



Robert W. Wilson
County Administrator

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MEMO

TO: County Commission
FROM: Robert W. Wilson
Date: February 27, 2025
Subject: Resolution & Letter to the Editor – Proposed Caps on Local Government

At the Commission meeting on Wednesday, March 5th the Board will review and consider authorizing a resolution stating a position and counterproposal to the various legislative property tax cap proposals currently under consideration by the North Dakota Legislature. Also included for review is a Letter to the Editor intended to describe the Commission's position on property tax caps.

Chair Grindberg has worked closely with Finance Director Brandy Madrigga, Administrator Robert Wilson and Assistant Administrator Tracy Peters to review the County's financial data and develop a position. This resolution recognizes the sentiments of some legislators regarding caps, but also advocates for the needed flexibility elected County Commissioner require in developing yearly budgets – and recognizes Cass County's strong history of being fiscally conservative stewards of taxpayer dollars.

If approved, the intent will be to utilize the resolution as the basis for legislative testimony and outreach, submit for publication the letter to the editor, and advocate for this position through the remainder of the legislative session.

SUGGESTED MOTION: Authorize Resolution #2025-02 describing Cass County's position on Property Tax Reform & Local Control and supporting efforts to describe that position to North Dakota Legislators and the public.

Cass County, North Dakota
North Dakota Legislature on Property Tax Reform with Local Control Resolution
Resolution #2025-02

Whereas, the Cass County Commission has historically maintained a fiscally conservative approach to property taxation;

Whereas, over the past ten years, Cass County taxpayers have benefited from a reduction of 20 mills, which has effectively reduced property taxes on residents. This reduction has been made possible through a strong partnership with the state legislature and the executive branch;

Whereas, over the past five years, the Cass County taxpayers have experienced the following changes:

- The average value of a residential property in Cass County increased from \$244,000 in 2019 to \$317,000 in 2023. However, the average county residential property tax only increased from \$527 in 2019 to \$670 in 2023, an average increase of only \$20 per year.
- A parcel of 160 acres of the state's most productive farmland, located south of Casselton, ND, had a taxable valuation of \$219,000 in 2019, with an annual property tax payment of \$526. In 2023, the same land parcel had a taxable valuation of \$229,800, with a property tax payment of \$540—an increase of \$14.00.

Whereas, Cass County government has demonstrated strong fiscal management with a 2023 audited General Fund Balance of \$26.9 Million;

Whereas, the Cass County Commission respects and appreciates the North Dakota legislature and Governor's continued interest in partnering on property tax relief and reform, and recognizes the importance of finding equitable solutions for both taxpayers and local governments;

Whereas, the Cass County Commission, as elected officials, requires flexibility in managing its budget to meet the needs of a growing county population and the increasing demand for services and the impact of inflation;

Now, Therefore, Be It Resolved, that the Cass County Commission respectfully requests that the North Dakota Legislature consider **property tax reform** that provides local governments, such as Cass County, with the flexibility and authority to manage property tax rates and services in a way that reflects local needs and ensures financial sustainability;

Be It Further Resolved, that the Cass County Commission urges the legislature to continue its support of **property tax relief** efforts while providing local control and flexibility for county

governments to respond to population growth, service demands, inflationary pressures and fiscal management responsibilities.

Be it further resolved and recommended to allow growth to occur at the consumer price index, plus 2% not to exceed 6% or no less than 2%, and allowing political subdivisions to also capture half of their percentage of annual growth in population from the previous year – and maintain new growth from the previous year. Further, the Cass County elected commission can exercise its full Home Rule Charter Authority.

Be It Finally Resolved, that a copy of this resolution be forwarded to Cass County legislators, the Governor's office, the Majority and Minority Leaders of both chambers and the Finance and Tax Committees of both chambers with a request for thoughtful consideration of these needs in future legislative action.

ADOPTED THIS DAY OF March 5, 2025

APPROVED:

ATTEST:

Tony S. Grindberg
Cass County Commission, Chair

Brandy Madrigga
Cass County Finance Director

Dear Editor,

Cass County has long maintained a fiscally conservative approach to budgeting, ensuring responsible stewardship of taxpayer dollars while addressing the needs of a rapidly growing region. As discussions on property tax reform continue, it is important to recognize the county's track record of financial prudence and how property taxes have remained well-aligned with valuation growth.

For instance, the average residential property in Cass County increased in value from \$244,000 in 2019 to \$317,000 in 2023, yet the corresponding average county residential tax only increased by \$20 a year over five years.

Despite these efforts, Cass County will face financial challenges ahead if the North Dakota Legislature caps spending at 3%. Projections for FY-26 through FY-30 show a \$4-million annual deficit in the General Fund and a \$3-million annual deficit for the highway department, which could significantly impact the county's five-year highway and bridge plan. Additionally, federal tariffs and economic shifts will further influence local financial stability.

Cass County's conservative fiscal policies are evident in its management of mill levies. Although the Home Rule Charter allows a maximum levy of 75 mills, the county has consistently maintained a lower overall mill levy of 45 mills. Over the past decade, valuation growth has averaged 8% per year, with a slight dip to 5% in 2024. Additionally, the County Commission and the state legislature have proactively reduced 12.42 mills since 2016, demonstrating its commitment to minimizing tax burdens on residents.

The county's 2025 budget exemplifies its ability to absorb major expenses without increasing mill levies. The recent \$32-million jail pod expansion was fully funded through federal ARPA and CARES Act funding rather than increasing Cass County taxpayer burden, ensuring that essential public safety infrastructure was addressed responsibly. Ongoing jail operations will add \$4.7 million in annual costs, but these expenditures are necessary to support one of the fastest-growing counties in the state.

Cass County's primary revenue source is property taxes, supplemented minimally by state-limited service fees and government grants. A proposed cap on property tax increases would limit the county's ability to fund vital infrastructure projects, making continued legislative support imperative.

While Cass County acknowledges the need for property tax reform, it is crucial that any solution supports the continued economic growth of the region and state. As one of North Dakota's primary economic and population centers, Cass County must retain the flexibility to manage its finances responsibly while ensuring sustainable growth.

Commissioners
Tony Grindberg, Chair
Tim Flakoll, Vice Chair
Duane Breitling
Jim Kapitan
Joel Vettel