



**Neutral Testimony HB 1176**  
**Presented to the Senate Finance and Taxation Committee**  
**Prepared by Bernie Dardis, Mayor, City of West Fargo**  
**Monday March 17, 2025**

Chairman Weber and members of the Senate Finance and Taxation Committee,

Please accept this testimony on behalf of the City of West Fargo. We support the North Dakota League of Cities' proposed amendment on House Bill 1176 to update the property tax cap to 2% + CPI. Costs to our cities are heavily tied to inflation, most notably the cost of salaries and benefits, equipment, and construction. Capping property tax could significantly hinder our future growth and our ability to provide the necessary services for our residents.

For example, we recently built a new Fire Station that has significantly reduced response times and made room for the hiring of additional Firefighter/EMTs. If a 3% cap had been in place in 2021, we could not have funded the construction of this new station, or the hiring of additional staff to meet the needs of our rapidly growing population.

If there is no desire to make an adjustment to the 3% cap, we recommend the consideration of an amendment to allow political subdivisions to double the new growth valuation to the base property value each year.

With a property tax cap, revenue from new growth declines year over year as the mill rate decreases. However, the costs associated with infrastructure and servicing growth in residential and commercial property increase annually.

Changes that are required to meet the demands of new growth aren't all realized in the year a property is built. It takes time to build out street and utility infrastructure, we need to increase our fleets of garbage trucks and snow removal equipment; public safety needs grow as a city grows, and new officers and firefighters need to be added. These are not one-time costs.

By allowing political subdivisions to double new growth value to our base along with the 3%, we can better address rising costs over time. This proposal helps ensure that the bill does not unintentionally hinder the growth our state has worked hard to achieve. It will provide significant benefits to rapidly expanding communities while maintaining a stable base for those with steady populations.

We hear the call from residents to find solutions to rising costs, and we are supportive of this effort for property tax relief and reform. We also want to emphasize that all cities and counties have vastly different needs. It is difficult to take a one-size-fits-all approach to finding a solution for property tax reform. This is why we recommend one of the two proposed amendments above to find a compromise that helps our residents feel relief, while ensuring we can provide them with essential services at the highest quality.

Thank you for your time and consideration.

A handwritten signature in black ink, appearing to read "Bernie Dardis". The signature is fluid and cursive, with the first name "Bernie" written in a larger, more prominent script than the last name "Dardis".

Bernie Dardis, Mayor

City of West Fargo

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