

TESTIMONY ON HOUSE BILL 1325

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 and express my opposition to this legislation.

I am contacting you today in opposition of House Bill 1325. This bill would have devastating effects to all taxing jurisdictions. It will eliminate tax increases on all property owned by people that are 65 years of age and older. Just simple inflationary increases to the property taxes will be shifted from all property owners to only those property owners that are under the age of 65 years old. Think about the demographics in many small towns in North Dakota for a moment. When a large portion of your residential property is owned by people over the age of 65, the future tax increases will be picked up by residential properties owned by people under the age of 65, as well as commercial and agricultural property within the county. This is a shift in the tax burden. It will save some people some money, for sure, but at the same time shifting the burden to younger property owners, commercial and agricultural property owners as well. I believe this will lead to increases in mill rates which would not otherwise happen without this law. There is no “needs test” at all in this bill. Many retirement age property owners have a significant financial portfolio which further complicates this issue. Freezing the property tax bill for a person who has a good retirement income as well as significant assets and shifting that burden onto young families is not an appropriate solution. Thank you for considering my testimony.

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