

NDTOA Legislative Update

March 31, 2025

Click on Bill Numbers to see the bill on the Legislative Web Site

Bill No.	Description (NDTOA) Indicates NDTOA Bill	Status	Position
INFRASTRUCTURE, FUNDING, AND AGENCY BUDGETS			
HB1015	OMB Budget Bill Amendment to add \$50M to offset adding 5 counties to Prairie Dog Senate Appropriations, Gov. Operations - Red River, 4/3, 2:00 PM	H Passed 83-6	SUPPORT
HB1065	Changes Prairie Dog funding to per mile basis Sent to Governor 3/13 Signed 3/18	H Passed 90-3 S Passed 47-0 Governor Signed	SUPPORT
HB1235	Makes cities eligible for Ag Infrastructure grant program Sent to Governor 3/20 Signed 3/24	H Passed 89-3 S Passed 47-0 Governor Signed	MONITOR
HB1382	Increases gas tax 3 cents, one cent directed for townships - \$14 Million Senate Finance & Taxation - 3/24	H Passed 58-35	SUPPORT
SB2012	NDDOT budget - (Scroll Down for a Graphic Description) SB2142, SB2151, SB2372 Have been rolled into the DOT Budget House Appropriations/GO - Brynhild Haugland - 4/3, 2:30 AM	S Passed 47-0	SUPPORT
SB2020	Upper Great Plains Technical Institute (and others) Budget House Appropriations/GO - Brynhild Haugland - 3/31, 2:30 PM	S Passed 46-0	SUPPORT
SB2177	Sales taxes from animal ag development used to support infrastructure in county, Requested an amendment to include townships Sent to Governor 3/24 Signed 3/25	S Passed 47-0 H Passed 71-21 Governor Signed	SUPPORT
SB2397	Changes definition of oil producing county to 10M barrels/year Adds 5 lesser oil producing counties to Prairie Dog and other funding House Finance & Taxation - 3/11	S Passed 46-0-1	SUPPORT
LOCAL CONTROL, ZONING, AND INSURANCE			
HB1026	Will allow townships to secure appropriate bonding Senate Industry & Business, Ft Union, 3/31, 9:30 AM	H passed 89-0	SUPPORT
HB1027	Fire & Tornado Fund Senate Industry & Business, Ft Union, 3/31, 10:30 AM	H Passed 87-5	SUPPORT
HB1142	Statutory Liability Caps Sent to Governor 3/20 Signed 3/21	H Passed 86-1 S Passed 46-1 Governor Signed	SUPPORT
HB1258	PSC oversees all siting processes for energy facilities Senate Energy & Natural Resources, Peace Garden, 4/3, 9:00 AM	H Passed 86-7	OPPOSE
HB1374	Exempts twp officers from open meetings when acting as staff (NDTOA) Senate State & Local Government - NDTOA amendment accepted - Do Pass 6-0	H Passed 90-0	SUPPORT
HB1500	Nonconforming structures - 03/11 Returned to House Amended	H Passed 81-10 S Passed 31-16	MONITOR
HB1579	Study of large energy consumer effect on state electrical grid (Hoghouse Amendment) Senate Energy & Natural Resources, Peace Garden, 4/3, 9:00 AM	H Passed 89-3	SUPPORT

SB2027	Twps may regain floodplain mgmt. from counties House Energy & Nat Resources - Do Pass 13-0 - Put On Consent Calendar Sent to Governor 3/27	S Passed 47-0 H Passed 83-9 Governor ?	SUPPORT
SB2174	Regulation of animal feed operations Continues to not address excessive road use cost Returned to Senate 3/26	S Passed 42-5 H Passed 66-25 Governor ?	OPPOSE
SB2180	Public Comments at Meetings House Political Subdivisions - Do Pass 9-1	S Passed 41-6	MONITOR
SB2317	Provides process for township to regain zoning authority (NDTOA) Senate State & Local Government - Do Not Pass 3-2-1 House Energy & Nat Resources - Do Not Pass 10-3	S Passed 27-20 H Failed 42-49	SUPPORT
SB2329	Allows counties and townships to vacate streets in dissolved cites (NDTOA) House Political Subdivisions - Do Pass 13-0 - On House Consent Calendar Sent to Governor 3/14 Signed 3/17	S Passed 44-0 H Passed 91-1 Governor Signed	SUPPORT

PROPERTY TAX

NDTOA supports property tax relief and reform, however caps are problematic for all local governments.

