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TESTIMONY ON SENATE BILL NO. 2351

House Education Committee

March 12, 2025

Chairman Heinert and members of the House Education Committee:

My name is Brandy Madrigga, Finance Director for Cass County, a role which also includes the duties of the County Superintendent of Schools. Thank you for the opportunity to provide testimony and express my support for SB 2351 to include a proposed amendment to better enable voluntary land swaps for property owners.

Over the past several years, Cass County communities have experienced significant growth in both population and property values. As a result, the county's public school districts have seen a rise in student enrollment, prompting some districts to close their open enrollment options. Cass County is home to a mix of urban and rural school districts, each impacted by the increasing student populations. However, the rural districts face a unique challenge, as they operate with a much smaller taxable valuation (differences can exceed \$600 million) which severely limits their ability to accommodate the growing number of students. In response to the closure of open enrollment, property owners who meet the criteria for annexation are choosing to annex their land to ensure their children can attend schools in the communities they now call home.

The Cass County Committee responsible for hearing annexation requests has observed a noticeable increase in the number of petitions for the annexation of property to school districts. The impact of annexing a parcel of land from one school district to another is significant, as it shifts the taxable value, affecting the financial stability of the district from which the land is removed. Both the committee and the school districts involved are acutely aware of this disparity. A more balanced and collaborative solution would be to pursue a property exchange, as outlined in NDCC 15.1-12-02, which sets the requirements for annexation and exchange petitions. However, Section 4 of this statute stipulates that "the difference in taxable valuation of the properties involved in the exchange may not exceed one thousand dollars." This limit on the taxable valuation difference for contiguous land has become increasingly difficult to meet, especially for property owners located along the boundary between rural and urban districts.

Therefore, I respectfully request that the House Education Committee amend this bill by modifying NDCC 15.1-12-02(4) to replace the \$1,000 limit with "an amount mutually agreed upon by both affected school districts." Additionally, I request that the Committee consider adding an Emergency Clause to address the pending annexation petition of a Cass County property owner for the 2025 school year, with an effective date of July 1, 2025.

Mr. Chairman, members of the committee, it is for these reasons noted above that I urge a **DO PASS** on SB 2351 with the above noted amendment and emergency clause.