

Recommendation to:

PROPERTY TAX MEASURE REVIEW COMMITTEE

Empower the Taxpayer is pleased with Attorney General Wayne Stenehjem's Letter Opinion 2011-L-10 of November 1, 2011. We are pleased this will give the citizens of North Dakota an additional year of no property taxes. While this benefits each and every property owner directly it will advance the significant private economic development North Dakota will achieve, by an additional year, with passage of Measure 2.

Since Measure 2 will now take effect a full year earlier than we have contemplated it will be incumbent on the Legislature to NOT simply spend the anticipated \$2 - \$3 BILLION dollars the state will reap in new tax revenues and instead return it to the local governing bodies where it belongs instead of using it to fund bigger government and special interests.

We realize some entities are concerned with how political subdivisions will handle the retroactive application of Measure 2. To that concern we are providing draft language for legislation to fully address this issue in a positive, direct and easy manner.

"Holding Property Tax in Escrow Until Vote on Measure 2 All property taxes received on and after January 1, 2012, by the State or any political subdivision shall be held in escrow in a separately delineated account by that entity for distribution immediately after the vote of June 12, 2012. If Measure 2 is deemed approved by the people by the Secretary of State, then the monies held in escrow shall, within 30 days of the Secretary of State's certification that measure 2 has passed, be returned to the person or entity that paid the tax. If Measure 2 is deemed defeated by the people by the Secretary of State, then the escrow account shall be transferred to the account to which the tax would have been normally placed."

We hope this will be of assistance to the Legislature and the Property Tax Measure Review Committee. In the event the Legislature chooses to not address this legislatively, all the political subdivisions need do is independently hold their property tax in escrow until after the vote on Measure 2. This will cause no problems for political subdivisions. This could be addressed during the upcoming **Special Session** and be in place shortly. We believe it would be prudent for the Legislature to consider such a measure.

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