupt fluctuations in tax burdens for homeowners,
18 particularly when property values spike sharply within a short period. By
19 transitioning to a three-year average of property valuations, this proposed
20 legislation aims to mitigate these abrupt shifts. This approach would provide
21 homeowners with more stable and predictable tax obligations, thereby alleviating
22 financial uncertainties associated with sudden valuation increases.

23 Moreover, adopting this method would prevent artificial distortions in the real
24 estate market that may arise from arbitrary year over year valuation increase caps.

1 It is possible to maintain a fair and accurate reflection of market values without
 2 compromising economic stability and growth in our communities.

3 Below is an example of how the bill is intended to operate for a single-family
 4 home, if the law was first implemented for Year C:

	Year A	Year B	Year C	Year D	Year E
True and Full Value	\$200,000	\$206,000	\$267,800	\$281,190	\$300,875
Year over Year Increase (%)		3%	30%	5%	7%
Taxable Value (4.5% of T&F)- current tax liability calculation	\$9,000	\$9,270	\$12,051	\$12,654	\$13,539
Year over Year Increase (%)		3%	30%	5%	7%
HB 1559 Taxable Value Proposal			\$10,107	\$11,325	\$12,748
Year over Year Increase (%)			9%	12.1%	12.6%

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 6 I urge you to support this bill as it seeks to address the genuine concerns of
 7 homeowners while promoting fiscal responsibility without distorting the market.
 8 Simply capping overall revenue on political subdivisions will not relieve property
 9 owners of substantial tax increases stemming from dramatic increases in valuation.
 10 Thank you for your time. I am happy to answer any questions.