



To: Senate Finance and Taxation Committee
From: Katie Mastel, Government Affairs Manager, FMWF Chamber of Commerce
Date: March 23, 2021
RE: **Oppose HB 1277**

Chair Bell, members of the Senate Finance and Taxation Committee,

Thank you for the opportunity to provide testimony regarding HB 1277. My name is Katie Mastel and I serve as the Government Affairs and Advocacy Manager at the Fargo Moorhead West Fargo Chamber of Commerce. On behalf of The Chamber, I respectfully ask for a **do not pass recommendation on HB 1277.**

The Chamber supports a strategic and synergetic approach toward community development, which includes the implementation of proven economic tools to promote investments in the greater metropolitan area. The new home exemption has served as one of these tools in our community for decades. We support the current exemption, but the amendment to this bill in the House proposes that each jurisdiction require the resolution to be approved through public election, which threatens the exemption itself. As such, we oppose HB 1277 as amended.

With the effective date of the bill as taxable years beginning after December 31, 2020 – this bill would halt the current exemption, which builders, lenders, and business leaders have become familiar with, and many cities utilize.

Should this bill be approved, utilizing the exemption would require prospective homebuyers to essentially initiate reenactment of a long-standing exemption law. Their efforts would be based solely upon the hope that local government will pass a resolution favoring the exemption and that electors will then approve that same resolution on the ballot. The current version of HB 1277 will ultimately exclude potential homebuyers from the market and thereby reduce cities' prospects for long-term property tax revenue.

Mindful of these concerns, **we respectfully encourage the continued access to this proven economic tool which has long promoted investments, through opposing HB 1277.**

Thank you for your consideration.

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