Testimony Prepared for the
House Judiciary Committee
March 8, 2020
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NDACo
NORTH DAKOTA ASSOCIATION OF COUNTIES

RE: House Concurrent Resolution 3041 - Opposition

Mr. Chairman and committee members, the 53 counties I represent stand opposed to HCR3041. As written, it appears to be a very dramatic tax shift to agricultural and commercial property. As counties and all other local governments fund their state-mandated and citizen-demanded services largely through property taxes, the only options that this measure provides are an increase in taxes on those other classes of property without such an exemption, or a quickly growing reliance on state appropriations.

Attached to this testimony is a table from the Tax Department's Property Tax Statistical Report. You will see that rural and urban residential property taxes together contribute over $450 million in tax revenue to schools, counties, cities, fire districts, parks, townships and all the rest.

The final three columns of the table were added by my staff to illustrate the impact of this measure. While it is understood that not all residential property would fit the definition of an "individual's legal residence," this provides a quick approximation.

Statewide residential property represents 41% of all taxable property, or an increase of 69% to commercial and agricultural property if all residential property became exempt. Not surprisingly, in our larger counties the percentage of residential property exceeds 50% of the total value and would more than double the tax for the other classes.

This of course is complicated for some jurisdictions by the mill levy limitations under which local governments must operate. As an example: Walsh County, to meet their obligations, must levy their statutory maximum of 60 mills. Under current law, there would be no way to legally increase the taxes on the remaining property if the residential property became exempt – removing 36% of the budget that supports law enforcement, the jail, veterans' services and much more.

A complicated message to deliver to voters when legislators and local boards are restricted in their options for advocating for or against such a change.

Please give HCR3041 a Do Not Pass recommendation.

