

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Bill/Resolution No.: HB 1371

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(58,500,000)			
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1371 creates an income tax credit for renters of residential property.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1371 creates an income tax credit of up to \$390 for rent paid during the tax year. The tax credit is limited to the taxpayer's tax liability. On the average, rent paid in the state would indicate most renters would receive the maximum credit (\$390) but not every renter will have a net tax liability sufficient to utilize the credit.

Assuming 65% of renting households can utilize the credit, we estimate HB 1371, if enacted, will reduce state general fund revenues by approximately \$58.5 million in the 2015-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 01/23/2015

2015 HOUSE FINANCE AND TAXATION

HB 1371

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1371
1/26/2015
22497

- Subcommittee
 Conference Committee

Ammamela Muscha

Explanation or reason for introduction of bill/resolution:

A Bill relating to an income tax credit for renters of residential property.

Minutes:

See attachment #1, 2, 3, 4

Chairman Headland: Opened hearing.

Representative Delmore: Introduced bill. Provided testimony with statistics. See attachment #1. (Ended testimony at 4:25)

Chairman Headland: Have you seen the fiscal note?

Representative Delmore: Yes.

Chairman Headland: If the state decides at some point in the future the property tax relief situation we've got our self in is unsustainable and we move away from it, what do you think will happen to the rents?

Representative Delmore: I am not sure what effect it would have on that but I think we've got a lot of exceptions (homestead tax credit) that we already will offer people now.

Chairman Headland: Do you think that renters, even though they haven't had their rents reduced, has it helped keep them from being higher than they would be had the state not provided tax relief to the owners of the buildings?

Representative Delmore: I don't know that they wouldn't be higher but we would offer the renters in our state some form of compensation. As I went door to door in my district that was a main concern for people who lived in apartments. Many of them were young couples and they were really stretching

it. If the rent up more some of them wouldn't know where they would go and we don't have a lot of apartments that are low enough rentals for those people.

Chairman Headland: I've also heard the cries and it appears that they are just looking for some type of tax relief and frankly I think you help us make the case for reducing rates on income.

Representative Haak: The amount of \$600 a month and the 656 in 2014 is that a one bedroom apartment or is that across all the board?

Representative Delmore: I don't have that for you. I will try to get that information, but I am assuming it is on the smaller end. \$600 doesn't buy a lot.

Chairman Headland: Is there any support for HB 1371?

Crystal Schneider, City Council Member in Grand Forks, North Dakota:
Provided testimony in support. See attachment #2.

Chairman Headland: As a city council representative you realize renters do not pay property taxes correct?

Crystal Schneider: I do.

Chairman Headland: Everybody is about transparency, and I don't think there is anyone that can suggest that renters have not been part of this program, so for full discloser do think that if we put on a person's lease or their rental agreement every month what their tax would be without the state buy down the renter would feel that they are participating in some tax relief?

Crystal Schneider: I can't say how they would feel. Property taxes rolled into the rent and it is likely fair to say the landlords may be the ones may be the ones experiencing the tax relief and it doesn't always decrease the rent at the same rate of the property tax relief. It doesn't seem to be that the renters are actually benefitting from the property tax relief.

Chairman Headland: If the state would decide to move away from property tax relief, and the property tax of bills would go up to reflect what current political subdivisions are taxing the property owners then would you foresee rents going up?

Crystal Schneider: In my own mind I would imagine they would.

Chairman Headland: Thank you for making the case that renters of property are actually participating today.

Representative Haak: How long have you lived in Grand Forks and in that time since we have been providing the property tax relief has rent continued to grow?

Crystal Schneider: I've lived in Grand Forks eight years now and I know that rents have not gone down only risen over the years.

Chairman Headland: Is there any further testimony in support? If not, we will take opposition.

Laney Herauf, Government and Regulatory Affairs Specialist for the Greater North Dakota Chamber: Provided testimony in opposition. See attachment #3.

Representative Mitskog: With the tax relief in the previous session do you have any example of rents that have been lowered to reflect the tax relief that property owners maybe have passed on to their renters?

