

2025 SENATE FINANCE AND TAXATION

SB 2312

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2312
1/29/2025

Relating to a property tax exemption for property owned by a charitable organization and used for equine events; and to provide an effective date.

9:00 a.m. Chairman Weber called the meeting to order.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Exemption effect on other property
- Quantity of equine events not currently tax exempt

9:00 a.m. Senator Magrum, District 8, introduced SB 2312, testified in favor and submitted testimony #32204.

9:12 a.m. Leigh Backhaus testified in favor.

9:19 a.m. Peter Hanebutt, North Dakota Farm Bureau, testified in favor.

9:21 a.m. Bruce Johnson, Executive Director, Horse Racing Commission, testified in favor.

9:23 a.m. Bill Wocken, North Dakota League of Cities, testified in opposition and submitted testimony #32532.

Additional written testimony:

Hugh Drexler, General Manager, North Dakota Horse Park, submitted written testimony in favor #32354.

9:25 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk



STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



COMMITTEES:

Finance and Taxation
Energy and Natural Resources

Senator Jeffery J. Magrum

8

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01/29/2025

Good morning, Chairman Weber and Committee members.

For the record I am Senator Jeff Magrum representing district 8

I am happy to be back to my prior committee to introduce SB2312. The goal of SB2312 is to exempt property owned by a charitable organization and used primarily for the purpose of equine events that are not conducted for profit. This exemption will help keep costs down for the long-term viability of equine events. This exemption will help our horse lovers continue to showcase their horses and hopefully keep young people interested in these beautiful creatures. This bill is good for Agriculture, good for entertainment and will help keep the families that

work side by side to make these events family friendly and fun to help create a lifetime of memories.

Mr. Chairman and committee members I humbly ask for a do pass recommendation on SB2312 and I stand for questions.

2023 EMMONS COUNTY REAL ESTATE TAX STATEMENT

Parcel Number 34-0000-02708-000
 Jurisdiction 131-76 (UNORGANIZED)

Statement No: 5,194

2023 TAX BREAKDOWN

Physical Location 3415150000
 Lot: Blk: Sec: 36 Twp: 131 Rng: 76
 Addition: Acres: 36.01

Net consolidated tax 220.12
 Plus: Special assessments
 Total tax due 220.12
 Less: 5% discount,
 if paid by Feb.15th 11.01

Statement Name
 BEAVER VALLEY HORSE CLUB

Amount Due by Feb.15,2024 209.11

Legal Description
 PORTION OF SW4 LESS RW (RODEO GROUNDS) 36-131-7 Or pay in 2 installments (with no discount)
 6 Payment 1: Pay by Mar.1st 110.06
 Payment 2: Pay by Oct.15th 110.06

2023 Comm Land> 2023 Residential Land->
 2023 Comm Bldg> 2023 Residential Bldg->
 2023 Agricultural Land>

Legislative tax relief 2021 2022 2023
 143.91 133.72 137.66

Special assessments:
 SPC# AMOUNT DESCRIPTION

Tax distribution
 (3-year comparison):
 True and full value 2021 2022 2023
 24,100 22,400 22,400
 Taxable value 1,205 1,120 1,120
 Less: Homestead credit
 Disabled Veteran credit
 Net taxable value-> 1,205 1,120 1,120

Total mill levy 193.93 195.23 196.54

ESCROW COMPANY NAME:

Taxes By District (in dollars):

COUNTY 87.62 84.92 86.76
 ROAD 21.69 18.79 20.16
 SCHOOL 117.14 108.05 106.31
 FIRE 6.03 5.78 5.77
 STATE 1.21 1.12 1.12

NOTE:

Consolidated tax 233.69 218.66 220.12

FOR ASSISTANCE, CONTACT:
 EMMONS CO AUDITOR/TREASURER
 PO BOX 188
 LINTON ND 58552
 701-254-4807 or 701-254-4802
<http://emmonsnd.com>

Net effective tax rate> .97% .97% .98%

[Detach here and mail with your payment]

2023 EMMONS COUNTY REAL ESTATE TAX STATEMENT

Your canceled check is your receipt for your payment.
 A receipt will be mailed upon request.

