

A photograph of the NDACo Legislative Building, a tall, modern, light-colored stone or concrete structure with many windows. The building is set against a clear blue sky. In the foreground, there are some trees and a few cars parked on a street. The text "NDACo Legislative Wrap Up Report" is overlaid in a large, white, serif font.

NDACo Legislative Wrap Up Report

May 2023

68th Legislative Session

- 75 Days
- 583 Bills & Resolutions Approved (60%)
 - 986 Introduced
 - NDACo Tracked 540 bills
 - Governor Vetoed 7 bills (Legislature Overrode 2)
- \$19.6 Billion Budget
- Big Issues: Pension, Tax Relief & Workforce, Book Bans, Gender Identity
- State Employee Raises: 6% / 4%

Single Biggest Policy Change: Public Employee Retirement System

EXPLAINED:

**DEFINED BENEFIT
(DB)**

vs

**DEFINED
CONTRIBUTION (DC)**

- DB is **fixed income** for you (and spouse's life)
- DC is a **pool of \$** available at retirement (and your estate if any is left)
- DB the **EMPLOYER** bears the risk
- DC the **EMPLOYEE** bears the risk
- **Current ND PERS Retirement Plan is a DB Plan**

Single Biggest Policy Change: Public Employee Retirement System

HB 1040 PASSED

- Closes PERS plan to NEW State & Political Subdivision Employees
- Jan. 1, 2025 or Jan. 1, 2024 if PERS agrees
- Does NOT change Judges DB plan or public safety plans for law enforcement
- Initially Injects \$219 Million
- Estimated Cost: \$5 Billion / 30 years
- PERS Board restructured w/ additional Legislators

NEW Employees get a Defined Contribution Plan:

Contributions:

- 4.12% Employer + 3% Match
- 4% Employee + 3% Match
- Vested Employees promised benefits
- Employees with less than 5 years will have incentive to leave DB plan

SB 2239 – FAILED

- Kept PERS plan open & invest \$250M

TAX RELIEF PACKAGE - \$515 Million

TAX RELIEF FOR ALL

Simplified 3-Tier
Income Tax Rate Structure:



\$500 One-time Primary
Residence Homeowner Credit

Increases Homestead Tax
Credit eligibility and amount to
maximum of **\$9,000**

MEANINGFUL TAX RELIEF

\$515M

Total income and property tax
savings for North Dakota taxpayers

\$358M
Individual Income
Tax Relief

\$54M
Expanded Homestead
Tax Credit

\$103M
Primary Residence
Credit

3 OUT OF 5

North Dakota taxpayers will
NOT pay state income tax

HB 1158:

Income & Property Tax Relief

Income Tax - \$358M

- Compresses income tax brackets from 5 to 3
- Zero bottom bracket

Property Tax - \$103M

- \$500 tax credit on property taxes paid on primary residence
- Residents required to apply to State Tax Dept for credit
- Starts in tax year 2024 for 2 years

