



1 HB1461 – Property Tax limitations on school districts –

2 NDCEL Testimony in opposition

3 Good morning, Chairman Dockter and members of the House Finance and Taxation committee.
4 For the record, my name is Dr. Aimee Copas. I am the Executive Director for the ND Council of
5 Educational Leaders. NDCEL works with our ND School leaders and administrators and directors
6 in public k12 education.

7 We are here today to express concern about HB 1461 and to share with your committee information
8 that may make you agree with this position regarding the negative position this would put school
9 districts in and the state in from a fiscal standpoint.

10 HB 1461 is bringing to this committee a similar bill that this legislative body has seen for several
11 sessions as well as being very similar to HB 1367 which was heard in House Finance and Tax
12 earlier this week and received a do not pass recommendation out of committee and was killed on
13 the floor by a vote of 76-16. While I understand full well the positive intent of this bill to save
14 taxpayers money, the reality is that it may – or may NOT do just that. Furthermore, it erodes the
15 authority of another group of elected officials that have a very real duty and job to perform, and
16 that is our locally elected school boards, as well as eroding voter approved levies already in place.
17 This bill effectively limits the boards rightful authority to establish their local tax request with their
18 patrons. School budget hearings are noticed and take place annually and the opportunity is very
19 appropriate to allow those local communities work out the amount they wish to invest in their
20 school.

21 When we think about conservative ideals – we must consider how we manage through decisions.
22 It is possible that sponsors of this bill feel they are answering to the needs of their constituents or
23 of their own beliefs to put a desire to control taxable rates in front of local decision making. In an
24 effort to center more control in the capital, state lawmakers are restricting local elected officials’
25 ability to make local quality of life decisions. At the same time in policy committees there is a



deluge of bills before education each session (this one being no different) that often have a claim to **not** have a fiscal note, but which ultimately do cost school districts money upon their application. Local school boards must be able to respond and ensure those laws are applied and that they can be afforded.

Furthermore, allow me to highlight a few key issues and legislator approved pieces of the education formula that this bill removes...

- Currently schools are the only political subdivisions with tax caps. The current rule of 12% in dollars authority to increase doesn't even allow schools to keep the pace of property values and has forced some districts to pay a disproportionate amount locally for taxes due to that cap (cities in the west are prime examples).
- Although it allows to tax up to the 60 mills – that is the full amount that is deducted from the state, it removes the other “available” mills that are board approved and or voter approved. This is how districts locally handle things such as increases in health insurance cost, transportation costs not covered by state (state only covers about 40% of transportation costs), students that cost above the state reimbursed amount when they have special needs, as well as the full cost of new students coming into our students (state only covers 50% of these special needs student cost at this time).
- Furthermore, any other voter approved excess levy authority (which is a voter approved authority) would be removed in this bill as would sinking and interest saying that the votes of those communities would be null.
- The current formula came out of a result of the last lawsuit in our state regarding equitable education. This could potentially walk our districts and state back to a place of inequities and could set us up for possible further lawsuits.
- The cost of the annual vote to provided needed district funds would be a costly consequence of this bill as well.

Last session we worked to partner with the legislature to put in place a plan that would bring ALL districts onto the formula within 7 years. We must stay the course on this pathway to ensure equity. Adjusting critical functions within the formula such as this one could derail the work done last session. We strongly encourage this committee to recommend a do-not-pass on this bill.

NDCEL is the strongest unifying voice representing and supporting administrators and educational leaders in pursuit of quality education for all students in North Dakota.

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