

NDTOA Legislative Update

February 26, 2025
CROSSOVER UPDATE

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	H Passed 83-6	SUPPORT
<p>**HB 1015, the OMB Budget was passed with a few tweaks to the “Oil & Gas Buckets.” The first SIIF bucket was trimmed to \$270M, down from \$400M. Bucket #10 (Prairie Dog) was adjusted from \$170M up to \$220M. This is to accommodate the 5 new counties and 187 townships in the distribution as defined in SB 2397. \$25M was injected to keep current PD recipients “whole” at the current levels of distribution, and \$25M was pumped in at Rep. Brandenburg’s request. Therefore, rather than keeping the same distribution amount and spreading it across the additional counties and townships, House Approps kept everyone at the current levels of funding and added more \$\$ to accommodate the additional counties and townships in the formula. (BTW, Treasurer Beadle indicated that this biennium’s Prairie Dog distribution checks will be sent out by mid-March). “Check’s in the mail!”</p>			
HB1065	Changes Prairie Dog funding to per mile basis Senate Transportation, 2/14	H Passed 90-3 Do Pass 5-0	SUPPORT
HB1235	Makes cities eligible for Ag Infrastructure grant program Senate Ag & Vets -Not yet scheduled	H Passed 89-3	MONITOR
HB1382	Increases gas tax 3 cents, one cent directed for townships = \$7.5M/YR Senate Finance & Taxation - Not yet scheduled	H Passed 58-35	SUPPORT
SB2012	NDDOT budget - (Scroll Down for a Graphic Description) SB2142, SB2151, SB2372 Have been rolled into the DOTBudget House Appropriations - Overview will be heard on 3/5	S Passed 47-0	SUPPORT
SB2020	Upper Great Plains Technical Institute (and others)Budget House Appropriations -	S Passed 46-0	SUPPORT
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
SB2177	Sales taxes from animal ag development used to support infrastructure in county, Requested an amendment to include townships Amendment to exempt the fund from township fund limits House Finance & Taxation - not yet scheduled	S Passed 47-0	SUPPORT
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
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 - not yet scheduled	S Passed 46-0-1	SUPPORT
LOCAL CONTROL, ZONING, AND INSURANCE			
HB1026	Will allow townships to secure appropriate bonding Senate I & B	H passed 89-0	SUPPORT
HB1027	Fire & Tornado Fund Senate I & B - 2/18	H Passed 87-5	SUPPORT
HB1239	Restritcts Local Government regulation of data processing centers - H IBL	H Failed 14-75	OPPOSE
HB1258	PSC oversees all siting processes for energy facilities Senate Energy & Natural Resources, Not Scheduled	H Passed 86-7	OPPOSE
HB1374	Exempts twp officers from open meetings when acting as staff (NDTOA) Senate State & Local Government - not yet scheduled	H Passed 90-0	SUPPORT
HB1500	Nonconforming structures	H Passed 81-10	MONITOR
HB1579	Requires data centers to obtain a certificate of public convenience and necessity	H Passed 89-3	SUPPORT

SB2027	Twps may regain floodplain mgmt. from counties House Energy & Nat Resources - not yet scheduled	S Passed 47-0	SUPPORT
SB2174	Regulation of animal feed operations Continues to not address excessive road use cost Returned to S.Ag committee for amendment Amended Do Pass 5-1, on Senate Calendar	S Passed 42-5	OPPOSE
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
SB2317	Provides process for township to regain zoning authority (NDTOA) Senate State & Local Government - Do Not Pass 3-2-1	S Passed 27-20	SUPPORT
SB2329	Allows counties and townships to vacate streets in dissolved cites (NDTOA) House Political Subdivisions - not yet scheduled	S Passed 44-0	SUPPORT

PROPERTY TAX

NDTOA supports property tax relief and reform, however caps are problematic for all local governments.
These proposals do not give relief for taxes on agricultural or commercial properties.

