

**2025 HOUSE FINANCE AND TAXATION**

**HB 1563**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

HB 1563  
1/29/2025

A BILL for an Act to provide for a legislative management study related to tribal land taxation.

10:06 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman

Members Absent: None

### **Discussion Topics:**

- Property tax on land owned by tribal members
- Tax policy assessment
- Tax reform
- Informed tribal nations

10:07 a.m. Representative Davis introduced the bill #32431.

10:14 a.m. Terri Martin Pairsen, resident on Turtle Mountain Reservation, testified in support.

10:20 a.m. Representative Brown testified in support.

10:21 a.m. Representative Finley-DeVille testified in support #32413.

10:24 a.m. Scott Davis, Tatanka Consulting Group, testified in support.

### **Additional written testimony:**

Nicole Donaghy, Executive Director, ND Native Vote, testimony in support #31607.

10:30 a.m. Chairman closed the hearing.

*Mary Brucker, Committee Clerk (for Janae Pinks)*



North Dakota Native Vote  
919 S 7<sup>th</sup> Street  
Suite 603  
Bismarck, ND 58504

January 27, 2025

Testimony of Nicole Donaghy, Executive Director of North Dakota Native vote  
in Support of House Bill 1563

Chairman Headland and Members of the House Finance and Taxation Committee,

I am writing to express my strong support for House Bill 1563, which calls for a legislative study of tribal land taxation issues, particularly in relation to the taxation of land owned by enrolled tribal members living on reservations within the state. This bill is an essential step toward addressing the complexities of tribal land taxation and creating a framework that allows for meaningful improvements to the quality of life for Native American communities.

Tribes bear the primary responsibility for addressing the basic needs of their members and others who live or conduct business on their reservations. To effectively meet these needs, tribes require strong economies, and well-funded governments, programs, and services. A study into tribal taxation will play a vital role in understanding what necessary revenue is needed to support the operations of tribal governments and the delivery of essential tribal services.

Tribal sovereignty is a cornerstone of our nation's legal and governmental system, and it is critical that any discussion about land taxation respects that sovereignty. I believe House Bill 1563 provides the state with an opportunity to engage in a thoughtful study that examines the intricate relationship between federal law, state tax policy, and tribal self-governance. This study will allow for a deeper understanding of the unique challenges that Native American communities face when it comes to land ownership and taxation.

An important aspect of this bill is its potential to explore the creation of a tax base on reservations. Many tribal communities are working to build sustainable economies and improve the quality of life for their members. Having a reliable tax base on reservations is key to achieving those goals. Property taxes, when structured appropriately and in respect of tribal sovereignty, can provide tribes with a much-needed source of revenue to invest in essential services—such as healthcare, education, infrastructure, and public safety—that directly benefit the community.

Currently, many tribal communities lack sufficient funding for such investments, and the reliance on federal assistance or state support often leads to an unsustainable and reactive approach to meeting the needs of tribal members. By exploring a tribal tax base that is tailored to the unique legal and cultural context of each reservation, this study will open the door to more local control over economic development and the potential for self-sufficiency in improving living conditions.

House Bill 1563 offers a chance to build a balanced framework that recognizes the need for tribal communities to have the financial tools they require to thrive while ensuring the state's interests are also considered. The study will help clarify the legal landscape surrounding tribal taxation authority and will examine potential policies that foster both economic growth and the well-being of tribal members.



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Bismarck, ND 58504

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I ask that you give a do pass recommendation to support the passage of House Bill 1563. Thank you for your time and consideration.

## Testimony of Representative Lisa Finley-DeVille

### In support of House Bill 1563

Chairman Headland and members of the House Finance and Taxation committee, my name is Representative Lisa Finley-DeVille, representing District 4 A, which includes the MHA Nation. I testify in support of House Bill 1563, which will create a legislative management study related to tribal land taxation

The issue of tribal land taxation is both complex and vital for the future of our communities. For many tribes, creating a sustainable tax base is essential to funding crucial services like healthcare, education, infrastructure, and public safety on reservations. The issue of tribal land taxation has long been complex due to the intricate relationship between federal, state, and tribal sovereignty. Historically, taxation on reservations has been limited due to legal and jurisdictional challenges, including the recognition of tribal sovereignty and the federal government's unique relationship with Native American tribes. This study will help us understand the full scope of how federal law, state law, and tribal sovereignty interact, and how we can create systems that support our communities while respecting our rights. This effort is crucial for ensuring that Native American tribes can build economic self-sufficiency and thrive. I ask that the House Finance and Taxation committee give HS 1563 a Do Pass recommendation.

