



MIKE LEFAR  
TESTIMONY  
ATTACHMENT 1176

# North Dakota Legislative Council

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## PROPERTY TAX RELIEF PROGRAMS - 2007-09 THROUGH 2023-25 BIENNIUMS

The schedule below provides information on property tax relief programs provided by the Legislative Assembly for the 2007-09 biennium through the 2023-25 biennium.

	Estimated Fiscal Impact									Total
	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	
<b>School-related mill levy reductions</b>										
Mill levy reduction grants		\$299,444,264	\$341,790,000							\$641,234,264
Mill levy reduction in integrated school formula payments				\$656,473,838 <sup>1</sup>	\$988,000,000 <sup>2</sup>	\$1,081,000,000 <sup>2</sup>	\$1,166,000,000 <sup>2</sup>	\$1,240,000,000 <sup>2</sup>	\$1,331,000,000 <sup>2</sup>	6,462,473,838
Total school-related mill levy reductions	\$0	\$299,444,264	\$341,790,000	\$656,473,838	\$988,000,000	\$1,081,000,000	\$1,166,000,000	\$1,240,000,000	\$1,331,000,000	\$7,103,708,102
<b>Homestead and disabled veterans' tax credits</b>										
Homestead and disabled veterans' property tax credit programs	\$8,104,000	\$10,774,000	\$14,018,563	\$27,678,000	\$25,865,091	\$24,820,200	\$28,250,200	\$34,300,000	\$91,145,000	\$264,955,054
Homestead income tax credit for property tax relief	112,000,000									112,000,000
Total homestead tax credits	\$120,104,000	\$10,774,000	\$14,018,563	\$27,678,000	\$25,865,091	\$24,820,200	\$28,250,200	\$34,300,000	\$91,145,000	\$376,955,054
<b>Other property tax relief</b>										
State-paid property tax relief credits (12 percent property tax credit)				\$200,000,000	\$241,525,000					\$441,525,000
Primary residence property tax credit									\$103,225,000	103,225,000
State funding of certain county costs of child welfare and service payments for elderly and disabled services					19,300,000	\$23,300,000	\$23,300,000 <sup>3</sup>	\$23,300,000 <sup>3</sup>	23,300,000 <sup>3</sup>	112,500,000
State grants to counties - Emergency human service levies					3,900,000					3,900,000
County economic assistance and social services financing pilot program						160,700,000				160,700,000
County social and human services project							173,700,000	189,917,386	226,787,642	590,405,028
State funding of clerk of court costs formerly paid by counties	\$13,587,187	\$15,253,306	\$16,795,673	20,432,528	24,603,806	23,936,056	24,957,631	25,212,502	26,125,566	190,904,255
Total other property tax relief	\$13,587,187	\$15,253,306	\$16,795,673	\$220,432,528	\$289,328,806	\$207,936,056	\$221,957,631	\$238,429,888	\$379,438,208	\$1,603,159,283
Total property tax relief	\$133,691,187	\$325,471,570	\$372,604,236	\$904,584,366	\$1,303,193,897	\$1,313,756,256	\$1,416,207,831	\$1,512,729,888	\$1,801,583,208	\$9,083,822,439

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<sup>1</sup>Prior to 2013, state school aid funding was based on a per-student formula payment. The state school aid funding included mill levy reduction grants, which provided a reduction in school district property tax levies. The 2013 Legislative Assembly approved the implementation of a new formula, which integrates property tax relief in the K-12 state school aid funding formula. Funding for the formula is provided through a combination of local tax sources, local revenue, and state school aid payments. The amount shown for the 2013-15 biennium reflects an estimate from the Department of Public Instruction, which was based on the per-student formula that was used prior to fiscal year 2013.

<sup>2</sup>This amount is an estimate based on the value of 115 mills statewide. In 2013 the Legislative Assembly approved the integration of property tax relief into the state school aid funding formula to provide for a mill levy buydown totaling 125 mills, 50 mills more than the previous biennium. The changes made in 2013 allow school districts to levy an additional 10 mills for general fund purposes; therefore, the mill levy reduction estimate used in the calculation above is 115 mills (125 mill buydown less the 10 mills of additional general fund levy authority).

<sup>3</sup>The Department of Health and Human Services is unable to determine the specific amount of general fund support in the department's legislative appropriation for paying the county costs of child welfare, service payments for elderly and disabled, and technology costs. The amount shown is the amount the department reported for the 2017-19 biennium.