

255 N. 4th St.
PO Box 5200
Grand Forks, ND 58206-5200



Mayor Brandon Bochenski
(701) 746-4636

TESTIMONY ON SENATE BILL 1291

House Finance & Taxation Committee

January 19, 2021

Paul Houdek, City Assessor, City of Grand Forks, ND

Mr. Chairman and members of the committee, my name is Paul Houdek, and I am the City Assessor for the City of Grand Forks. I want to thank you for the opportunity to provide testimony in opposition to this legislation.

I am contacting you today in opposition of House Bill 1291. This type of bill, at first glance, may sound like a good idea, but there are many unintended consequences that come from passing such a bill. In any mass appraisal model, equity is just as important as reaching market value. This bill will undoubtedly create inequities in every jurisdiction in the state. The real estate market is not a perfect model where everything sells for “market value”. True and Full value is the Assessor’s opinion of market value. The true and full value assigned by the Assessor is an opinion of value by a trained professional using the best and most current market data available. One sale of one property does not mean that is the market value of that property. That one sale is just one sample of data in the overall market. This logic behind this bill completely ignores the overall market data, as well as the cost approach, and the income approach. The real estate market is imperfect and there are many reasons that motivate different buyers and sellers to agree on a purchase price. In some cases buyers are more motivated and the price they are willing to pay goes up. In other cases the sellers are more motivated and the price they are willing to accept goes down accordingly. The “market value” is a measure of the sum total of all the market data available at any given time, not just the result of one transaction.

What happens when the properties sell for more than the true and full value? If the sale price equals market value (and it doesn’t) then it would seem the right thing to do is to raise values on properties that sell for more than the assigned true and full value to the sale price as well.

The Grand Forks City Assessor and the City of Grand Forks Legislative Committee oppose this bill. I would also ask you to oppose this bill as well.

Respectfully

Paul Houdek

Grand Forks City Assessor

