

House Judiciary Committee
Chairman – Representative Lawrence Klemin
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HCR No. 3040

Thank you for the opportunity to testify regarding HCR 3040. We would like the record to show that the City of Minot is opposed to the House Concurrent Resolution.

The proposed legislation, if passed, essentially strips local control away from governing bodies to best respond to the ever-changing needs of its community. The proposed Article in essence would freeze all property tax for all taxing entities. Any proposed increase would then be limited to the biennium meeting schedule of the North Dakota Legislature. Lawmakers from across the state, with only a small percentage living within the boundaries of the taxing authority, would then determine needs of the community being served.

The limitation of the two year meeting cycle would create an unstable environment for taxing jurisdictions to enter sustainable partnerships to meet local needs.

I would propose the property tax issue be fully considered in a comprehensive study being considered in other bills. A deep dive into local taxation must be more than looking at property values and mill levies. The full scope should be considered including budget priorities of each community, long term budget planning, infrastructure needs and/or deficiencies, safety demands and requirements, evolving demographics, sustainability and unmet needs to name just a few. The study should also consider how the loss of local control would impact each jurisdiction.

Currently voters elect people from their own community to make the difficult decisions each budget year based on the factors mentioned prior. If the voters are unhappy with the direction of the governing body of that taxing jurisdiction, they do have the ability to elect new members. Having numerous elected officials outside of their community making decisions on their local property taxation in affect takes away control from the voters.

Ultimately this proposed bill erodes local control and erodes the sustainability of local governments.

Local governments exist to provide core protections and services to their constituencies such as public safety, utilities, quality roads, a rich quality of life, and protection of rights. HRC 3040 undermines the sustainability of cities, counties, and taxing authorities to continue to meet these needs for the foreseeable future. As such Minot respectfully requests this bill receive a “do not pass” recommendation from this committee.

Thank you.