Most proposals do not give relief for taxes on agricultural or commercial properties.

HB1168	Requires voter approval of levy increase -State pays 10 mills on school levy Senate Finance & Tax - 3/19	H Passed 88-3	SUPPORT
HB1176	Caps poli-sub mill levy increases at 3% - Governor's plan -\$1450 Amended - no caps for townships up to 18 mills (new amendment 36 mills) Senate Finance & Tax - Do Pass 6-0 - Rerefered to S. Approps Senate Approps - Amended - will go to a conference committee NDTOA working to exempt Townships from added election requirement	H Passed 81-10	SUPPORT
HB1534	Value increase limited to 3% Senate Finance & Tax - 3/5	H Passed 75-16	
HB1572	Uniform reporting Senate Finance & Tax - 03/18	H Passed 76-10	MONITOR
HB1575	State replaces 2.75% of residential tax rate, 1.5% of ag & comm -3% val increase limit Senate Finance & Tax - 3/11	H Passed 86-5	SUPPORT

ROADS, HIGHWAYS, AND DRAINAGE

HB1346	Off-road vehicle use - penalties - H Trans Senate Transportation - Do Pass - 6-0 Sent to Governor 3/26	H Passed 83-6 S Passed 44-0 Governor ?	MONITOR
HB1444	Allows counties to take township roads Senate Transportation - Do Pass - 6-0 Returned to House 3/25	H Passed 74-16 S Passed 29-15 Governor ?	OPPOSE

HEARINGS THE WEEK OF MARCH 31, 2025

HB1026	State Bonding Fund - Senate Industry & Business, Ft Union	3/31	9:30 AM
HB1027	Fire & Tornado Fund - Senate Industry & Business, Ft Union	3/31	10:30 AM
SB2020	UGPTI (and others) Budget - H. Approps/GO - Brynhild Haugland	3/31	2:30 PM
HB1015	OMB Budget- Senate Aprops/GO, Red River	4/3	2:00 PM
SB2012	NDDOT Budget - House Approps/GO - Brynhild Haugland	4/3	2:30 PM
HB1382	Fuel tax increase - Senate Finance and Taxation - Ft Totten	TBA	TBA

Active Property Tax Relief and Reform Bills

Bill Number	Bill Progress	Relief	Reform	Other
HB1168	In Senate Tax	State pays for 10 mills on school mill levy. \$120 million	3% cap on dollars levied by political subdivisions (except schools) allows carryover of unused cap to next year & for vote (60%) to exceed cap	
HB1176	Do Pass - Senate Finance & Tax Referred to Senate Appropriations	\$1,450 Primary Residence Credit. Expands homestead tax credit & renters refund. \$500 million	3% cap on dollars levied by political subdivisions. Allows for carry over of unused cap - once within 5 years and vote to exceed cap in general election for 4 years. Emergency levies exempt from cap.	Yearly assessment notice Only hearing dates mailed to property owners - eliminates estimated tax notice.
HB1534	In Senate Tax	None	Limits taxable valuation of any parcel from exceeding more than 3% year over year allows to exceed cap by % for 4 years.	
HB1575	In Senate Tax	Reduces tax rates (state pays difference) Residential reduced by 2.75% Ag and Commercial reduced by 1.5%. Expands homestead tax credit & renters refund. \$700 million	Limits taxable valuation of any parcel from exceeding more than 3% year over year. Allows vote to increase mill levy authority for up to 6 years in general or primary.	

INFRASTRUCTURE BILLS

HB 1065 changes the Prairie Dog funding formula to a per-certified road mile basis. This bill was signed by the Governor and will take effect with the 25-27 biennial Prairie Dog funding, which after the latest revenue projections will likely not occur. This bill was signed by the Governor.

The ND Treasurer sent Prairie Dog payments of \$9,408 per township to the counties last week, those amounts should be included in the deposits to each townships in the month of April. This is the last payment there will be on the equal payment basis.

House Bill 1015, which is the OMB Budget Bill contains an extra \$50 million for Prairie Dog funding. Half of that is to take in the five new counties (and their townships) in the definition of non-oil producing counties (SB 2397). The other \$25 million is just more funding for the entire Prairie Dog program. This still has to get through the Senate, and will be worked on this week in the Senate Appropriations Committee.

