



Testimony on HB 1471
Presented to the House Finance and Taxation Committee
Prepared by Bernie Dardis, West Fargo Commission President
Monday, Feb. 1, 2021

1 Chairman Headland and members of the House Finance and Taxation Standing
2 Committee: I am writing to express my opposition to HB 1471, which relates to a
3 property tax exemption for property of churches. After reviewing this bill, the City of
4 West Fargo staff and I have concluded that the proposed changes create ambiguity
5 on how to interpret the exemption and places undue burden on nonexempt taxpayers.

6 Religious organizations have been exempt in some form for many years. The
7 current law has been interpreted that a church, parsonage, small supporting buildings,
8 and the land on which they sit are to be exempt. The discussion around church
9 properties always comes down to how much additional land is appropriate to exempt.

10 With the proposed changes, this determination is getting even less clear. In one
11 interpretation, you are allowing churches to own limitless tracts of land. This will not only
12 open the possibility of churches to compete directly against land developers, it shifts
13 the tax burden for an unlimited amount of land to the rest of the properties in town.

14 Furthermore, item c allows vacant land that does not serve a purpose for the
15 organization to be tax exempt. However, this contradicts the requirements that
16 exemptions only apply to property used for religious purposes of the organization.

17 The current law, as written, defines 5 acres of vacant land along with the typical
18 improved land and buildings to address this issue. Adding the proposed verbiage will
19 only confuse the issue and lead to further interpretation issues.

20 It is important to ensure that property tax law is clear with defined methods of
21 interpretation to ensure consistent application throughout the state. Property tax efforts
22 also need careful consideration to ensure one action to benefit a group of property
23 owners does not place an undue burden on another group of property owners. The
24 proposed changes do not meet either of these tests.

25 For these reasons, I oppose HB 1471 and urge a DO NOT PASS recommendation
26 on HB 1471.