Laney Herauf: No, we don't have any specific information that rents have been lowered. It is our position that rents hasn't been raised as much as they could be if there was less property tax relief. So if property taxes were higher it is our position that the rents would be higher than they are right now.

Chairman Headland: I think statistics would show that statewide, the value of property for taxable purposes has increased substantially over the last five years and there are probably several different reasons for that but I think they would also show that rents in most cases have probably not followed at an equal pace of increase.

Jeremy Petron, Lobbyist for the North Dakota Apartment Association: We are not in opposition to this bill. We are neutral. The only concern hat we would have is how this would be administered from a paperwork standpoint for property managers. If it were to be an administrated burden from the paperwork standpoint of how to verify how much rent is being paid and based on what needs the tax department would have for that. Also to give a little perspective on the discussions that were coming up regarding rent rates and if

the property taxing were being passed along to renters, as far as rent rates it is based on supply and demand just like a home price is. If someone is seeing lower property taxes they will construct more apartments and then by way of that the prices will come down because there is more choice for renters and that is how they are seeing benefits.

Chairman Headland: Closed the hearing on HB 1371

Blake Crosby, North Dakota League of Cities: Provided written testimony in support but was not at the hearing. See attachment #4.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1371
2/9/2015
23499

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to an income tax credit for renters of residential property.

Minutes:

No attachments.

Chairman Headland: This bill deals with an income tax credit for renters which I fundamentally disagree with since renters don't pay property taxes.

Representative Trottier: MADE A MOTION FOR A DO NOT PASS.

Representative Kading: SECONDED.

ROLL CALL VOTE: 9 YES 5 NO 0 ABSENT
MOTION CARRIES FOR A DO NOT PASS

Representative Toman will carry this bill.

Date: 2-9-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1371

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Trotter Seconded By Rep. Kading

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK		✓
VICE CHAIRMAN OWENS	✓		REP STRINDEN		✓
REP DOCKTER	✓		REP MITSKOG		✓
REP TOMAN	✓		REP SCHNEIDER		✓
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD		✓			
REP KLEIN	✓				
REP KADING	✓				
REP TROTTER	✓				

Total (Yes) 9 No 5

Absent 0

Floor Assignment Rep. Toman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1371: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1371 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

HB 1371

HB 1371
1-26-15
1 p. 1

Chairman Headland and members of the House Finance & Taxation Committee-

For the record, I am Lois Delmore, state representative from District 43, which is the southwest quadrant of the city of Grand Forks.

I am here this morning to testify on House Bill 1371 which is a bill to give income tax credit for renters in this state. I sincerely urge your favorable support for this bill!

House Bill 1371 is a tax fairness bill. While we have been generous in giving property tax relief to many in this state, all of us have constituents in our districts who pay sales tax, income tax, gas tax, etc. but who have seen NO property tax relief. They are a significant part of our work force and are our renters!

Those of us who own homes and pay state and federal income tax get benefits in deductions as we file our state and federal taxes. Renters receive nothing. As property tax relief goes to owners of the rental units, there is no decrease in rent! In fact, many of the renters are paying significantly increased rental rates monthly! The amount paid in rent is an indirect payment for the owner's property tax for which they get no credit and no rent relief.

Renters provide the major source of our work force. Many are young couples unable to afford the down payments on houses. Some are our elder citizens who have owned homes and paid taxes but are now on fixed incomes. They all deserve our consideration. They are our constituents who work in our districts, pay taxes, and vote.

Many states, including Montana and Minnesota, provide tax credits or other forms of tax relief for renters in their states. It is time for us to do the same.

I have included some statistics and information from the US Census Bureau regarding the median asking rental rates by U.S. Region. According to the data, the median asking rental rate for the Midwest Region was \$601 a month. In 2014, it was \$684 in the first quarter. Average for the first three quarters was \$656 so we used that figure and placed the amount of \$7800 (\$656 rounded down to \$650 x 12 months). Five per cent of \$7800 would amount to a maximum available renter's credit of \$390, a modest amount. I believe the bill is clean, clear, and uncomplicated in its intent. Council worked closely with me in drafting its specifics.