The NDDOT Budget Bill, **SB 2012** contains more funding for townships, counties and cities. (See attachment). Basically, all of the Motor Vehicle Excise tax is now deposited into the Flexible Transportation Fund within the DOT. While the MVET generates about \$360M per biennium, another pot of money has been given to the Flex Fund, and that is a one percent adjustment from the Legacy Fund Earnings, Highway Fund. The addition 1% from Legacy Fund earnings (about \$87M this biennium) will be deposited directly into the Flex Fund, bringing the entire Flex Fund to \$447 million per biennium.

One half of that total is for the State DOT Flex Fund grant program. The other half, about \$224 million is split into four buckets. One bucket (\$56M) goes to non-oil producing counties and townships the same way as last session. One bucket (\$56M) is for bridge replacement and maintenance projects. One bucket (\$56M) is for non-oil townships, half will go out in distributions based on certified road miles, the other half will be in a grant program. The last bucket (\$56M) is dedicated to cities, distributed the same as the last township bucket, one half grants, one half based on direct mileage formula. The House Appropriations is deliberating on the DOT budget currently.

ZONING/LOCAL CONTROL ISSUES

There are several bills that impact township zoning authority, some good, some not so good. The good ones include HB 1374 and SB 2027. **House Bill 1444 and Senate Bill 2174** both passed the Legislature and will be signed by the Governor. **HB 1258** will be addressed this week and go to the Senate floor. There is a serious crack in the rural caucus and a division between local authority (control) and the push for energy development.

PROPERTY TAXES

There are three property tax relief and reform bills still alive, all of which are in the Senate. The main bill, House Bill 1176 caps political subdivisions at a 3% mill levy increase per year, maximum, while providing a primary residence credit of \$1,450. The full Senate Appropriations Committee heard testimony and amendments to the bill last week. Two of the amendments were adopted, which means when the Senate passes the full bill this week, it will head back to the House for more debate, and ultimately a Conference Committee. The Governor has put a significant political and media push to pass this legislation. Political Subdivisions are concerned about the implementation of the bill and the impacts it could have on local services. The good thing is that any township who does not levy 18 mills, is exempt from this cap. NDTOA is working with Legislative Council on an amendment to exempt townships from the need to go to the general or primary election to override the budget caps. There are quite a few people working on the property tax issues to make it fair, workable and reasonable for everyone, including the ag community.

We encourage you to contact your Representatives and Senators to listen to their viewpoints, and to give them your opinions. We do have two great lobbyists working in Bismarck for townships, but the best voices are you, the townships themselves.

FAILED OR REMOVED FROM WATCH LIST			
HB1202	Directs \$3M from Flex Fund to specific project	H Failed 17-74	OPPOSE
HB1239	Restricts Local Government regulation of data processing centers - H IBL	H Failed 14-75	OPPOSE
HB1353	Requires voter approval of levy increase	H Failed 25-63	OPPOSE
HB1396	Maintenance of drainage projects	H Failed 5-86	MONITOR
HB1407	Increase load limit on non-interstate roads to 113,000 lbs.	H Failed 7-86	OPPOSE
HB1436	Prorated scale of MVET for used vehicles	H Failed 27-64	MONITOR
HB1474	Study of Alternative Taxing Method	H Passed 86-3 S Failed 5-42	SUPPORT
SB2069	No longer any possible impact for townships	S Passed 25-22	MONITOR
SB2142	Directs Motor Vehicle Exise Tax for Twp & NDDOT Flex funding, SB2142 was rolled into SB2012 the NDDOT Budget - Now redundant	S Failed 0-47	SUPPORT
SB2151	Legacy infrastructure fund, \$100M for bridge funding SB2151 was rolled into SB2012 the NDDOT budget - now redundant	S Failed 1-46	SUPPORT
SB2208	Strips County and Township Infrastructure Fund (Prairie Dog) from Counties and Townships that "interfere" with energy projects Senate Energy & Natural Resources, Peace Garden, 2/13 2:30 PM	S Failed 19-27	OPPOSE
SB2372	Legacy Earnings Fund - Increases earnings fund usage from 7% to 8% 1% to go to LE Highway Distribution Fund (currently \$87M), 10% to Twps SB2372 was rolled into SB2012 the DOT Budget Bill - Now redundant	S Failed 0-47	SUPPORT
SB2378	Requires voter approval of levy increase	S Failed 16-31	OPPOSE