Thank you for your time and consideration.



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Jayme Davis

District 9  
601 John Street  
Rolette, ND, 58366-7209  
[jdavis@ndlegis.gov](mailto:jdavis@ndlegis.gov)

## COMMITTEES:

Human Services  
Political Subdivisions

January 28, 2025

Good Morning Chairman Headland and members of the Finance and Tax Committee, thank you for the opportunity to present House Bill 1563 today. I am Jayme Davis, Representative from District 9 and I am honored to introduce this bill that came from a constituent.

House Bill 1563 calls for a legislative management study on tribal land taxation during the 2025-26 interim. This study is a necessary step to ensure we fully understand the complexities surrounding the taxation of land owned by enrolled tribal members residing within the boundaries of their respective reservations in North Dakota.

Why This Study is Needed? Taxation on tribal lands is a complicated and often misunderstood issue that sits at the intersection of federal law, state authority, and tribal sovereignty. Historically, land held in trust for tribes by the federal government has been exempt from state taxation. However, various judicial decisions, state policies, and administrative practices have created ambiguity in the taxation framework affecting Native Americans.

The intent of this study is to examine the current legal landscape and its implications for tribal members, tribal governments, and state tax policy. This will include:

- Reviewing federal laws and court decisions that have shaped taxation policies on tribal lands.
- Analyzing the scope of state property tax exemptions for land owned by Native Americans.
- Assessing how state tax policies interact with tribal sovereignty, ensuring that taxation policies do not infringe upon the rights of tribal nations.
- Identifying areas where North Dakota tax laws may need clarification or reform to better align with federal law and tribal governance structures.

Conducting this study, the Legislative Management Committee will be able to make well-informed recommendations to the next legislative assembly. This ensures that North Dakota is proactively addressing tribal land taxation concerns in a way that is fair, legally sound, and respectful of tribal sovereignty.

The study will also allow us to engage directly with tribal governments, legal experts, and tax policy analysts to develop a collaborative approach toward resolving any outstanding issues.

At the conclusion of the study, the findings and recommendations will be compiled, and if necessary, proposed legislation will be drafted for consideration by the Seventieth Legislative Assembly.

House Bill 1563 does not impose any new taxes or exemptions—it simply ensures that we take the time to fully study this issue, engage stakeholders, and make informed decisions that will benefit both the state and the tribal nations within North Dakota. I respectfully ask for your support in advancing HB 1563 to provide the necessary research and policy recommendations for this important issue.

Thank you, and I welcome any questions you may have.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

HB 1563  
1/29/2025

A BILL for an Act to provide for a legislative management study related to tribal land taxation.	
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2:42 p.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman  
Members Absent: Vice Chairman Hagert

### Discussion Topics:

- Study language change
- Committee action

2:42 p.m. Representative Olson moved to amend the bill by adding in "may study" instead of "shall study", amendment #25.1231.01001.

2:42 p.m. Representative Grueneich seconded the motion.

2:43 p.m. Voice vote-motion carried.

2:44 p.m. Representative Olson moved a Do Pass as Amended.

2:44 p.m. Representative Motschenbacher seconded the motion.

2:44 p.m. Roll call vote:

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	AB
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	Y
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

Representative Austin Foss	Y
Representative Zachary Ista	Y

2:44 p.m. Motion carried 13-0-1.

Representative Olson will carry the bill.

2:45 p.m. Chairman Headland adjourned the hearing.

*Mary Brucker, Committee Clerk (for Janae Pinks)*



January 29, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**HOUSE BILL NO. 1563**

Introduced by

Representatives Davis, Brown, Finley-DeVille, Foss, Holle, Ista

Senators Marcellais, Weston

1 A BILL for an Act to provide for a legislative management study related to tribal land taxation.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - TRIBAL LAND TAXATION.** During  
4 the 2025-26 interim, the legislative management shall ~~study~~consider studying tribal land  
5 taxation issues related to taxation of land owned by enrolled tribal members who reside within  
6 the boundaries of any tribal reservation in this state. The study may include analysis of federal  
7 law, judicial decisions concerning tribal taxation authority, state property tax exemptions related  
8 to property of Native Americans, and the interaction between tribal sovereignty and state law.  
9 The legislative management shall report its findings and recommendations, together with any  
10 legislation required to implement the recommendations, to the seventieth legislative assembly.

**REPORT OF STANDING COMMITTEE  
HB 1563**

**Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS** ([25.1231.01001](#)) and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1563 was placed on the Sixth order on the calendar.

