

Greetings Chairman Headland and members of the House Tax and Finance Committee.

My name is Austen Schauer, District 13, West Fargo.

HB 1559 is intended to **shift** the definition of taxable valuation from a direct percentage of the current year's true and full to a rolling average of three years of taxable value.

The goal is to smooth the year-by-year increase to the definition of taxable value.

By smoothing the calculation using a ***look back average*** versus an **arbitrary percentage cap**, we avoid market distortions while trying to blunt disproportionately large increases for an individual property owner, a risk that exists even if revenue is capped at the macro-level.

We are trying to address the issue of people being angry over their property taxes going up 40% because their home value went up 40%.

We believe hard caps on total revenue won't help these people who are the most upset.

As you know, we use a smoothing formula for returns on the Legacy Fund and Common Schools Trust Fund to determine the level of funding.

We believe the same strategy can be used in the taxable valuation of residential property.

I have subject matter experts ready to address any specify question you may have.

Thank you, Mr. Chairman and committee members.