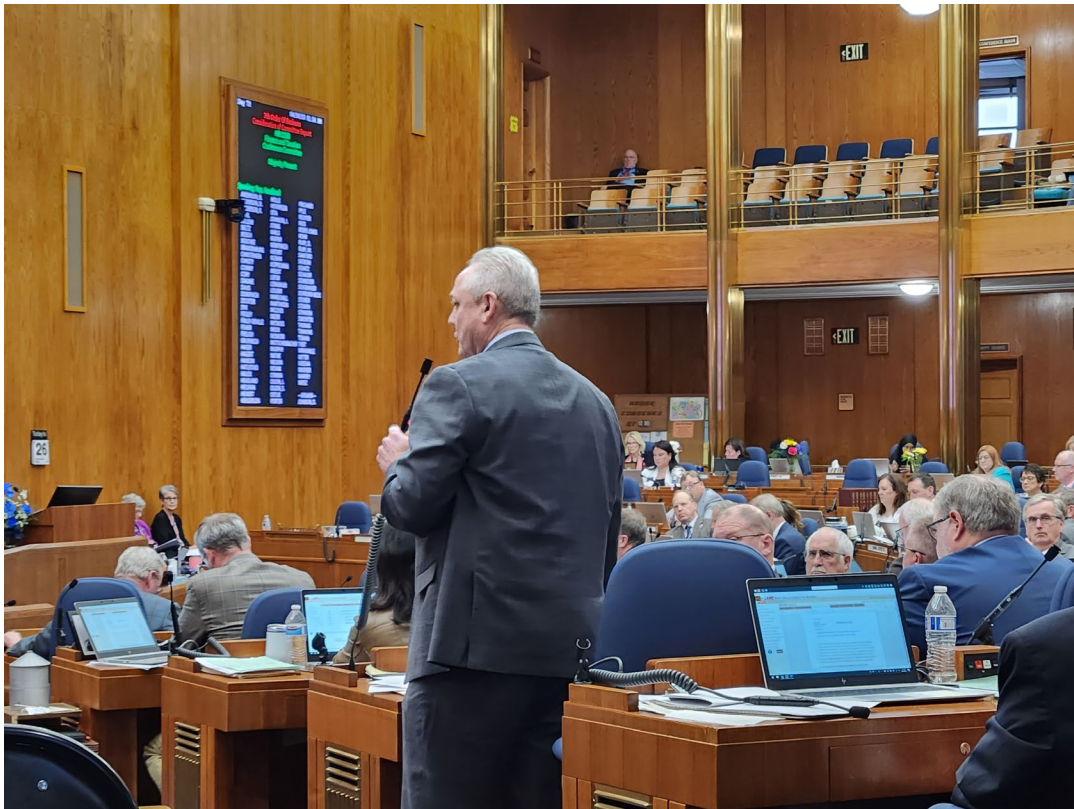
TAX RELIEF PACKAGE - \$515 Million

HB 1158:

Income & Property Tax Relief

Homestead Tax Credit-\$53.5M

- Expands eligibility requirements and maximum reduction
- Compresses 6 brackets to 2
- Increases income threshold
- Property owners 65 & older:
 - Income less than \$40k:
 - 100% reduction of taxable valuation up to \$9,000
 - Income between \$40k-\$70k:
 - 50% reduction of taxable valuation up to \$4,500



TAX RELIEF PROPOSALS



Numerous Tax Relief Proposals

Philosophies different between House and Senate on best delivery method

**INCOME vs PROPERTY
TAX RELIEF**

**SB 2066 SCHOOL MILL BUY
DOWN - FAILED**

- State funds an additional 20 mills
- **\$203 Million State Cost**

PROPERTY TAX RELATED

SB 2162

- Repeals 10-mill road levy requirement to receive Gross Production Tax

SB 2121

- Requires estimated tax notice to include last year's special assessments
- August 1, 2023

HB 1267

- Addresses property tax foreclosures for multiple parcels per owner

HB 1245

- Proposed major revamp to tax statement
- Amended to **STUDY** tax statement changes, chart of accounts and implementing statewide property tax information system
- **Express levies in dollars vs mills**
- Report ending fund balances for General Fund & Road and Bridge funds by Feb 1

PROPERTY TAX RELATED

EXEMPTIONS

SB 2279

- Exempts farm buildings in city used for storage of agricultural commodities

HB 1247

- Study on impact of exemption for farm structures in cities

HB 1365

- Property is exempt in ambulance district if district does not provide services

HB 1438

- Expands public charity exemption to include up to 50 acres of undeveloped land and land under construction for hospital or nursing home for 10 years

RESOLUTIONS

HCR 3024 - Failed

Proposes Constitutional Measure to Abolish Property Taxes

HCR 4019 - Failed

Proposes Constitutional Measure to Remove 1 Mill for Medical Center

PROPERTY TAX



SUCCESS IN DEFEATING CONCERNING PROPERTY TAX RELATED BILLS

- 4 bills to Cap or Freeze Values and/or Budgets
- 2 bills to Expand Vote Required for Referral for Bonds and/or Budgets
- Expansion of PLOTS Land Exemption Program
- Property Tax Credit for Nonpublic and Home School Parents