Total tax due 220.12
 Less: 5% discount 11.01

Parcel Number: 34-0000-02708-000
 Statement Number: 5,194

Amount Due by Feb.15,2024 209.11

Enter the amount you are paying on
 this parcel if less than full amount.

Or pay in 2 installments (with no discount)
 Payment 1: Pay by Mar.1st 110.06
 Payment 2: Pay by Oct.15th 110.06

BEAVER VALLEY HORSE CLUB

PO BOX 123
 LINTON ND 58552

MAKE CHECK PAYABLE TO:
 EMMONS CO AUDITOR/TREASURER
 PO BOX 188
 LINTON ND 58552
 701-254-4807 or 701-254-4802
<http://emmonsnd.com>

TOTAL TAX DUE IF PAID BY FEBRUARY 15th...BEAVER VALLEY HORSE CLUB -->

209.11

Testimony

Property Tax Bill SB 2312

Horse Park Foundation
5100 19th Ave N.
Fargo, ND. 58102

Horse Race North Dakota
5180 19th Ave N.
Fargo, ND. 58102

In 2014, The 19th avenue road construction was completed which added \$1,541,629.66 and \$1,224,693.48 respectively to each property in the form of special assessments. This has caused considerable hardship on the North Dakota horse park operation over the past 10 years.

Current annual property tax expenses on each property are \$150,767.98 and \$115,650.66 including special assessments.

Current annual property taxes are \$48,403.76 and \$30,078.14.

Over the past 20 years the North Dakota Horse park has helped to support Thoroughbred and Quarter horse racing and breeding in the State of North Dakota. The horse park has also made positive contributions to the local economy as well as financial contributions to charitable organizations throughout the State.

The horse park has also partnered with NDSU to share, operate and maintain the land and facilities on a yearly basis.

The horse park has become more self-sufficient during the past 5-10 years and will continue to do so. The elimination of property taxes because of its charitable mission and relationship with NDSU would be another step in the right direction in allowing the horse park to increase its equine and charitable support.

Thank you for your consideration.

Hugh Alan Drexler
General Manager
North Dakota Horse Park

Testimony in Opposition to Senate Bill 2312
January 29, 2025
Senate Finance and Taxation Committee
Bill Wocken on behalf of the North Dakota League of Cities

Good morning, Mr. Chairman and members of the Senate Finance and Taxation Committee. For the record, my name is Bill Wocken, appearing on behalf of the North Dakota League of Cities in opposition to Senate Bill 2312.

This bill proposes a new tax exemption for property used for equine events. The property covered would need to be owned by a "charitable organization" and used primarily for non-profit "equine events".

This proposal has several challenges in its current wording. "Charitable organization" is not defined clearly, Does the organization need to hold an IRS 501 c(3) designation or some similar credential? "Equine event " is also undefined. A definition of the term would save a lot of confusion should this measure become law.

But even with those terms defined the League of Cities is opposed to this exemption request. The League has consistently opposed bills requesting exemptions from the property tax. Each property that is exempt from paying property tax creates a heavier burden on those who remain to pay the tax.

There are a number of proposals to cap the property tax for local government circulating in the current Legislative Assembly. Providing additional exemptions from paying property tax will reduce revenue production at the very time that rates may not be able to be adjusted to provide needed operating revenue.

We respectfully request a Do Not Pass recommendation from the committee on Senate Bill 2312. I will be happy to answer any questions you may have of me.

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2312
2/3/2025

Relating to a property tax exemption for property owned by a charitable organization and used for equine events; and to provide an effective date.

10:55 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Committee Action
- Potential tax impacts of exemption

10:57 a.m. Senator Rummel moved a Do Not Pass.

10:57 a.m. Senator Patten seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	A
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 5-0-1.

Senator Rummel will carry the bill.

10:58 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2312 ([25.1212.02000](#))

Finance and Taxation Committee (Sen. Weber, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2312 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.