



Monday, January 18, 2021

HB 1325 (1/19/2021 Hearing – 9:30 AM)

Dear Chairman Headland and Honorable Members of the House Finance and Taxation Committee:

I am respectfully requesting you to support a **“DO NOT PASS”** on House Bill 1325 relating to the optional residential property tax freeze for owners who are age 65 or older.

A residential property tax freeze for owners who are age 65 or older, shifts the tax burden to those under the age of 65 along with shifting the tax burden to the other property classes (commercial and agricultural). As written the bill has a definition of income but no limitations on income to receive the optional property tax freeze.

Currently, under North Dakota Century Code 57-02-08.1, an individual who is 65 years of age or older may apply for what is known as the Homestead Credit. The application filed needs to meet ownership, income and assets requirements. There is a limitation on income – not in excess of \$42,000, assets not in excess of \$500,000. The maximum reduction allowed is a \$5,625 taxable value which equates to a true and full value of \$125,000.

Since the Homestead Credit already exists in the Century Code for those 65 and older, possible adjustments can be made to the existing Century Code to meet the intent of HB 1325. As the bill stands, I would support a **“DO NOT PASS”**.

Thank you for your consideration.

Sincerely,

Lori Hanson
Mountrail County Director of Tax Equalization