

2021 HOUSE POLITICAL SUBDIVISIONS

HB 1167

2021 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

HB1167
1/21/2021
House Political Subdivisions

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| An act to provide for legislative management study of property tax equity and the creation of a central taxing authority |
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Chairman Dockter (11:22). Opens the hearing.

| Representatives | |
|-----------------------------------|---|
| Representative Jason Dockter | P |
| Representative Brandy Pyle | P |
| Representative Mary Adams | P |
| Representative Claire Cory | P |
| Representative Sebastian Ertelt | P |
| Representative Clayton Fegley | P |
| Representative Patrick Hatlestad | P |
| Representative Mary Johnson | P |
| Representative Lawrence R. Klemin | P |
| Representative Donald Longmuir | P |
| Representative Dave Nehring | P |
| Representative Marvin E. Nelson | P |
| Representative Luke Simons | P |
| Representative Nathan Toman | P |

Discussion Topics:

- Legislative management study
- Data collection for taxes

Rep. Toman: (11:22). Introduces the bill.

Joseph Camisa, City Commissioner City of Mandan. (11:27). In support, testimony # 2150

Donnell Preskey, Association of Counties. (11:43). No written testimony.

Hearing adjourned (11:47).

Carmen Hickle, Committee Clerk

Chairman Dockter and members of the Committee,

My name is Joseph Camisa and I am a City Commissioner for the City of Mandan. I stand before you in support of House Bill 1167 solely in the capacity of the office in which I was elected and do not speak on behalf of the City of Mandan nor its governing board.

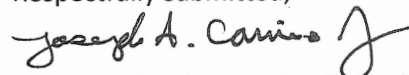
Since I was elected to my first term as a Mandan City Commissioner in June of 2020, numerous residents approached me regarding the state of property taxes in Mandan. Most made the argument that taxes continually increase year after year with little to no new services offered to the community and, arguably, the growing deterioration to current city service capacity. In many of these cases, I had to explain to our residents that property taxes are not solely levied by the City of Mandan, but by five other taxing authorities as well. These authorities authorized to levy taxes by the North Dakota Century Code include Morton County, Mandan Park Board, Mandan School Board, the Lower Heart Water District, and the State of North Dakota. The City of Mandan's share of total levied property taxes for 2020 only amounts to 24% of total taxes collected. Residents are continually baffled about how only 24 cents out of every dollar they pay in property taxes go to direct services such as police and fire protection, and road maintenance to name just a few property tax funded services provided by the City. This does not include special assessments and monthly user fees charged for water, sewer, garbage collection, and streetlights also paid for by residents.

In my opinion the current local system of taxation is not sustainable nor equitable to those residents living in cities such as Mandan. The fierce competition for property tax dollars mixed with the lack of coordination between taxing authorities is pushing residents out of cities seeking tax relief. New developments are springing up on the outskirts of cities where residents can still enjoy proximity to the conveniences of a city without paying the additional taxes. In all honesty, I cannot blame those that choose this route when they can enjoy an average *Net Effective Tax Rate* of only 0.92% living in Morton County versus an average rate of 1.18% for residential properties located in the City of Mandan—even more for commercial properties. The roughly quarter-percent to one-third percent amounts to several hundred dollars a year in property tax savings for residential taxpayers.

I do not stand before you with any single solution to correct this growing problem, but instead support the proposed study contained in House Bill 1167. My graduate training as a public administrator pushes me to call for more data and information, so we as elected officials at the state and local level can make informed decisions to help our residents caught in the middle of this competition for property tax dollars. Without a study of this nature, local officials—such as myself—cannot begin to address the growing concern of declining taxpayer benefits in relation to the property taxes paid every year to each jurisdiction. The complexity of data collection, the filing of open record requests, and analyzing collected information is simply a task too daunting and time-consuming for a part-time elected official to successfully undertake themselves at the local level. Furthermore, I believe there is value to the State of North Dakota as a whole to study this vital issue and for a set of recommendations to be brought forward so we can begin this much needed conversation.