HB1168	Requires voter approval of levy increase	H Passed 88-3	OPPOSE
HB1176	Caps poli-sub mill levy increases at 3% - Governor's plan Amended - no caps for townships up to 18 mills	H Passed 81-10	OPPOSE
HB1353	Requires voter approval of levy increase	H Failed 25-63	OPPOSE
SB2378	Requires voter approval of levy increase	S Failed 16-31	OPPOSE

ROADS, HIGHWAYS, AND DRAINAGE

HB1346	Off-road vehicle use - penalties - H Trans Senate Transportation - not yet scheduled	H Passed 83-6	MONITOR
HB1444	Allows counties to take township roads Senate Transportation - not yet scheduled	H Passed 74-16	OPPOSE

HEARINGS THE WEEK OF MARCH 3, 2025

SB2012	NDDOT Budget - Overview Presentation- H Approps -Brynhild Houglund Rm	March 5th	TBA
HB1235	Ag Infrastructure Grant Prgm - S Ag & Vets - Ft Union Rm	March 6th	2:30 PM
SB2329	Vacate Streets - House Political Subdivisions - J327B Rm	March 7th	10:00 AM
SB2174	Animal Feeding Ordinances - House Ag - J327C Rm	March 7th	10:15 AM

FAILED OR REMOVED FROM WATCH LIST

HB1202	Directs \$3M from Flex Fund to specific project	H Failed 17-74	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
SB2069	No longer any possible impact for townships	S Passed 25-22	MONITOR

Scroll down for information about transportation funding and property tax proposals.

Flexible Transportation Fund (\$447M)

(NDDOT Budget, SB 2012—as passed by the Senate Appropriations Committee)

<p style="font-size: 1.5em; color: orange;">50% = \$223 Million</p> <p style="font-weight: bold; font-size: 1.2em;">NDDOT Flexible Transportation Fund</p>	<p style="font-size: 1.5em;">50% = \$224 Million</p>			
	<p style="font-weight: bold; font-size: 1.2em;">12.5% = \$56 M</p> <p style="font-size: 0.9em;">Non-oil produc- ing Counties & Townships (same as last session)</p>	<p style="font-weight: bold; font-size: 1.2em;">12.5% = \$56 M</p> <p style="font-size: 0.9em;">Bridge maint and replacement (SB 2151)</p>	<p style="font-weight: bold; font-size: 1.2em;">12.5% = \$56 M</p> <p style="font-size: 0.9em;">Non-oil TOWNSHIPS 6.25% Direct 6.25% Grants (\$28M each) (SB 2142)</p>	<p style="font-weight: bold; font-size: 1.2em;">12.5% = \$56 M</p> <p style="font-size: 0.9em;">CITIES 6.25% Direct 6.25% Grants (\$28M each)</p>

100% of the Motor Vehicle Excise Tax (\$360M per biennium) is now controlled by the NDDOT. Added into the Flex Fund was \$87M from the Legacy Fund Earnings adjustment of 1% (SB 2372). This totals \$447M. The graphic shows the breakdown of the Flex Fund appropriations. There is also an additional 1 FTE (for a total of 3) for assisting political subdivisions in applying for and administering the Flex Fund grants. SB 2142 and SB 2151 were also rolled into the Flex Fund totals.

Senate Bill 2372 adjusted the Legacy Fund Earnings Stream to use 8% of the earnings (up from 7%). The additional 1% will be deposited into the Highway Distribution Fund stream created in 2023 Session. **60% - State; 28.5% Cities and Counties; 10% Townships; 1.5% Public Transit.** As LFE amounts increase over time, so the deposits into the HDF will also increase. It will produce about \$87M in the 2023-25 biennium.

Also included in the NDDOT Budget was \$100 million for Highway 85 (from SIIF) to complete four-lane engineering and construction on Highway 85 six-mile stranded stretch between two sections of four-lane. One FTE was also approved to work on this project.

Additional discussion surrounded funding for public transit. There is another bill in the House that addresses that issue, and the committee will wait to get that bill before looking at further funding.

Active Property Tax Relief and Reform Bills
(At Crossover)

Bill Number	Bill Progress	Relief	Reform	Other
HB1168	Passed House	State pays for 10 mills on school mill levy	3% cap on dollars levied by political subdivisions allows carryover of unused cap to next year & for vote (60%) to exceed cap - except schools	
HB1176	Passed House	\$1,450 Primary Residence Credit	3% cap on dollars levied by political subdivisions, allows for vote to exceed or opt out of cap for up to 4 years at general election	Yearly assessment notice Only hearing dates mailed to property owners
HB1474	Passed House	None	None	Study of alternative taxation methods
HB1534	Passed House	None	Limits taxable valuation of any parcel from exceeding more than 3% year over year	
HB1575	Passed House	Reduces tax rates (state pays difference) Residential reduced by 2.75% Ag and Commercial reduced by 1.5%	Limits taxable valuation of any parcel from exceeding more than 3% year over year	