

NDTOA Legislative Update

April 7, 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			
<u>HB1015</u>	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
<u>HB1065</u>	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
<u>HB1235</u>	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
<u>HB1382</u>	Increases gas tax 3 cents, one cent directed for townships - \$14 Million Senate Finance & Taxation - 3/24	H Passed 58-35	SUPPORT
<u>SB2012</u>	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 PM	S Passed 47-0	SUPPORT
<u>SB2020</u>	Upper Great Plains Technical Institute (and others) Budget House Appropriations/GO - Brynhild Haugland - 3/31	S Passed 46-0	SUPPORT
<u>SB2177</u>	Sales taxes from animal ag development used to support infrastructure in county, Amended to include townships Sent to Governor 3/24 Signed 3/25	S Passed 47-0 H Passed 71-21 Governor Signed	SUPPORT
<u>SB2397</u>	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			
<u>HB1026</u>	Moves State Bonding fund to OMB Will allow townships to secure appropriate bonding Senate Industry & Business, 3/31	H passed 89-0 Do Pass 5-0	SUPPORT
<u>HB1027</u>	Fire & Tornado Fund moved to OMB Senate Industry & Business, Do Pass 4-1 - Amended Returned to House Amended	H Passed 87-5 S Passed 41-4	SUPPORT
<u>HB1142</u>	Statutory Liability Caps Part of a series to gradually raise the liability caps. Sent to Governor 3/20 Signed 3/21	H Passed 86-1 S Passed 46-1 Governor Signed	SUPPORT
<u>HB1258</u>	PSC oversees all siting processes for energy facilities Senate Energy & Natural Resources, 4/3 - Do Not Pass 4-3	H Passed 86-7 S Passed 27-18 Governor ?	OPPOSE
<u>HB1374</u>	Exempts twp officers from open meetings when acting as staff (NDTOA) Senate State & Local Government - NDTOA amendment accepted - Do Pass 6-0 Returned to House Amended	H Passed 90-0 S Passed 45-1 Governor ?	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	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 Signed 3/28	S Passed 47-0 H Passed 83-9 Governor Signed	SUPPORT
SB2174	Regulation of animal feed operations Continues to not address excessive road use cost Sent to Governor 3/31 Signed 4/2	S Passed 42-5 H Passed 66-25 Governor Signed	OPPOSE
SB2180	Public Comments at Meetings Local Governments must allow time for public comments Returned to Senate Amended - H No Concur	S Passed 41-6 H Passed 85-4 Governor ?	MONITOR
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 S Passed 47-0	SUPPORT
HB1534	Value increase limited to 3% Senate Finance & Tax - 3/5	H Passed 75-16	
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 Signed 3/27	H Passed 83-6 S Passed 44-0 Governor Signed	MONITOR
HB1444	Allows counties to take township roads Senate Transportation - Do Pass - 6-0 Sent to Governor 4/1 Signed 4/4	H Passed 74-16 S Passed 29-15 Governor Signed	OPPOSE

HEARINGS THE WEEK OF APRIL 7, 2025 (Committee Work)

HB1015	OMB Budget- Senate Apropos/GO, Red River	4/8	9:30 AM

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

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

As with the other political subdivisions, it appears this was the Session to bring the State hammer down on local control issues, much surrounding zoning laws and procedures. While a couple, HB 1374 and SB 2027 did make it through, some bad ones also were pushed by large industry. **House Bill 1444 and Senate Bill 2174** both passed the Legislature and will be signed by the Governor. **HB 1258** was passed by the Senate last week and it would pre-empt local zoning authority on transmission siting, if those local zoning ordinances were found “unreasonable.”

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. 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.

More on the Property Tax Bills from the ND Association of Counties - with our thanks.

The big headline of the week is the Senate's action on **HB 1176**, one of the major property tax relief bills. The Senate on Thursday approved an amended version of **HB 1176** that reduced the amount of property tax relief for primary residences from \$1,450 to \$1,250. The Senate's objective for lowering the relief is to pay for it using Legacy Fund earnings and no General Fund dollars. Amendments also included a provision that limits the credit to cover no more than 75% of the taxpayer's liability but provides a baseline credit of \$500. The bill expands those eligible for the homestead credit and increases the renter's credit. On the reform side of the bill, restrictions in **HB 1176** stayed the same. Local governments are capped at a 3% growth on the dollars they can levy. However, the bill allows local governments to carry over unused caps, exempts emergency levies and allows voters to approve exceeding the cap for up to four years. The Senate approved **HB 1176** 47-0.

Because of the difference in the Senate and House versions of **HB 1176**, it is highly anticipated the House will Not Concur with the Senate's changes. If that happens, a conference committee of three members from both the House and Senate will meet to work on a compromise version. NDACo has identified some technical corrections that need to be made to the bill that will prioritize to be addressed in conference committee. We expect the conference committee to be appointed and more than likely meet this week.

In the meantime, the Senate Finance & Tax committee is still sitting on three of the property tax relief/reform bills (**HB 1168**, **HB 1575** & **HB 1534**). The committee is scheduled for committee work Monday-Wednesday.

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
HB1572	Uniform reporting Senate Finance & Tax - Do Not Pass 6-0	H Passed 76-10 S Failed 2-44	MONITOR
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

<u>SB2208</u>	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
<u>SB2317</u>	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
<u>SB2372</u>	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
<u>SB2378</u>	Requires voter approval of levy increase	S Failed 16-31	OPPOSE