

Testimony Prepared for the
Senate Finance & Taxation Committee

February 3, 2021

By: Linda Svihovec, NDACo



RE: Senate Bill 2326

Good morning Madam Chair Bell and committee members. For the record, my name is Linda Svihovec with the North Dakota Association of Counties. Thank you for the opportunity to speak in opposition to Senate Bill 2326 on behalf of our 53 counties and their officials.

It seems peculiar that this bill adjusts taxable value just one way. If it is appropriate to lower a property value due to a single sale, wouldn't it be appropriate to raise that property's value if the sale price exceeds what is placed on it for tax purposes? If the seller is issued a certificate for reduction in future taxes on a property that sold for less than the true and full value, shouldn't the seller also be issued a certificate for increase in future taxes owed if the property sells for more than the true and full value?

It appears that, as written, SB2326 wouldn't meet the standard of Article X, Section 5 of our state's Constitution that states: "*Taxes shall be uniform upon the same class of property including franchises within the territorial limits of the authority levying the tax.*" This would, somewhat arbitrarily lower an individual property, but never raise them for the same reason.

There are processes in place already for property owners to appeal their valuation, at the local, county and state level, using whatever sales information they feel is relevant. Numerous property owners do this every year, and if the information provided is convincing, they are granted the relief they seek.

As written, counties cannot support Senate bill 2326, and urge a Do Not Pass recommendation.