SB 2367

Increases to: General Fund (\$60M), Social Services Fund – formally Property Tax Relief Fund (\$50M)

New bucket added: Public Employees Retirement Fund (\$65M)

SB 2275 – Remove \$400 SIIF Bucket

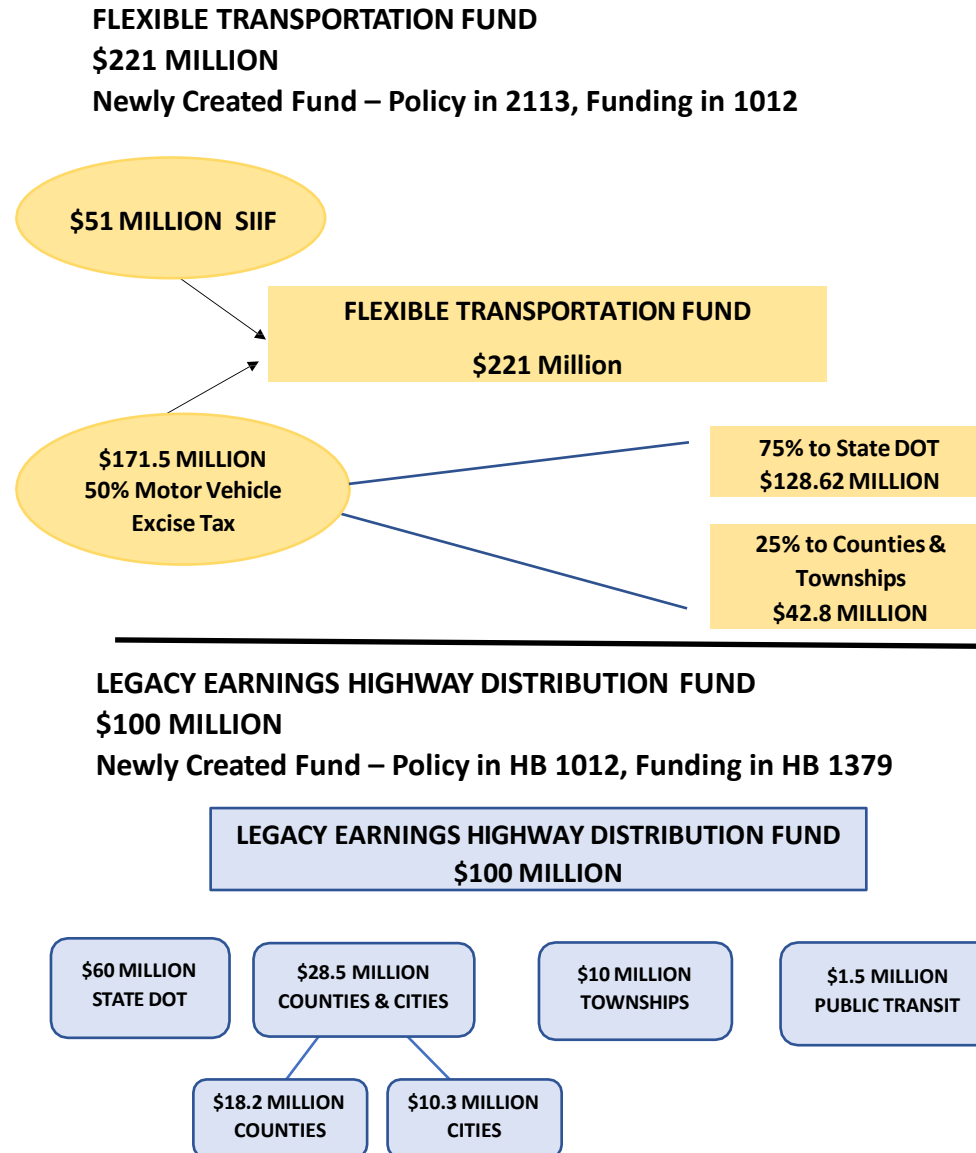


Permanent Road & Bridge Funding

HB 1012: Part of NDDOT budget, 25% of motor vehicle excise tax go to 'non-oil' counties/townships **\$42.8M**

SB 2113: Flexible Transportation Fund can be used for local road/bridge projects, including matching federal grants.

