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City of Ellendale

2021 House Finance and Taxation Committee   March 3, 2021
Honorable Representative Craig Headland, Chairman
North Dakota State Capitol

Dear Representative Headland and Members of the House Finance and Taxation Committee:

My name is Don Flaherty and I am the City Council President for the City of Ellendale. I am writing you today to speak against SB 2041. I believe that the proposed addition to section 57-02-08 to provide a property tax exemption for warehouses and elevators on commercial property for personal use is simply too far reaching and would place an unfair tax burden on other real property owners in small cities with these types of structures.

In both my city and a sister city in my county there is an elevator complex that is privately owned and operated. If this legislation were to pass, those properties would become exempt and create a loss of revenue for small cities that have budgetary pressures. Based on 2020 Mill Rates, for my city that would equate to a loss of $10,054 and for our sister city a loss of $1,829. These may seem like negligible amounts but for our city that is a property tax revenue decrease of 2.6% and our sister city a decrease of 17%. That is a large impact.

In addition, these facilities will continue to operate and as their heavy trucks pass in and out of town our roads will continue to deteriorate without a funding mechanism to help offset the cost of repairs. Thus, the burden of those costs is once again shifted to the general population who will reap no benefit from this exemption.

The aspects of this legislation have a much further reach than is commonly understood and would have a huge impact on a number of small cities within the state.

Therefore, I would strongly urge each of you to vote against SB 2041.

Respectfully Submitted,

Donald W. Flaherty
Ellendale City Council President

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