



SB 2039  
Senate Finance and Tax Committee  
Senator Weber Chair  
January 13, 2025

Chairman Weber and members of the Senate Finance and Tax Committee. For the record, Matt Gardner Executive Director North Dakota League of Cities. I represent the 355 incorporated communities across North Dakota. I stand today in opposition to SB 2039.

This bill would exempt property taxes on potato warehouses and grain elevators that are used by farmers for their personal use. This item has been a topic of discussion for several legislative sessions including this past interim. The League has historically opposed legislation that would exempt these facilities from paying property tax. A long time League policy is to opposed property tax exemptions in general on the basis that adding exemptions increases the share of the property tax responsibility to the remaining non-exempt taxpayers.

From a city perspective, these facilities will still receive the same services provided to the other parcels within the city but will place a larger burden on the other residents and businesses.

During the interim, property tax exemption were reviewed statewide. A legislative memo showed the over 60 property tax exemptions currently in place in the state. The compilation of these exemptions over time has led to a shrinking tax base, shifting more burden to other parcels. Now at a time when we are talking about adopting tax policy that includes capping property tax levies by local political subdivisions, shrinking the tax base even further is going to negatively impact local budgets. Now is not the time to add more property tax exemptions.

I respectfully ask for a Do Not Pass on SB 2039.

Thank you for your time and consideration. I will try to answer any questions.