



The Council

Tax Reform and Relief Advisory Committee

The interim Tax Reform and Relief Advisory Committee held its first meeting on September 23. Committee membership includes legislators from the Finance and Taxation and Appropriation standing committees of both chambers.

The committee selected seven economic development tax incentives for review and received background and fiscal information from the Legislative Council staff and Tax Department. The selected incentives include:

- Renaissance zone credits and exemptions.
- The angel fund investment credit.
- Development or renewal area incentives.
- The fertilizer or chemical processing facility sales tax exemption.
- The qualified data center sales tax exemption.
- The biologic manufacturing sales tax exemption.
- The coal processing facility that utilizes coal as a feedstock sales tax exemption.

The Department of Commerce provided a report on the renaissance zone program, which indicated the program is functioning as intended.

The committee received testimony from the Tax Department on various topics, including the potential fiscal impact of the federal One Big Beautiful Bill Act on state individual and corporate income tax revenue collections. Property tax information was presented by representatives of the department and the North Dakota Association of Counties and included information related to property tax increases, historical property tax relief, property tax statements and notices, administration of the primary residence credit, and the taxing district levy limitation recently enacted in House Bill No. 1176 (2025).

Child Custody Review Task Force

The Child Custody Review Task Force held its first meeting on September 24. The task force was created to address issues involving the withholding of a child in violation of a custody decree and issues relating to a party who provides false information against another party in connection to a child custody order. The task force is required to consider ways to expeditiously and effectively enforce violations of custody orders and consider the development of self-help or artificial intelligence assisted forms and processes.

The task force received information from law enforcement regarding the role of law enforcement in responding to domestic disputes involving alleged violations of parenting time orders. The testimony emphasized the importance of the safety of the officers and families when responding to these disputes and provided examples of when law enforcement intervention may or

Upcoming Meetings

September

30 Protection and Victim Services

October

15 Education

16 Legislative Task Force on Government Efficiency

22 Legacy and Budget Stabilization Fund Advisory Board

23 Emergency Response Services

28-29 Higher Education Institutions

30 Employee Benefits Programs

November

18 Health Care

19 Human Services



Budget Section and Budget Section Divisions

The Budget Section met on Wednesday, September 24, 2025, to receive information on the state budget and required reports. During the meeting, the Department of Health and Human Services (DHHS) presented information regarding a new federal Rural Health Transformation Program, which will provide at least \$100 million of federal funding to the state per year for the next 5 federal fiscal years to support rural healthcare initiatives. Due to the significance of this new federal program, Senator Hogue, Chairman, Legislative Management, appointed a Rural Health Transformation Committee to provide input to DHHS related to the state's application for funding and to develop any necessary legislation to implement the program and appropriate the funding.

The Budget Section divisions also met on Wednesday to gather information from various state agencies regarding the agencies' budgets and major initiatives for the 2025-27 biennium.

Child Custody Review Task Force Continued

may not be appropriate. The task force also received information from the Department of Health and Human Services regarding child protective services investigations and false reports. The testimony clarified the department's role in working with parents, law enforcement, and the court, and noted that when a parent is found to have willfully filed a false report, the case is referred to law enforcement for further action. Legal Services of North Dakota presented information regarding the challenges of representing clients in custody and parenting time disputes, and noted cases often become more complex when domestic violence or child abuse is involved.

The task force also reviewed various civil and criminal parenting time enforcement procedures in other states and discussed the advantages and disadvantages of adopting similar approaches in North Dakota. The task force expressed interest in exploring the potential benefits of establishing a designated family court to expedite the process for addressing custody and parenting time disputes and better address the needs of families. The next meeting is tentatively planned for early December.

Government Finance Committee

The Government Finance Committee's first meeting of the interim was held on Thursday, September 25, 2025. The committee received information on the state budget and the four studies assigned to the committee, which are a legislative office building study, a state agency fees study, a fixed route city transportation network study, and a regional correctional facilities study. The committee will divide into two subcommittees to gather information related to the fixed route city transportation network study and the regional correctional facilities study.

Legislative Procedure and Arrangements Committee

The Legislative Procedure and Arrangements Committee held its second meeting on September 23. The committee reviewed and approved for recommendation to the Legislative Management a bill draft relating to the procedure for the return of vetoed legislation and the reconvening of the Legislative Assembly. The bill draft provides if the Legislative Management decides to call the Legislative Assembly back for purposes of reconsidering legislation vetoed by the Governor, the date the Legislative Assembly would return for the reconvened session is the third Wednesday in June following adjournment of the regular session. The bill draft also requires the Secretary of State to return the vetoed legislation to the house of origin upon request.

The committee also received a presentation from the Secretary of State's office relating to legislator security and the publication of candidate and office holder residential address information and presentations from two prospective consultants regarding the committee's study of the impacts of term limits. The committee recommended the selection of Garty Consulting, LLC to assist the committee in its study of the impact of term limits.

CONTACT ndlegis.gov

600 East Boulevard Avenue
Bismarck, ND 58505

701-328-2916
lcouncil@ndlegis.gov

