



**Testimony on HB 1438**  
**Presented to the Senate Finance and Taxation Committee**  
**Prepared by Bernie Dardis, West Fargo Commission President**  
**Tuesday, Feb. 28, 2023**

1 Mr. Chairman and members of the Senate Finance and Taxation Committee:

2 I would like to take this opportunity to submit my opposition to House Bill 1438.

3 Property tax exemptions can be a very useful tool to provide relief to certain  
4 organizations who feel burdened by their responsibility. However, these changes pose a  
5 few issues. Broadening the timing of the exemption to after acquisition through  
6 construction allows any public charity to enjoy the exemption while holding onto  
7 undeveloped land and then sell it for any use. Expanding to 50 acres reduces the tax  
8 base for all taxing entities and shifts public charities responsibility to other taxpayers.

9 Paul Fracassi, Cass County Government Director of Equalization, summarized  
10 these concerns well with his testimony that "*this could potentially open the door for any*  
11 *LLC with a 501(c)(3) to become developers of exempt land, an expense which would*  
12 *shift the burden to other taxpayers.*"

13 Based on the testimony for those in support of this bill, it appears the bill is meant  
14 to assist public hospitals and nursing homes. Please consider amending this bill to better  
15 address this specific need to ensure it does not have unintended consequences that  
16 burden other taxpayers.

17 Sincerely,

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19 Bernie Dardis,  
20 West Fargo Commission President  
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