

Testimony in Opposition to House Bill 1438
March 1, 2023
Senate Finance and Taxation Committee
Bill Wocken on behalf of the North Dakota League of Cities

Good afternoon, 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 House Bill 1438.

This bill proposes to allow the existing property tax exemption on structures belonging to institutions of public charity and the land they physically occupy to be enlarged to also exempt up to 50 acres of undeveloped land belonging to these institutions.

The League of Cities has argued against additional exemptions to the property tax on many occasions. Allowing further exemptions reduces the tax base and requires others who do pay the tax to pay a larger share. Many of those who will pay more are single family homeowners. When an exemption of 50 acres of land per institution of public charity is considered, each exemption is a very costly reduction in the tax base. Multiple exemptions are likely in larger cities.

Please keep in mind that the acreage involved in these exemptions is normally in a developed or developing area of a city, since utility and roadway infrastructure will be needed to develop the parcel. This land normally carries a substantial market value, making this exemption request a very costly one, especially to single family homeowners. If the tax base is eroded by exemptions of this type, either the tax rate will need to be increased or the amount of revenue generated by that tax will decrease. In local government that normally translates into an increase in the mill levy.

For these reasons the North Dakota League of Cities opposes this bill and respectfully requests a Do Not Pass recommendation from the committee. I will be happy to answer any questions you may have of me.