HB 1379: \$100M to new Legacy Earnings Highway Distribution Fund with **\$18.2M** allocated to counties and \$10M to townships



TRANSPORTATION



SB 2183 - SNOW REMOVAL GRANTS

- **\$20** million for snow removal for 150% of average of 4 lowest years
- 60% of costs covered
- **\$5** million added in SB 2015 on last day of session
- 2 Time Frames
 - October-December
 - October-May
- Specifically for cities, counties, townships & tribal govts
- Emergency Clause

TRANSPORTATION

HB 1127 – Update Bid Requirements

- Increase bid threshold for Road/Bridge to \$200,000
- Emergency clause for roads (same as bridges)
- Bid advertisement timeline for bridge projects same as road projects-2 weeks

SB 2370 Cooperative Purchasing

- Counties may participate in cooperative purchasing with county commission approval
- This includes large equipment purchases for County Highway Departments



SB 2292

- Penalty for disrupting polling location
- Protects election workers
- Clarification for allowing citizen observers

HB 1431

- Proof of Citizenship to Vote

HB 1192

- SOS Cleanup Bill

HB 1167 - Prohibits Gov from suspending min. polling location requirement (opposed)

HB 1273 – Prohibit Rank Choice Voting
(*Governor Vetoed – Leg. Sustained*)



ELECTION



SUCCESS IN DEFEATING BILLS OF CONCERN

- Prohibited Use of Ballot Drop Boxes
- Prohibited Electronic Poll Books on Election Day
- Eliminated Mail Ballots
- Manual Counts on Election Day
- Printing full Constitutional Measures on Ballot

ELECTION

LOCAL PUBLIC HEALTH

HB 1004

Provides \$8,000,000 in state aid funding to the local public health units

- Increase of \$2,750,000 from the last biennium
- General fund = \$4,725,000
- Community Health Trust Fund = \$3,275,000

SB 2153

Defines minimum core functions required by local public health units

- Coordinated collaborative effort by then-NDDoH, ND State Health Council and local public health units to codify required basic public health functions



Public Health
Prevent. Promote. Protect.

North Dakota SACCHO

SB 2012 – DHHS and Zone Budget

❑ SB 2012 – DHHS budget bill

- Includes Human Service Zone Budgets
- Zone and DHHS payroll and benefit costs
- Program and service delivery related costs
- Zone budgets are funded by the 457 Fund (SIIF Bucket #2)

❑ Zone team member annual performance increases are legislatively set

- Year 1: up to 6% depending on performance
- Year 2: up to 4% depending on performance

Zone Budget & Board Changes

- ❑ Zone Team Member annual salary increases
 - ❑ Provided effective July 1, 2023 (vs. January)
 - ❑ Will occur July 1 annually thereafter
 - ❑ Aligns with budget hearing process for the funding budget = legislative process

- ❑ Zone Board Composition
 - ❑ Each zone must have at least one legislator appointed to their zone board
 - ❑ Allows for legislative engagement and shared learning
 - ❑ Does not reduce or change existing zone board appointments unless maximum size (15 members) is exceeded

Notables

Equity Funds



Failed Amendment to SB 2012

+ \$3.75 M provided to address zone salary equity needs
Need identified when human service zones formed in 2020
Awaiting implementation timeline and guidance

This failed amendment was introduced without public hearing
Required state employment for zone personnel
Required counties to still pay for indirect costs, house, and provide all existing services to zones (legal, fiscal, etc.)
Approximately 25% of all county personnel to state employment at one time and without full analysis of impact
ND Human Service Zone Directors Association spoke out against this amendment

HB 1046 – Zone Indirect Cost and Clean Up Bill



New definition for indirect costs. Provides better alignment with generally accepted accounting principals



Allows for a county to vacate a zone and enter a new zone or change host county



Provides for a grievance process if DHHS takes formal action against a zone



60-day prior notice for the annual reporting of CWCA information. Penalty if county fails to respond.

