

WALSH COUNTY TAX EQUALIZATION DIRECTOR  
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March 3, 2025

2025 Senate Finance and Taxation Committee  
Honorable Senator Mark F. Weber, Chairman  
North Dakota State Capitol

Dear Senator Weber and Members of the Senate Finance and Taxation Committee:

My name is Edward Sevigny and I am the Tax Equalization Director for Walsh County. I am writing to you today in opposition to HB 1534. I believe the proposed changes in this bill would lead to some inequities and unintended consequences to the taxpayers of North Dakota.

Limiting taxable valuation increases on parcels would eventually lead to inequity between all taxpayers in an assessment district. Since not every parcel changes in True and Full Value at the same rate each parcel could have a calculated taxable value that means very little to a taxpayer. This could be true for different classes of property as well as neighbors living right next to each other. This would make it almost impossible for County officials to explain how a parcel's current taxable value is calculated and cause inequities in tax rates between properties.

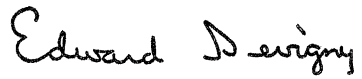
There is currently no provision in this bill to allow for a full increase in taxable valuation for properties coming off an existing or future property tax exemption. This bill only allows for a taxable value increase of greater than 3 percent if there are improvements done since the previous taxable year. Coming off on exemption would not constitute an improvement to a property since the previous taxable year, in effect, allowing any property tax exemptions to remain for perpetuity.

The term "improvements" is not clearly defined in this bill. I believe there will be inequities between how assessment officials interpret this term. Some assessment officials will limit this to additions and new construction only while other assessment officials will include things like replacing or upgrading siding, windows, or interior finish. This again would lead to inequities between jurisdictions and properties.

Finally, I believe in Walsh County this bill would lead to a tax shift to agricultural property. Historically in Walsh County, agricultural properties have typically increased in True and Full Value at a rate of 0 to 3 percent per year. If that continues the taxable valuation for agricultural properties would generally keep up with any increases in True and Full Value. On the other hand, at least recently, residential property values in Walsh County have been increasing at much more than 3 percent per year. The taxable valuation increases on many residential properties would not be able to keep up with the True and Full Value increases we have seen. This will lead to a shift of a larger tax burden on agricultural properties in comparison to residential properties.

I would encourage you to cast a Do Not Pass voter for HB 1534 as I feel it will have unintended consequences and lead to inequities for the taxpayers of North Dakota.

Respectfully submitted,

A handwritten signature in black ink that reads "Edward Sevigny". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Edward Sevigny  
Walsh County Director of Tax Equalization