I strongly urge the Political Subdivisions Committee to pass a "Yes Vote" recommendation on House Bill 1167.

Respectfully submitted,



Joseph A. Camisa, Jr., City Commissioner
City of Mandan, North Dakota

2021 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

HB 1167
1/21/2021

An act to provide for legislative management study of property tax equity and the creation of a central taxing authority

Chairman Dockter: 2:04pm opens hearing

| Representatives | Attendance |
|-----------------------------------|-------------------|
| Representative Jason Dockter | P |
| Representative Brandy Pyle | P |
| Representative Mary Adams | P |
| Representative Claire Cory | P |
| Representative Sebastian Ertelt | P |
| Representative Clayton Fegley | P |
| Representative Patrick Hatlestad | P |
| Representative Mary Johnson | P |
| Representative Lawrence R. Klemin | P |
| Representative Donald Longmuir | P |
| Representative Dave Nehring | P |
| Representative Marvin E. Nelson | P |
| Representative Luke Simons | P |
| Representative Nathan Toman | P |

All members present

Discussion Topics:

- Administered system of property taxation

Blake Crosby - League of Cities will be in favor of study – oral testimony

Rep. Johnson (3:07pm) motion to pass

Rep. Nehring (3:07pm) second the motion

| Representatives | Vote |
|-----------------------------------|-------------|
| Representative Jason Dockter | Y |
| Representative Brandy Pyle | Y |
| Representative Mary Adams | Y |
| Representative Claire Cory | Y |
| Representative Sebastian Ertelt | Y |
| Representative Clayton Fegley | Y |
| Representative Patrick Hatlestad | Y |
| Representative Mary Johnson | Y |
| Representative Lawrence R. Klemin | Y |

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|---------------------------------|---|
| Representative Donald Longmuir | Y |
| Representative Dave Nehring | Y |
| Representative Marvin E. Nelson | Y |
| Representative Luke Simons | Y |
| Representative Nathan Toman | Y |

Motion passed 14-0-0

Floor assignment **Rep. Cory.**

Chairman Dockter: 3:11pm hearing closed

Carmen Hickle, Committee Clerk by Anna Fiest

REPORT OF STANDING COMMITTEE

HB 1167: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1167 was placed on the Eleventh order on the calendar.

2021 SENATE FINANCE AND TAXATION

HB 1167

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1167
3/23/2021

A BILL for an Act to provide for a legislative management study of property tax equity and the creation of a central taxing authority.

Chair Bell calls the meeting to order. Chair Bell, Senators Meyer, J. Roers, Piepkorn, Weber are present. Vice Chair Kannianen and Patten absent [9:15]

Discussion Topics:

- Property tax study
- Value based taxation
- Central taxing authority
- Local taxation control

Representative Toman [9:15] orally introduces in favor.

Blake Crosby [9:17] orally in opposition

Chair Bell adjourns the meeting. [9:21]

Joel Crane, Committee Clerk

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1167
3/29/2021

A BILL for an Act to provide for a legislative management study of property tax equity and the creation of a central taxing authority.

Chair Bell calls the meeting to order. Chair Bell, Senators Vice Chair Kannianen, Meyer, Patten, J. Roers, Piepkorn, Weber are present. [10:35]

Discussion Topics:

- Tax studies
- Central administered taxes
- Local control
- Taxation transparency

Senator Patten [10:42] moved DO NOT PASS
Senator Weber seconds

| Senators | Vote |
|--------------------------|------|
| Senator Jessica Bell | Y |
| Senator Jordan Kannianen | Y |
| Senator Scott Meyer | Y |
| Senator Dale Patten | Y |
| Senator Merrill Piepkorn | Y |
| Senator Jim Roers | Y |
| Senator Mark Weber | Y |

Motion carries 7-0-0

Senator Piepkorn carries

Chair Bell adjourns the meeting. [10:43]

Joel Crane, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1167: Finance and Taxation Committee (Sen. Bell, Chairman) recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1167 was placed on the Fourteenth order on the calendar.