

Gordon, Megan J.

From: Gordon, Megan J.
Sent: Monday, April 21, 2025 10:41 PM
To: Headland, Craig A.
Subject: FW: (Rep. Headland) Amendment Request - HB 1176 - LC# 25.1003.04013
Attachments: 25.1003.04013m.pdf

Representative Headland,

The conference committee amendment draft you requested to Reengrossed House Bill No. 1176 was recently sent from our office's administrative account. A copy is attached for your convenience.

As requested, I put together a brief overview of the attached amendment draft for your reference.

The amendment draft is prepared to Reengrossed House Bill No. 1176 in place of the amendment adopted by the Senate (25.1003.04011). The amendments are summarized in the table below:

Bill Section(s)/ Page Number	Brief description of amendment
Section 5 (page 4)	<u>Legacy Earnings Fund</u> Amends the newly created legacy earnings fund provision by: <ul style="list-style-type: none">• Changing the distribution from the legacy fund from 7 percent to 8 percent of the 5-year average value of the legacy fund balance as reported by the State Investment Board.• Changing the list of allocations from the legacy earnings fund, including an allocation to a newly created legacy property tax relief fund.
Page 8	<u>Removal of Homestead Tax Credit Expansion</u> Removes the proposed expansion of the homestead tax credit. <i>NOTE: This proposed change does not affect the increase of the maximum renters refund amount.</i>
Section 9 (pages 8-11)	<u>Disabled Veterans' Credit Expansion</u> Includes the changes to the disabled veterans' credit proposed in <u>Engrossed House Bill No. 1266</u> , related to increasing the maximum credit amount from \$8,100 in taxable value to \$9,000 in taxable value. The changes also add language to provide for a situation in which a disabled veteran co-owns a home with someone other than their spouse, such as their parent or child.
Sections 10 and 11 (pages 11 and 17)	<u>Primary Residence Credit -- Amount</u> Increases the primary residence credit amount by \$200, from \$1,450 to \$1,650. This amendment does not propose the language added by the Senate which limited the credit based on a percentage of property taxes due.
Sections 10, 11, and 24 (pages 11, 17, and 41-42)	<u>Primary Residence Credit and Real Estate Tax Statement -- Voter-Approved Levies</u>

	<p>Removes the provision stating that the primary residence credit may not be applied to reduce property taxes owed as a result of voter-approved levies in Sections 11 and 12.</p> <p>Replaces the language in Section 24 (which required a separate listing of property tax levied as a result of voter-approved levy authority) with language that requires the real estate tax statement to include the amount of tax levied as a result of mills levied by a school district under <u>NDCC § 21-03-15</u> and <u>NDCC § 57-15-14.2(7)(b)</u>.</p>
Section 14 (pages 25-26)	<p><u>Primary Residence Certification Timeline Adjustments</u></p> <p>Adjusts the primary residence certification timeline (beginning in taxable year 2026) by:</p> <ul style="list-style-type: none"> • Moving the application deadline for the primary residence certification from February 1st to April 1st. • Moving the deadline by which the Tax Commissioner must review primary residence certification applications, determine which applicants qualify for the certification, and provide a copy of the application to the appropriate county director of tax equalization from February 28th to May 31st. • Removes "no later than March fifteenth of each year," from the language related to the deadline to notify the applicant of the approval or denial of the application and to reflect the appropriate classification on the assessment list.
Section 22 (page 37)	<p><u>Property Tax Levy Limitation -- Township Levies</u></p> <p>Removes the following language from the list of levies in subsection 2 to which the levy limitation does not apply: <i>"Taxes levied, up to eighteen mills, under section 57-15-20"</i> [township general fund levy]</p> <p>Adds language in subsection 3(b) related to township voting procedures to approve a levy over the levy limitation.</p>
Section 22 (page 36)	<p><u>Property Tax Levy Limitation -- Chapter 57-47 Borrowing</u></p> <p>Adds subdivision "g" to the list in subsection 2 of levies to which the levy limitation does not apply, which references taxes levied to pay bonds, evidences of indebtedness, or obligations of any political subdivision, including taxes levied to pay evidences of indebtedness under chapter 57-47.</p>
Section 26 (page 43)	<p><u>Legislative Intent Provision</u></p> <p>Adds the same legislative intent provision as was included in the amendments to HB 1168 adopted by the Senate (25.0044.08006)</p>
Section 27 (pages 43-45)	<p><u>Legislative Tax Reform and Relief Advisory Committee</u></p> <p>Adds a study modeled after last interim's Tax Relief Advisory Committee to study property tax reform and relief, comprised of three members from each chamber's Finance and Taxation standing committee, appointed by their respective Majority Leader. The section includes the following study topics:</p> <ul style="list-style-type: none"> • Historical property tax relief provided by the Legislative Assembly. • Estimated and actual fiscal impact of property tax relief provided by the 69th Legislative Assembly. • Information from local taxing district representatives regarding implementation of the primary residence credit and primary residence certification.

	<ul style="list-style-type: none"> • Information and analysis from the Tax Commissioner of the impact of the property tax levy limitation, based on information gathered by the Tax Commissioner from the local taxing districts. • Feasibility and desirability of revising the content of the real estate tax statement to improve transparency in property taxation.
Sections 23 and 28 (pages 39-41; 45-46)	<p><u>School District Levies and Integrated Formula Gap Funding Program</u></p> <p>Section 24 separates out the 70-mill general fund levy authority for school districts available under current law into two separate levies to clarify which mills are authorized to be levied for the local costs of education under the state school aid formula. The 70-mill levy is separated as follows:</p> <ul style="list-style-type: none"> • 60 mills on the taxable valuation of the school district for the school district's local contribution to the costs of education. • 10 mills on the taxable valuation of the school district for any purpose related to the provision of educational services. <p>Section 28 creates an integrated formula gap funding program to address a potential shortfall in the state school aid funding formula if a school district is required to reduce its levy for the school district's local contribution to the cost of education below 60 mills to comply with the property tax levy limitation. Generally speaking, a school district would be eligible for gap funding if, after the school district fully reduced its 10-mill general fund levy and 12-mill miscellaneous levy, the school district was required to further reduce its levy for the school district's local contribution to the cost of education below 60 mills due to the property tax levy limitation. More details and requirements for the program are provided in Section 28.</p>
Section 29 (page 46-47)	<p><u>Appropriation Provision</u></p> <p>Appropriates \$ 438.2 million from the legacy property tax relief fund for the state reimbursement of the primary residence credit, all of which is allocated from the legacy earnings fund and includes language which provides that if the Tax Commissioner anticipates a shortfall in the amount appropriated for the 2025-27 biennium, the Tax Commissioner shall request a deficiency appropriation from the 70th Legislative Assembly.</p>
Section 30 (page 47)	<p><u>Tax Relief Advertisements - Reference to Legacy Fund Earnings</u></p> <p>Includes language which requires the Tax Commissioner to identify the amount of funding being utilized from the earnings of the legacy fund for any tax relief programs in program advertising or public awareness campaigns.</p>

I hope you will find this information helpful. If you have questions, let me know.

Thank you,

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From: donotreply@ndlegis.gov <donotreply@ndlegis.gov>
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Please see the attached Amendment documents.

Thank you.