HB 1091 - Certified Foster Care Homes and Kinship Providers

Allows for more nimble process for becoming a foster parent

Supports foster care payments for approved placements

Supports payments/innovation for relatives to take care of their family in foster care

*Zone Advocacy Example –
These were in result of Zone suggestions to the ND Children's Cabinet.

SB 2139 - Indigent Burials



- ~300 indigent burials statewide annually
- Historically - county responsibility to fund and negotiate rates with funeral providers. Changed with formation of zones.
- Provides uniform rate (\$3500) for all general assistance burials. Approval/denial decision is still made at the zone-level.
- Cremation is default unless attestation of religious objection.



GUARDIANSHIP

SB 2015 – OMB BUDGET Includes funding for Guardianship

- \$7.1 Million
- Previously \$2.4 Million
- Study guardianship programs

County Clerk to State Employees

SB 2277

Transfer
County Clerks
to State
Employment

\$14 Million
Appropriation

Failed 19 -28

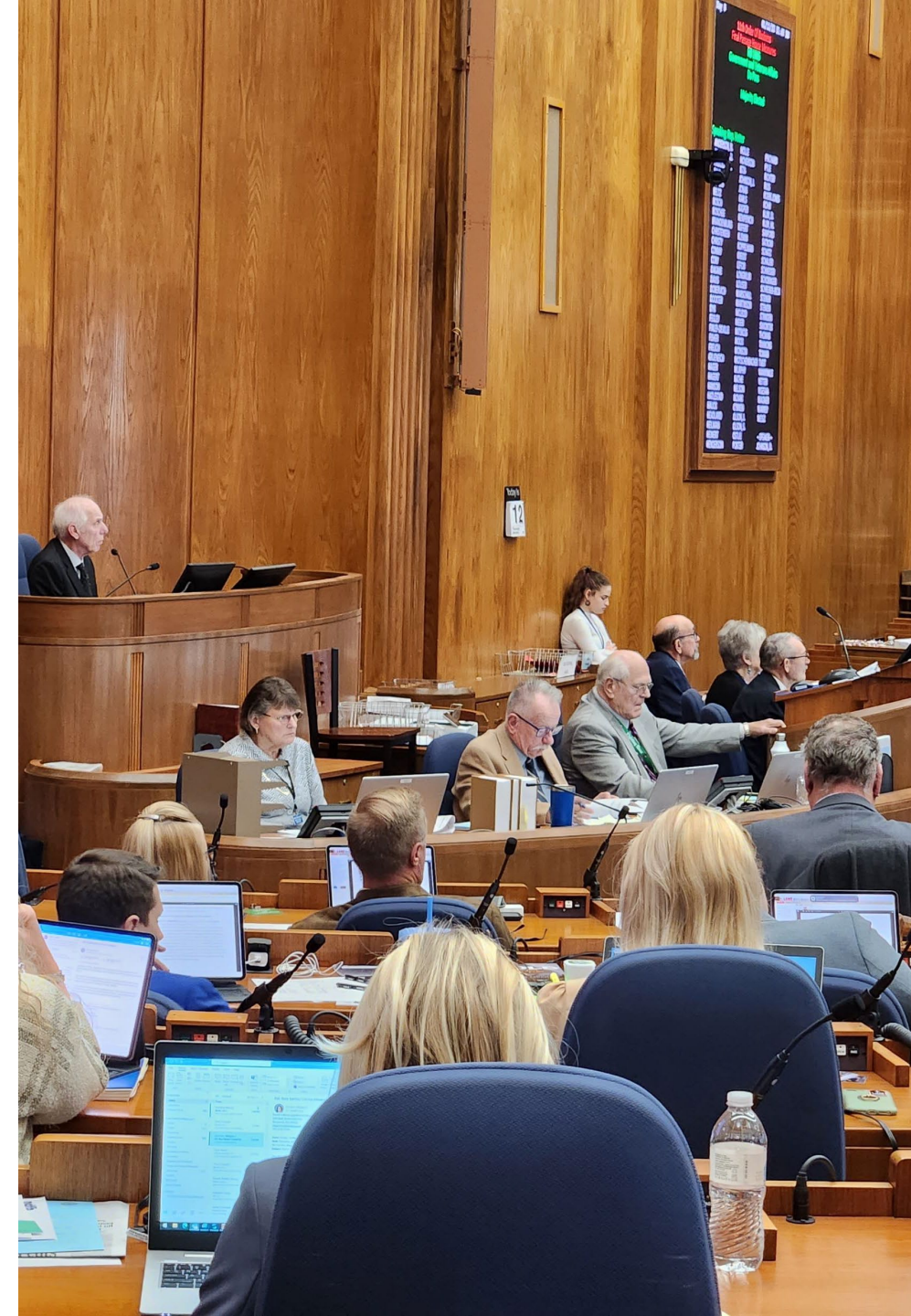
Agriculture

HB 1020 – NDSU Research & Extension Budget

- Continued Support for UGPTI Study
- \$80K for 4-H

HB 1371 – Ends Corporate Farming Ban

HB 1423 – Reduces Zoning Authority Limits



LAW ENFORCEMENT



HB 1307 – “Back the Blue” Grants

- **\$3.5 Million** direct distribution to local LE & Corrections officers for recruitment & retention bonuses
- One-Time
- \$750,000 of \$3.5M dedicated to agencies with 10 or fewer employees

HB 1279 – LE Workers Comp Presumption

- No longer requires 5 years of service

SB 2147 – LE retirement income tax exempt



LAW ENFORCEMENT

SB 2131 – Move Crime Lab to AG/BCI

SB 2003 – Attorney General Budget

