



**NDSBA**  
NORTH DAKOTA SCHOOL  
BOARDS ASSOCIATION

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**HB 1176**  
**Testimony of Amy De Kok**  
**Senate Finance & Taxation Committee**  
**March 17, 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 on HB 1176. NDSBA recognizes and supports efforts to provide additional property tax relief and reform to North Dakota taxpayers. We acknowledge that North Dakota ranks fourth in the nation for the lowest property tax burden and ninth overall in terms of tax system efficiency. We appreciate the Legislature's ongoing commitment to balancing taxpayer relief with the financial needs of local governments, including our public schools.

However, NDSBA has concerns with certain provisions within HB 1176, specifically those found in Section 18, starting on page 28. These provisions propose caps on local government levies, a uniform limitation that does not adequately account for the unique position and constitutional obligations of North Dakota's public school districts.

Under the state's school funding formula, school districts are required to levy 60 mills as their local share, which is deducted from their state aid payment. Over the past several legislative sessions, the Legislature has made significant efforts to refine the state funding formula, eliminating transition minimums and ensuring that all school districts move onto the standard formula. These efforts have been successful and will result in all schools being on the formula and levying the full 60 general fund levy mills by the end of 2025.

If school districts are included in the levy cap limitations set forth in HB 1176 and property tax valuations increase by more than 3%, schools will be unable to levy the full 60-mill local share. This would create a funding gap similar to the transition minimums that the Legislature has worked diligently to eliminate, leading to unintended financial shortfalls for public education. This will likely require the state to backfill the gap to the tune of tens of millions of dollars, which would only increase over time.

We encourage the Committee to consider incorporating provisions from HB 1168, which exempt public school districts from the levy caps and instead provide tax relief and reform through a general fund mill levy

buydown. This approach would ensure property tax relief without disrupting the critical funding mechanism for North Dakota's public schools.

Thank you for your consideration of our concerns. We look forward to working collaboratively with legislators to refine this legislation in a manner that preserves taxpayer relief while ensuring the sustainability of our public education system.