There are others here to testify on this bill, but I would be happy to answer any questions! I would again ask that you give favorable consideration on House Bill 1371. I thank you for your time and for your favorable consideration!

HB 1371
 1-26-15
 #1 p. 2

Table 11A. Median Asking Rent for the U.S. and Regions: 1988 to Present
 (actual dollars)

Year and Quarter	U.S.	Northeast	Midwest	South	West
1988					
1st.....	330	416	300	303	390
2nd.....	344	406	304	317	431
3rd.....	347	420	304	308	429
4th.....	350	424	297	316	476
Annual	343	417	301	311	428
1989					
1st.....	345	437	300	314	419
2nd.....	358	447	331	312	456
3rd.....	355	445	325	315	468
4th.....	370	483	334	317	474
Annual	358	459	320	316	456
1989/r1					
1st.....	331	440	297	299	410
2nd.....	344	442	297	298	458
3rd.....	345	457	298	308	465
4th.....	358	477	324	309	450
Annual	346	453	304	304	444
1990					
1st.....	368	475	336	309	511
2nd.....	363	456	305	312	497
3rd.....	374	518	316	329	455
4th.....	380	499	320	325	525
Annual	371	487	319	318	500
1991					
1st.....	385	522	337	325	509
2nd.....	395	476	356	353	508
3rd.....	402	487	314	354	516
4th.....	414	504	346	357	556
Annual	398	498	339	347	523
1992					
1st.....	401	469	338	344	505
2nd.....	404	489	349	347	518
3rd.....	409	479	348	359	528
4th.....	430	482	352	366	571
Annual	411	476	347	354	533
1993					
1st.....	422	473	365	367	529
2nd.....	436	502	361	387	539
3rd.....	427	480	351	362	563
4th.....	444	482	363	377	559
Annual	431	483	360	372	548
1993/r2					
1st.....	420	473	367	363	528
2nd.....	435	502	361	365	538
3rd.....	426	480	351	361	582
4th.....	444	482	383	375	582
Annual	430	483	360	370	547
1994					
1st.....	431	481	382	377	544
2nd.....	430	478	363	379	531
3rd.....	425	445	369	363	529
4th.....	427	462	372	380	551
Annual	429	467	367	375	536
1995					
1st.....	433	510	364	385	539
2nd.....	419	436	351	386	540
3rd.....	437	486	387	390	537
4th.....	445	441	390	413	550
Annual	438	473	371	393	541
1996					
1st.....	428	434	387	402	524
2nd.....	435	454	365	409	535
3rd.....	449	476	371	422	536
4th.....	458	470	383	441	547
Annual	444	457	377	417	535

HB 1371
1/26/2019

#(P3)

1997					
1st.....	436	488	381	396	535
2nd.....	431	450	380	401	539
3rd.....	448	496	375	408	522
4th.....	455	516	395	411	543
Annual	442	487	382	404	534
1998					
1st.....	457	495	414	410	554
2nd.....	452	494	409	405	551
3rd.....	463	525	389	426	547
4th.....	466	521	417	435	559
Annual	461	511	408	419	551
1999					
1st.....	444	509	397	406	563
2nd.....	475	551	411	441	578
3rd.....	456	516	406	412	586
4th.....	463	505	409	430	589
Annual	461	526	406	424	580
2000					
1st.....	478	521	423	443	577
2nd.....	464	558	434	421	557
3rd.....	492	536	462	460	592
4th.....	486	517	464	460	585
Annual	483	530	449	452	577
2001					
1st.....	478	521	423	443	577
2nd.....	502	538	474	475	627
3rd.....	525	538	469	497	693
4th.....	535	557	490	495	691
Annual	518	541	478	487	679
2002					
1st.....	545	601	448	528	692
2nd.....	575	647	508	557	710
3rd.....	567	616	523	514	736
4th.....	578	680	505	540	691
Annual	566	640	498	534	708
2002v3					
1st.....	546	600	448	530	694
2nd.....	577	643	507	559	712
3rd.....	568	618	524	516	735
4th.....	579	697	505	543	693
Annual	568	640	497	536	708
2003					
1st.....	594	692	538	566	706
2nd.....	588	673	535	558	694
3rd.....	582	747	520	542	754
4th.....	591	745	545	562	693
Annual	589	705	533	556	710