- Provides 13 new FTE's – mostly in State Crime Lab
- \$400k for law enforcement for officer wellness

HB 1015 – DOCR Budget

- Includes \$160 M for new Women's Prison in Mandan

HB 2012 – DHHS Budget

- Includes \$2.65M for LE telehealth

LAW ENFORCEMENT

- **SB 2362** – Primary Seatbelt
- **HB 1378** – Enhanced Penalty for Trespassing during Riot
- **SB 2248** – “A Felony” for delivering drugs leading to death
- **SB 2189** – Road Closed if Announced Publicly
- **HB 1061** – “Right of Way” change + Signal to exit roundabout
- **HB 1459** – Increases penalty for drug offenses near parks
- **HB 1341** – Study of Firearm carry locations
- **HB 1242** – SIRN Funding for ongoing maintenance
- **SB 2107** – Attorney General Enhanced Penalty Bill for crimes involving guns & crimes against LE
- **HB 1164** – Allow for Edible Mj
- **SB 2385** – Prohibited LE from Seizing Property w/o due process
- **HB 1483** – Allow for guns in public buildings including county buildings except courtrooms
- **HB 1295** – One License Plate
- **No 80 mph on I-94** - 2 attempts failed



FOCUS ON STATE AUDITS

HB 1508 – STATE AUDITOR ACCOUNTABILITY

Bill brought attention to Audit Fees charged by State Auditor for local government Audits

Requires State Auditor to provide quarterly reports to Legislature

Seeks transparency in billing practices

SB 2004 – STATE AUDITOR BUDGET

Includes study of local government audit services & challenges associated



What's Next?

- Most Bills Take Effect August 1st
- Emergency Clause = Right Away
- Legislative Management to Select Studies for Interim in Summer
- Interim Session
- Watch Legislative Blog for Updates! ndcounties.blog



Thank You for Your
Involvement!

QUESTIONS?