

TESTIMONY ON HB 1176
SENATE FINANCE AND TAX COMMITTEE
3/10/2025
By: Adam Tescher, School finance Officer
701-328-3291
North Dakota Department of Public Instruction

Chairman Weber and Members of the Committee:

My name is Adam Tescher, and I am the School Finance Officer with the Department of Public Instruction. I am here to provide information regarding HB 1176.

House Bill 1176 seeks to introduce a cap on property tax increases for local governments, including school districts, restricting annual increases to 3% unless approved by voters. While this initiative aims to provide taxpayers with relief and greater predictability, it is essential to examine the potential effects on school district funding.

The school district funding formula depends on property tax revenues to calculate state aid payments and to ensure schools are funded adequately and equitably. If the ability of school districts to levy property taxes is capped, it would be prudent to adjust the Integrated Funding Formula in NDCC 15.1-27 to reflect this proposed limitation. Such revisions would be needed to preserve adequate and equitable funding for school districts that experience growth above the limitation.

Chairman Weber and Members of the Committee that concludes my prepared testimony and I will stand for any questions that you may have.