HB 1371 1/26/2015

#1
P.4

2004					
1st.....	620	727	555	575	773
2nd.....	599	678	536	566	812
3rd.....	619	716	566	582	797
4th.....	620	757	546	578	746
Annual	615	719	551	575	781
2005					
1st.....	608	773	545	547	803
2nd.....	603	673	538	564	817
3rd.....	614	742	536	579	759
4th.....	593	727	513	551	725
Annual	605	730	534	560	775
2006					
1st.....	600	746	554	560	758
2nd.....	625	728	560	598	775
3rd.....	639	802	577	598	756
4th.....	700	825	574	632	805
Annual	633	770	566	597	777
2007					
1st.....	659	801	570	623	835
2nd.....	665	741	573	644	814
3rd.....	663	807	568	639	818
4th.....	673	820	566	654	877
Annual	665	787	569	640	838
2008					
1st.....	679	802	568	661	825
2nd.....	686	794	576	663	836
3rd.....	719	847	580	698	871
4th.....	704	803	594	680	850
Annual	696	808	579	676	848
2009					
1st.....	723	805	586	709	844
2nd.....	715	842	599	675	879
3rd.....	716	883	598	668	906
4th.....	680	870	580	643	866
Annual	708	857	590	671	871
2010					
1st.....	685	802	596	650	850
2nd.....	694	871	598	647	865
3rd.....	709	912	605	668	889
4th.....	708	858	619	667	852
Annual	698	861	605	657	863
2011					
1st.....	683	873	568	657	801
2nd.....	684	865	587	647	849
3rd.....	700	894	600	648	865
4th.....	712	882	608	668	867
Annual	694	879	591	655	845
2012					
1st.....	721	932	607	660	855
2nd.....	716	878	599	669	911
3rd.....	706	842	597	666	865
4th.....	724	884	606	671	868
Annual	717	886	602	666	870
2013					
1st.....	718	896	615	665	854
2nd.....	735	961	605	688	893
3rd.....	736	966	575	695	876
4th.....	746	1,004	623	693	889
Annual	734	945	601	686	875
2014					
1st.....	766	1,043	684	709	886
2nd.....	756	930	646	720	910
3rd.....	756	893	638	738	860
4th.....					

Table 11B. Median Asking Sales Price for the U.S. and Regions: 1988 to Present
(actual dollars)

