

Support HB1176

Senate Finance and Taxation Committee

March 17, 2025

Chairman Weber and Committee Members,

I am Larry Syverson from Mayville. I grow soybeans on my farm in Traill County. I am the Chairman of the Board of Supervisors for Roseville Township in Traill County and the Executive Director of the North Dakota Township Officers Association. NDTOA represents 6,000 Township Officers serving more than 1,400 dues-paying member townships.

NDTOA supports property tax reform and reduction. However, we have concerns with the several bills under consideration in that none of them take into account the unique nature of township government. The residents of a township are not just spectators of the budget process but are active participants that hold the power of approval over the adopted budget and resulting tax levy.

Each March, townships hold their annual meeting (58-04). A newspaper notice at least ten days prior alerts the residents of the meeting (58-04-01). The board of supervisors recommends a budget and submits it for approval; any resident may move to change the budget or move its approval. The electors then vote on that motion. Thus, the budget submitted to the county for the township is already the product of an election at the township's annual meeting.

**57-15-19. Township tax levies.** *The electors of each township have power at the annual meeting to vote to raise such sums of money for the repair and construction of roads and bridges, and for all township charges and necessary expenses as they deem expedient, within the limitations prescribed in section 57-15-20, and on the fourth Tuesday in March, or within ten days thereafter, of each year, the board of supervisors of each civil township shall levy annual taxes for the ensuing year, as voted at the annual township meeting, and the tax levy must be limited by the amount voted to be raised at such annual meeting. The electors at such annual meeting may direct the expenditure of the road tax, or a part of it, in an adjoining township under the joint direction of the boards of supervisors of the townships interested and furnishing such funds.*

With additional notice, the township voters may consider further levy options.

**57-15-20. Township general fund levy – Approval of increased general fund levy authority.** *The general fund levy in a civil township, exclusive of levies to pay interest on any bonded debt and to provide a sinking fund to pay and discharge the principal of bonded debt at maturity, may not exceed the amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in the township.*

*Upon approval of a majority of electors of the township voting on the question, a civil township general fund levy may be increased by an additional amount not to exceed the amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in the township. The increased levy under this section may be made only if notice of the question of the approval of such levy has been included with or upon the notice of the annual meeting provided for in section 58-04-01. An excess levy approved by electors of a township under chapter 57-17 before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval by electors of increased levy authority under this section may not be effective for more than five taxable years.*

**57-15-20.1. Excess levies in townships - Authorization for more than one year.** *The board of township supervisors may submit the question of authorizing an excess levy for not to exceed a total of five years, provided the notice of election and the ballot upon which the authorization for the excess levy is submitted both contain the specific years for which such authorization is sought. Upon approval by the voters as provided in section 57-17-05, such excess levy may be levied for the years specified in the ballot.*

**57-15-19.7. Township levy for emergency purposes.**

- 1. Upon approval of a majority of electors of the township voting on the question, a township may levy the number of mills necessary for the purpose of addressing natural disasters or other emergency conditions.*
- 2. The levy under this section may be made only if notice of the question of the approval of the levy has been included with the notice of the annual or special meeting provided in chapter 58-04.*
- 3. Approval by the electors of increased levy authority under this section may not be effective for more than five taxable years.*

NDTOA concerns:

- Voters in an election can only give a yes or no to a budget. Electors at a township annual meeting can rewrite the budget and resulting levy.
- Townships have never been part of the general or primary elections. Many townships are not even precincts; how would the county administer a general or primary election for a township budget?
- Counties might be dealing with dozens of ballot variations for townships
- The electors have already approved the township budget and resulting levy.
- Township budgets are approved in March; this may not fit with some timelines.
- Townships that levy less than 18 mills may be denied state funding. Townships need to budget high in March to cover the new valuations in October to ensure the levy meets the 18 mill requirement.
- HB1176 exempts township levies up to 18 mills. For those that are over 18 mills, are the first 18 mills exempt, or is the entire levy subject to the calculation?

Because of our several concerns, NDTOA requests that an amendment exempting local governments with small populations and small budgets be considered.

Chairman Weber and Committee members, thank you for allowing me to testify today. Please consider the concerns we have with these bills. That concludes my prepared statement. I will stand for any questions you might have.