



NDSBA
**NORTH DAKOTA SCHOOL
BOARDS ASSOCIATION**

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HB 1168
Testimony of Amy De Kok
Senate Finance & Taxation Committee
March 11, 2025

Chairman Weber and members of the Senate Finance & Taxation Committee, my name is Amy De Kok. I am the executive director of the North Dakota School Boards Association. NDSBA represents all 168 North Dakota public school districts and their governing boards. I appreciate the opportunity to provide testimony regarding HB 1168, which proposes a practical and effective approach to property tax relief and reform by providing for a state buy-down of school district general fund levies, thereby reducing the local share deduction from the state aid formula calculation. Property taxes are a critical funding source for local services, including schools, law enforcement, fire protection, road maintenance, and public parks. Property taxes levied by public school districts, on average, pay for approximately 25% of the cost of K-12 education in North Dakota.

NDSBA supports HB 1168 over other property tax relief and reform proposals because it acknowledges the unique way in which school districts are funded compared to other political subdivisions. Unlike other property tax relief initiatives, HB 1168 aligns with the K-12 state aid funding formula, ensuring both tax relief and stability in education funding.

Additionally, we support the bill sponsor's proposed amendments, which increase the general fund levy buy-down from 10 mills to 30 mills. This enhancement will provide significant, tangible relief to property owners while maintaining essential financial support for our schools. The approach outlined in HB 1168 is not only well-structured but also proven effective, as similar measures have been implemented successfully in the past.

Importantly, HB 1168 provides tax relief across all property types—ensuring fairness and equity in its application. Unlike HB 1176, which focuses on residential relief and could shift the tax burden to other property owners, HB 1168 takes a comprehensive approach that benefits all property classifications, including residential, commercial, and agricultural properties. By distributing relief fairly, this measure prevents unintended consequences such as disproportionate tax increases on certain property owners.

By addressing property tax burdens in a manner that complements the existing K-12 state aid funding formula, HB 1168 ensures that public education can remain adequately funded without placing undue strain on

local taxpayers. We urge the committee to support this legislation and advance it as a reliable solution for both taxpayers and school districts alike.

Thank you for your time and consideration. I am happy to answer any questions.