

North Dakota Township Officers Association

North Dakota Township Officers Association
465 150th Ave NE
Mayville, ND 58257

July 24, 2025

Hello Township Officers,

This letter is sent to every township chairman and clerk, if you no longer hold either office, please give this letter to whoever now holds that office.

Two bills the legislature passed have a great impact on township funding and operation. There are certain actions your township will need to take to ensure that your township will receive full benefit under the new laws.

The first bill, SB2012, provides transportation funding, both as grants and direct per mile payments. There are requirements and deadlines that must be met to receive these funds.

A township must levy at least 18 mills for 2026 as reported to the Tax Commissioner's office on December 31, 2025. This is a must for the direct payments and a priority point for the grant program. Do not assume that the mill rate is 18 mills, check with your county auditor to verify the effective rate. If the rate is below 18 mills and your township wishes to receive these funds or apply for grants the township budget will need to be amended to levy at least 18 mills, this needs to be done by October 7th. There is more on the special meeting procedure later in this letter.

The second requirement is that a township cannot have more than \$100,000 in the general fund on December 31, 2025. Townships can transfer funds to the "Special Road Fund" those funds will not count against the limit. If you have any questions about this process, please contact Larry Syverson.

Part of the funds are direct payments and if your township meets those two requirements above, there is nothing more you need to do, the payments will come automatically through the county.

There is substantial funding available for grants, \$31.1 million for non-oil townships (all but townships in the four top oil producing counties). The above requirements are priority points for grants so they will not disqualify your township project but will put it at a disadvantage compared to those that meet the requirements.

It is required that grant projects are on roads that connect between qualified county highways and/or state and/or tribal highways. This is a hard and fast rule! Get state money for qualified roads and use local money for those that do not qualify.

Applications must be made online by September 19th, and townships must work with their county to apply. If your county will not assist you in making an application, you should contact Traci Sletmoe 701-328-5073. She is employed by NDDOT to assist townships in applying for these grants.

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New Budget Meeting Requirement

With the passage of HB 1176, all local governments, including townships, must hold a “2026 Public Budget Hearing”. This budget hearing must be held between September 7th and October 7th. You are required to notify your county auditor of the date, time and location of your meeting, and where the public can view your budget (website or clerks phone number etc.) by August 10th. If you fail to get this information to your auditor by August 10 each year, your township will be limited to the same dollars as was levied the year before.

WHAT YOU NEED TO DO AT THIS SPECIAL MEETING: All you need to do is hold the budget hearing, have your 2026 budget handy for anyone that shows up. You explain to your township residents that your budget was approved back in March, and the numbers will be placed on their tax statements come December. You will need to record minutes from this budget hearing, including all the names of those in attendance.

These budget hearings can also be an opportunity for townships to adjust their levy to ensure that they qualify for the “Flex-Fund” payments and grants that require a minimum 18 mill levy. Don’t assume that your levy is sufficient, if the taxable value increases, the effective levy rate may drop below 18. Your tax director should be able to give you the new total taxable value of your township now, your auditor might help you determine if your budget and resulting levy is sufficient given the new taxable value. If you need to adjust your levy you should call this budget hearing as a special meeting of the township to amend the budget that was approved back in March. You will need to publish a meeting notice at least 10 days before the meeting. The notice will need to state that the purpose of the meeting is to amend the budget. If the increase is more than 3% over last year’s levy it will also need to state that there will be a vote to exceed the levy cap, the amount of increase and the percentage of increase. All qualified township residents vote on the proposed amendment to the budget. The township may also hold an election as part of their annual meeting in March provided the required notice as described above has been published.

There is further information about the grants and levy caps on the website NDTOA.COM.

Thank you for your attention to this important matter.

Larry Syverson

NDTOA Executive Director

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