North Dakota Office of State Tax Commissioner

Taxes Levied on Classes of Property - Table 5

County	Rural Agricultural	Rural Residential	Rural Commercial	City Agricultural	City Residential	City Commercial	Tax Increments	Fire Protection for Exempt	Railroads	Electric and Gas	Pipelines	Total Ad Valorem Taxes	Total Less Residential	Percent Residential	Percent Increase to Remaining
ADAMS	2,367,449	196,215	153,116	3,716	611,327	251,497	-	-	89,238	72,854	-	3,745,412	2,937,871	22%	27%
BARNES	8,571,118	1,927,311	640,593	39,074	3,752,885	2,488,498	237,067	-	777,618	696,882	1,049,900	20,180,945	14,500,748	28%	39%
BENSON	4,687,946	392,644	260,016	8,316	435,681	298,309	-	-	116,682	44,144	174,726	6,418,464	5,590,139	13%	15%
BILLINGS	507,566	293,661	582,930	-	54,482	233,658	-	-	125,069	3,269	623,223	2,423,858	2,075,715	14%	17%
BOTTINEAU	6,172,046	3,398,524	748,078	5,338	1,438,014	900,487	-	-	24,679	80,033	258,507	13,025,705	8,189,168	37%	59%
BOWMAN	1,687,983	273,391	474,756	8,481	974,251	532,228	-	-	61,868	90,957	626,119	4,730,033	3,482,391	26%	36%
BURKE	2,598,064	161,597	262,389	6,507	482,512	274,395	-	-	207,848	72,799	1,017,866	5,083,977	4,439,867	13%	15%
BURLEIGH	3,026,857	14,507,475	1,464,562	14,197	57,450,869	37,598,140	-	26,011	293,689	1,684,592	121,488	116,187,880	44,229,535	62%	163%
CASS	10,987,268	5,449,574	1,551,577	252,333	128,280,126	104,813,883	5,711,825	35,494	1,112,971	2,688,496	548,557	261,432,101	127,702,401	51%	105%
CAVALIER	8,007,698	309,870	255,974	323,855	1,446,610	762,410	-	-	33,750	693,548	80,171	11,913,885	10,157,405	15%	17%
DICKEY	5,754,986	439,932	228,130	9,920	1,333,343	939,927	291,599	-	61,607	331,161	15,901	9,406,505	7,633,230	19%	23%
DIVIDE	3,613,051	276,084	646,106	4,440	663,714	453,393	-	-	68,318	24,180	2,066,742	7,816,027	6,876,230	12%	14%
DUNN	1,670,761	760,723	1,022,492	428	440,767	492,874	-	-	-	23,283	3,399,250	7,810,578	6,609,088	15%	18%
EDDY	2,132,555	93,432	139,630	1,568	582,874	290,778	-	-	190,983	48,968	50,090	3,530,878	2,854,572	19%	24%
EMMONS	4,251,485	448,375	117,798	1,530	643,240	299,010	-	-	11,322	47,617	973,250	6,793,627	5,702,012	16%	19%
FOSTER	3,371,893	368,550	98,988	1,071	1,323,932	1,004,286	-	-	352,914	58,395	244,275	6,824,304	5,131,822	25%	33%
GOLDEN VA	1,114,657	207,055	27,040	-	481,221	195,309	-	-	139,417	18,570	140,456	2,323,724	1,635,448	30%	42%
GRAND FOR	8,348,408	4,734,286	1,357,034	36,061	42,782,148	32,718,257	-	23,265	264,188	1,467,596	274,060	92,005,304	44,488,870	52%	107%
GRANT	3,601,686	182,999	49,086	24,042	391,515	176,528	-	-	-	35,280	45,614	4,506,752	3,932,238	13%	15%
GRIGGS	2,812,998	163,626	317,241	426	399,029	249,214	-	-	162,163	90,136	17,506	4,212,339	3,649,684	13%	15%
HETTINGER	3,969,720	205,029	48,640	149	706,243	317,276	-	-	-	45,497	421,984	5,714,537	4,803,265	16%	19%
KIDDER	2,520,362	326,188	47,479	1,106	453,916	206,734	-	-	263,602	37,226	38,511	3,895,123	3,115,020	20%	25%
LAMOURE	6,830,841	143,903	174,843	6,030	876,867	421,190	116,033	-	103,540	117,223	16,159	8,806,630	7,785,860	12%	13%
LOGAN	2,706,682	42,976	15,416	3,726	485,534	204,036	-	-	38,960	35,087	-	3,532,417	3,003,907	15%	18%
MCHENRY	4,507,476	605,650	419,705	15,626	1,285,429	325,299	-	-	555,477	191,001	630,212	8,535,874	6,644,795	22%	28%
MCINTOSH	3,542,121	117,307	49,213	4,986	695,171	263,654	-	-	13,247	80,436	271,012	5,037,147	4,224,670	16%	19%
