

Testimony Prepared for the
Senate Finance & Taxation Committee
January 27, 2021
By: Linda Svihovec, NDACo



RE: Senate Bill 2270 – Value Reduction for 65+

Good morning Chairman Bell and committee members. For the record, my name is Linda Svihovec with the North Dakota Association of Counties. Thank you for the opportunity speak to you in opposition to Senate Bill 2270 on behalf of our 53 counties and their officials.

Senate Bill 2270 permits and freezes a 75% reduction in taxable property value for seniors for as long as the homeowner claims the property as their primary residence. This bill, as well as others that mandate a freeze or reduction in property values for seniors, shift the cost of the Homestead Credit program property tax burden from the state to other property owners in the community. Senate Bill 2270 goes a step further in that it permits the frozen reduction in property tax value without an income qualifying threshold. In other words, a wealthy 65+ owner of a million-dollar home, would pay taxes on \$250,000 of value – pushing the remaining tax burden of the reduced \$750,000 to other taxpayers who do not meet the 65+ age requirement in this bill.

County officials strongly support the Legislature's efforts to provide property tax relief to seniors living fixed and limited incomes. However, that can best be achieved by adjusting the income and asset thresholds of the current Homestead Credit program, rather than artificially reducing values, and shifting the burden to the other taxpayers in the community.

Chairman Bell and committee members, the ND Association of Counties and its members request a DO NOT PASS on SB2270 and encourage the Legislature to explore expanding the current Homestead Credit program income and asset thresholds instead.