Year and Quarter	U.S.	Northeast	Midwest	South	West
1988					
1st.....	57,000	136,700	38,000	52,200	79,200
2nd.....	63,500	124,000	44,500	56,300	91,100
3rd.....	60,300	114,000	36,400	58,500	74,400
4th.....	59,100	125,000	32,100	57,200	73,900
Annual	59,200	124,500	38,100	56,400	81,300
1989					
1st.....	61,600	108,100	40,100	59,300	70,700
2nd.....	64,300	108,900	42,600	62,600	73,200
3rd.....	57,600	119,700	41,200	53,500	71,600
4th.....	57,400	115,800	34,400	59,200	85,900
Annual	59,500	108,100	36,800	57,900	72,700
1989/r1					
1st.....	55,700	95,600	37,800	55,200	59,500
2nd.....	56,000	93,900	32,200	53,200	67,100
3rd.....	53,300	116,800	32,600	49,800	63,600
4th.....	51,900	113,600	32,300	52,100	68,200
Annual	54,200	102,400	33,100	52,300	64,600
1990					
1st.....	48,900	97,700	33,500	41,900	100,100
2nd.....	65,900	112,300	39,300	49,500	131,800
3rd.....	89,000	125,900	42,900	56,600	120,700
4th.....	64,600	103,600	41,900	52,500	127,500
Annual	62,700	109,900	39,200	50,400	120,500
1991					
1st.....	68,700	99,300	48,500	54,100	125,700
2nd.....	65,000	115,700	46,300	51,300	105,600
3rd.....	58,600	73,600	47,000	46,100	99,800
4th.....	63,700	109,900	51,400	50,600	137,400
Annual	63,700	101,600	48,300	49,700	120,900
1992					
1st.....	68,700	102,000	47,300	52,000	133,500
2nd.....	72,500	97,400	33,900	59,700	153,700
3rd.....	75,200	99,300	43,500	57,200	123,100
4th.....	76,800	91,500	41,200	63,200	133,300
Annual	73,300	96,800	41,500	57,700	134,900
1993					
1st.....	72,600	101,600	49,800	60,500	135,700
2nd.....	70,300	99,500	42,700	61,800	119,000
3rd.....	67,300	91,200	46,800	54,400	122,300
4th.....	69,400	107,900	48,500	57,700	124,200
Annual	69,900	99,700	46,900	58,600	125,800
1993#2					
1st.....	71,500	102,700	50,500	63,500	135,300
2nd.....	70,200	99,600	42,700	62,000	118,000
3rd.....	67,200	91,400	46,800	54,400	121,200
4th.....	69,200	107,700	48,100	57,600	124,000
Annual	69,600	99,900	46,900	59,800	124,900
1994					
1st.....	77,300	113,900	49,800	67,300	104,600
2nd.....	69,300	110,000	49,800	61,600	107,200
3rd.....	70,700	98,400	47,600	63,400	114,600
4th.....	72,800	108,800	61,200	61,900	98,200
Annual	72,200	107,100	51,000	63,200	105,100
1995					
1st.....	77,800	100,000	55,400	65,200	143,200
2nd.....	79,900	90,100	57,800	70,200	138,100
3rd.....	77,200	107,000	65,500	64,700	100,000
4th.....	75,200	114,100	65,700	62,200	119,100
Annual	77,500	102,600	61,400	65,400	128,300
1996					
1st.....	80,600	93,300	69,600	67,500	128,600
2nd.....	79,300	112,800	67,700	68,400	108,900
3rd.....	82,800	98,200	62,000	72,300	123,200
4th.....	81,500	92,400	63,600	71,500	123,100
Annual	81,200	95,700	66,800	70,300	121,900

1997					
1st.....	87,900	117,200	86,400	73,900	110,300
2nd.....	88,600	101,700	72,000	81,500	116,200
3rd.....	87,300	93,500	83,900	74,700	127,700
4th.....	86,300	83,300	77,600	77,500	123,300
Annual	87,700	97,700	79,800	77,000	119,200
1998					
1st.....	84,400	82,600	78,000	78,900	127,800
2nd.....	85,600	96,100	73,500	78,500	121,300
3rd.....	91,600	85,400	89,200	84,100	129,600
4th.....	89,700	99,200	75,700	82,300	140,500
Annual	87,800	88,200	79,400	81,300	131,600
1999					
1st.....	95,700	117,900	73,300	92,100	127,100
2nd.....	91,500	102,900	79,200	84,100	112,800
3rd.....	84,700	86,800	83,000	73,300	119,900
4th.....	83,800	86,200	80,400	72,500	136,200
Annual	89,400	94,500	79,300	81,700	122,900
2000					
1st.....	85,300	89,700	77,800	76,100	113,900
2nd.....	93,700	87,500	86,500	85,100	142,200
3rd.....	89,200	82,300	85,100	84,700	134,300
4th.....	93,800	123,700	94,400	85,200	126,100
Annual	90,400	93,200	85,800	82,500	130,000
2001					
1st.....	91,600	114,800	90,400	81,200	128,000
2nd.....	93,300	123,100	75,800	86,300	142,700
3rd.....	91,100	134,500	85,900	80,100	153,400
4th.....	97,100	100,000	90,500	87,300	143,700
Annual	93,300	124,100	85,100	83,700	142,600
2002					
1st.....	99,500	108,300	92,800	91,400	146,200
2nd.....	108,600	142,900	99,700	94,800	163,700
3rd.....	118,400	122,700	117,200	102,600	155,800
4th.....	115,200	140,000	94,000	100,300	181,100
Annual	110,600	126,200	99,400	96,900	160,800
2002v3					
1st.....	99,800	113,000	93,600	91,700	149,200
2nd.....	108,500	146,200	101,200	95,100	162,500
3rd.....	118,700	120,500	119,800	103,100	155,300
4th.....	115,400	138,000	94,000	100,800	181,000
Annual	111,100	119,700	99,000	96,700	160,000
2003					
1st.....	108,900	136,700	89,600	103,000	167,000
2nd.....	121,000	134,400	97,300	111,300	181,300
3rd.....	118,500	116,700	90,600	109,100	211,100
4th.....	120,900	160,000	97,300	109,000	170,800
Annual	117,100	132,700	93,700	107,600	184,000

