

## **HB 1248 – Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network**

Mr. Chairman,

House Bill 1248 has the potential to be a great vehicle for a comprehensive property tax study in the next interim.

As you know, for many years in my role as a taxpayer advocate, I have supported created changes and studies of the property tax system.

In 2017, in my personal capacity, I was appointed by former Bismarck Mayor Mike Seminary to the Special Assessment Task Force to study making changes at the local level. Without getting too far in the weeds today, our task force members would be able to tell you many stories about how difficult it is to try to change the property tax and special assessment process – even when everyone in the room agrees with the goal.

After speaking to Representative Motschenbacher about his intent with this bill, I understand what he is trying to do and offer up the following amendments to the bill in order to improve its chances of being supported and adopted:

During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of replacing the current property tax structure. ~~applicable to residential and commercial property with a price per square foot taxation method based on the amount levied in the previous taxable year, adjusted annually to allow for an increase in the price per square foot.~~

The study must include a review of the current property tax system for residential and commercial property, the function of the equalization and abatement process under the proposed new taxation method, the process for determining taxing district budgets, implementation and administration of the new taxation method and the impact on taxpayers, and a review of other states that calculate property tax on a price per square foot basis.

The study must determine whether local governments are using a uniform approach to calculating automatic valuations in-between physical assessments – and determine the feasibility and desirability of a statewide valuation reporting system.

The study shall seek the expertise of both political subdivision staff involved in the tax assessment process, as well as input from citizens who have previously been appointed to study these issues at the local level.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly

This suggestion removes a specific policy end-point from the study, and adds policy evaluation goals.

Thank you for your consideration on this matter.