MCKENZIE	1,513,984	1,789,845	7,275,330	4,896	1,950,810	3,670,628	-	-	5,397	107,534	16,007,791	32,326,214	28,585,560	12%	13%
MCLEAN	8,139,554	3,219,851	690,421	5,233	3,466,549	996,988	-	-	111,947	138,181	264,776	17,033,499	10,347,100	39%	65%
MERCER	2,210,084	1,793,931	549,728	-	4,177,652	809,129	-	-	37,282	94,380	722,192	10,394,377	4,422,794	57%	135%
MORTON	3,569,708	4,350,545	2,959,440	9,794	17,759,750	9,015,242	-	-	571,714	783,896	2,012,443	41,032,533	18,922,238	54%	117%
MOUNTRAIL	3,331,114	731,836	2,651,091	14,753	1,947,955	2,668,743	-	-	335,391	88,182	7,744,038	19,513,103	16,833,313	14%	16%
NELSON	3,719,222	114,253	27,450	14,772	649,337	344,625	-	-	118,782	40,436	650,928	5,679,804	4,916,214	13%	16%
OLIVER	1,269,481	455,091	148,894	-	264,471	33,357	-	-	27,758	174,894	16,912	2,390,859	1,671,297	30%	43%
PEMBINA	8,212,425	576,301	398,686	12,442	1,650,834	1,020,244	-	-	37,145	115,657	1,528,129	13,551,865	11,324,729	16%	20%
PIERCE	3,522,516	340,185	120,790	5,181	1,481,295	812,171	-	-	162,414	289,075	210,127	6,943,753	5,122,273	26%	36%
RAMSEY	4,818,313	2,796,959	592,870	12,000	3,065,451	2,733,860	-	-	154,199	214,904	245,132	14,633,685	8,771,275	40%	67%
RANSOM	3,666,717	737,147	190,304	9,028	1,672,179	1,173,898	193,756	-	205,065	100,383	618,386	8,566,863	6,157,537	28%	39%
RENVILLE	3,367,563	198,196	56,732	2,129	749,489	298,055	-	-	37,970	32,087	177,236	4,919,457	3,971,772	19%	24%
RICHLAND	11,528,847	3,335,831	1,382,568	37,332	5,795,500	3,196,061	308,452	-	464,659	541,316	418,096	27,008,662	17,877,331	34%	51%
ROLETTE	3,258,016	400,838	94,606	6,375	826,561	423,807	5,242	-	-	65,996	-	5,081,441	3,854,042	24%	32%
SARGENT	5,457,983	353,774	132,389	23,007	1,037,164	1,211,496	-	-	161,893	122,531	521,766	9,022,004	7,631,066	15%	18%
SHERIDAN	2,301,675	68,958	19,240	161,609	125,589	118,217	-	-	30,586	43,593	-	2,869,467	2,674,920	7%	7%
SIOUX	872,500	4,935	5,194	267	26,358	18,421	-	-	556	1,649	-	929,880	898,586	3%	3%
SLOPE	1,345,718	12,647	19,759	2,804	17,881	16,249	-	-	13,097	6,295	181,252	1,615,702	1,585,174	2%	2%
STARK	3,578,344	3,934,928	4,214,613	-	16,646,394	13,988,061	-	-	587,746	415,993	1,032,446	44,398,525	23,817,203	46%	86%
STEELE	4,460,051	475,434	96,016	46,193	258,282	188,172	-	-	53,276	300,320	484,637	6,362,380	5,628,664	12%	13%
STUTSMAN	9,450,726	2,491,982	1,126,034	6,228	9,873,803	5,442,579	198,710	-	668,558	565,084	249,008	30,072,712	17,706,927	41%	70%
TOWNER	4,745,960	87,515	84,622	578	627,022	238,060	-	-	17,680	12,541	-	5,813,978	5,099,442	12%	14%
TRAILL	7,635,559	862,530	1,072,741	20,353	2,404,604	1,388,574	357,647	-	174,593	142,868	5,988	14,065,456	10,798,322	23%	30%
WALSH	9,451,970	733,300	305,025	37,089	3,680,615	1,597,680	-	-	88,876	106,471	549,980	16,551,005	12,137,091	27%	36%
WARD	6,940,907	8,620,049	2,754,083	49,406	40,474,053	33,548,556	220,170	6,071	1,095,511	1,074,301	2,223,856	97,006,963	47,912,861	51%	102%
WELLS	5,682,095	284,363	244,958	5,111	1,078,955	479,359	-	-	409,963	68,134	224,791	8,477,728	7,114,411	16%	19%
WILLIAMS	4,108,438	4,209,949	7,986,759	17,488	12,408,906	16,922,140	2,522,353	-	451,151	461,829	12,729,265	61,818,278	45,199,424	27%	37%
Totals	237,523,146	79,007,549	46,353,171	1,276,993	382,589,158	289,065,641	10,162,853	90,841	11,092,360	14,887,759	61,924,751	1,133,974,223	672,377,516	41%	69%