2004					
1st.....	126,700	232,100	111,000	111,700	183,600
2nd.....	124,700	125,000	128,800	99,200	192,300
3rd.....	113,600	135,000	115,000	94,000	178,400
4th.....	121,800	123,500	82,900	122,900	206,200
Annual	122,100	150,000	111,000	104,500	189,600
2005					
1st.....	122,500	170,800	96,000	115,800	208,000
2nd.....	134,600	211,500	121,500	112,200	213,500
3rd.....	150,700	255,000	135,600	133,200	310,200
4th.....	150,000	195,800	126,500	135,900	308,300
Annual	140,100	203,800	121,600	124,100	277,300
2006					
1st.....	159,500	197,800	138,100	144,600	281,800
2nd.....	167,100	300,800	137,400	141,900	281,800
3rd.....	174,400	294,100	115,600	163,100	302,600
4th.....	173,000	239,600	138,800	148,200	308,100
Annual	168,800	257,500	132,500	149,100	296,900
2007					
1st.....	185,200	281,700	127,700	171,300	298,900
2nd.....	201,500	265,600	124,100	197,900	347,800
3rd.....	188,600	240,600	126,500	169,500	320,700
4th.....	178,800	239,500	124,400	151,100	334,500
Annual	187,600	255,900	126,200	172,700	323,300
2008					
1st.....	193,000	200,000	120,400	192,600	317,000
2nd.....	187,600	233,000	119,500	184,000	310,400
3rd.....	171,800	223,100	110,000	159,200	262,100
4th.....	162,100	221,400	116,500	154,500	245,200
Annual	176,900	233,800	117,900	171,900	286,800
2009					
1st.....	167,200	234,400	121,800	156,900	260,300
2nd.....	162,400	366,700	114,300	160,300	208,000
3rd.....	155,200	254,300	114,900	151,000	206,900
4th.....	143,600	210,400	98,100	138,700	205,600
Annual	156,900	250,000	112,400	150,800	225,900
2010					
1st.....	139,300	173,300	111,300	130,300	204,800
2nd.....	144,600	180,700	116,900	137,300	218,300
3rd.....	141,800	177,800	116,700	138,700	232,700
4th.....	135,200	189,600	103,200	129,100	183,800
Annual	140,300	182,500	112,500	134,200	206,000
2011					
1st.....	143,700	210,300	105,200	140,600	189,600
2nd.....	138,400	188,600	112,000	135,400	167,100
3rd.....	136,700	150,000	104,200	138,100	186,400
4th.....	133,800	190,200	99,100	129,500	171,900
Annual	138,600	185,200	105,400	135,900	179,200
2012					
1st.....	133,700	207,800	104,200	126,000	181,100
2nd.....	134,600	166,700	97,800	133,200	167,100
3rd.....	137,000	177,800	100,900	126,500	187,500
4th.....	137,700	173,100	106,500	130,900	187,000
Annual	135,400	178,600	101,900	128,900	180,900
2013					
1st.....	139,800	183,800	114,500	130,000	238,200
2nd.....	147,600	185,400	120,600	135,200	229,600
3rd.....	140,600	172,900	118,500	133,500	235,200
4th.....	141,000	180,200	117,900	125,900	194,500
Annual	142,000	181,500	117,900	131,500	222,700
2014					
1st.....	139,200	193,300	122,900	123,100	172,400
2nd.....	151,800	184,200	133,300	132,400	243,500
3rd.....	155,300	208,000	109,600	148,300	228,600
4th.....					

Source: Current Population Survey/Housing Vacancy Survey, Series H-111, U.S. Census Bureau, Washington, DC 20233

U1 Revised to include year-round vacant mobile homes.
 U2 Revised based on the 1990 Census.

HB 1371
1-26-15
#2 p.1

TESTIMONY ON SENATE BILL 1371

House Finance and Taxation Committee

**Crystal Schneider, City Council Member
City of Grand Forks, ND**

January 26, 2015

Mr. Chairman and members of the House Finance and Taxation Committee, my name is Crystal Schneider and I represent Ward 2 on the Grand Forks City Council. I want to thank you for this opportunity to testify on House Bill 1371 on behalf of the City of Grand Forks and request your recommendation of a DO PASS.

Let me begin by thanking you and the Legislature in general, for all your work to provide property tax relief over the last few sessions. Citizens asked for this relief. You delivered. And people all across the state are benefitting. Thank you.

In accordance with the spirit of this great work, we see an opportunity to assist our statewide citizens who are renters, not owners of property. While not property owners, they still live and work in our communities. They are subject to the same costs of living and, of course, the increases in costs of living we have all experienced.

In Grand Forks, we have an estimated 13,000 rental units. Our estimates are based on the 2010 Census which showed 11,741 renter-occupied units with a total population of 22,757 residing in those units. Since then, we have added an additional 1,500 units – and there are hundreds more in construction as we speak.

Assuming the same 1.94 residents per unit the Census uses, that would increase our renter population in those 13,241 units to 25,667.

This is a significant portion of our population and is therefore a significant portion of our population that is not receiving the generous property tax relief you have given to the rest of North Dakota citizens.

Two important groups this will target, particularly for Grand Forks, are our elderly on fixed incomes and our student population. Importantly, because this bill is an *income tax credit*, it means the students who are working and earning income in our community are the ones who will be receiving the relief. I know you are aware of just how important this workforce is to a community. Recognizing their impact and value through this income tax credit is the right thing to do.

Thank you again for all you have done and continue to do to provide important tax relief to North Dakota citizens. I appreciate the opportunity to testify in favor of House Bill 1371 and respectfully ask for your consideration of a DO PASS.

HB 1371
1-26-15
#3 p. 1

Testimony of Laney Herauf
Greater North Dakota Chamber of Commerce
HB 1371
January 26, 2015

Mr. Chairman and members of the committee, my name is Laney Herauf; I am the Government and Regulatory Affairs Specialist for the Greater North Dakota Chamber. GNDC is working on behalf of our more than 1,100 members, to build the strongest business environment in North Dakota. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we stand in opposition to House Bill 1371.

The Greater North Dakota Chamber has often fought for tax decreases and tax credits to citizens and businesses alike. It is our belief that lower taxes offer a much more dynamic business climate, which aids in a healthy statewide economy. This bill, however, does not align itself with our mission and creates unfair tax policy among North Dakota's citizens.

We support broad based income tax relief. This bill takes one particular subsection of the population, determined by their choice of place of residence and determines that they are more worthy of income tax relief. This is an arbitrary way to classify people.

Further, people who are renting are not paying property taxes. As such, they do not have that expense. Should this bill pass, in addition to not paying property taxes, they would be receiving an income tax credit. If this committee wants to have a broader discussion about income tax credits for all citizens of North Dakota, the Greater North Dakota Chamber would happily participate in that conversation, but this bill, as written creates poor policy.

The Greater North Dakota Chamber respectfully requests a DO NOT PASS recommendation on House Bill 1371. Thank you and I would be happy to answer any questions.

HB 1371
1-26-15
#4

January 26, 2015

HOUSE FINANCE AND TAXATION COMMITTEE
HB 1371

CHAIRMAN HEADLAND AND MEMBERS OF THE COMMITTEE

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State.

I heard in testimony on the Housing Incentive Fund that 35% of North Dakota households are renters. That is a lot of workers, students and senior citizens; all of whom could use a little tax relief. I realize the fiscal note is quite high and we are in a time of revenue uncertainty, but as this is a credit against tax liability much of this money will be put right back into the economy.

I ask for a Do Pass on HB 1371.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try and answer any questions.