**2025 SENATE FINANCE AND TAXATION**

**HB 1563**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1563  
2/12/2025

A BILL for an Act to provide for a legislative management study related to tribal land taxation.
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9:31 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- Property tax structure on tribal lands
- Services provided on tribal lands
- Comprehensiveness of proposed study

9:31 a.m. Representative Davis, District 9, introduced HB 1563, testified in favor and submitted testimony #37279.

9:38 a.m. Todd Hall testified in favor.

9:44 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Jayme Davis

District 9  
601 John Street  
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[jdavis@ndlegis.gov](mailto:jdavis@ndlegis.gov)

## COMMITTEES:

Human Services  
Political Subdivisions

February 11, 2025

Good Morning Chairman Weber, Vice Chair Rummel and members of the Senate Finance and Tax Committee, thank you for the opportunity to present House Bill 1563 today. I am Jayme Davis, Representative from District 9 and I am honored to introduce this bill that came from a constituent.

House Bill 1563 calls for a legislative management study on tribal land taxation during the 2025-26 interim. This study is a necessary step to ensure we fully understand the complexities surrounding the taxation of land owned by enrolled tribal members residing within the boundaries of their respective reservations in North Dakota.

Why is this study needed? Taxation on tribal lands is a complicated and often misunderstood issue that sits at the intersection of federal law, state authority, and tribal sovereignty. Historically, land held in trust for tribes by the federal government has been exempt from state taxation. However, various judicial decisions, state policies, and administrative practices have created ambiguity in the taxation framework affecting Native Americans.

The intent of this study is to examine the current legal landscape and its implications for tribal members, tribal governments, and state tax policy. This will include:

- Reviewing federal laws and court decisions that have shaped taxation policies on tribal lands.
- Analyzing the scope of state property tax exemptions for land owned by Native Americans.
- Assessing how state tax policies interact with tribal sovereignty, ensuring that taxation policies do not infringe upon the rights of tribal nations.
- Identifying areas where North Dakota tax laws may need clarification or reform to better align with federal law and tribal governance structures.

Conducting this study, the Legislative Management Committee will be able to make well-informed recommendations to the next legislative assembly. This ensures that North Dakota is proactively addressing tribal land taxation concerns in a way that is fair, legally sound, and respectful of tribal sovereignty.

The study will also allow us to engage directly with tribal governments, legal experts, and tax policy analysts to develop a collaborative approach toward resolving any outstanding issues.

At the conclusion of the study, the findings and recommendations will be compiled, and if necessary, proposed legislation will be drafted for consideration by the Seventieth Legislative Assembly.

House Bill 1563 does not impose any new taxes or exemptions—it simply ensures that we take the time to fully study this issue, engage stakeholders, and make informed decisions that will benefit both the state and the tribal nations within North Dakota. I respectfully ask for your support in advancing HB 1563 to provide the necessary research and policy recommendations for this important issue.

Thank you, and I welcome any questions you may have.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1563  
2/17/2025

Relating to a bill for an act to provide for a legislative management study related to tribal land taxation.

3:46 p.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### **Discussion Topics:**

- Proposed amendment to change "shall consider" to "shall"

3:48 p.m. Chairman Weber opened discussion for proposed amendments and updates regarding information received from the Office of the Governor.

3:56 p.m. Chairman Weber adjourned the meeting.

*Chance Anderson, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1563  
2/19/2025

Relating to a bill for an Act to provide for a legislative management study related to tribal land taxation.

9:40 a.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### **Discussion Topics:**

- Proposed amendment for "Shall consider studying" to "Shall study"
- Items encompassed within study

9:41 a.m. Chairman Weber opened discussion to the committee for updates and proposed amendments.

9:46 a.m. Chairman Weber closed the hearing.

*Chance Anderson, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1563 PM  
2/19/2025

Relating to a bill for an Act to provide for a legislative management study related to tribal land taxation.

3:19 p.m. Chairman Weber opened the hearing.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

### Discussion Topics:

- Amendment for "Shall consider studying" to "Shall study"

3:20 p.m. Senator Marcellais moved Amendment to change "shall consider studying" to "shall study".

3:20 p.m. Senator Walen seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	N
Senator Richard Marcellais	Y
Senator Dale Patten	N
Senator Michelle Powers	N
Senator Chuck Walen	Y

Motion failed 3-3-0.

3:22 p.m. Senator Marcellais moved a Do Pass.

3:22 p.m. Senator Walen seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

Senator Marcellais will carry the bill.



Senate Finance and Taxation Committee

HB 1563

February 19, 2025

Page 2

3:23 p.m. Chairman Weber adjourned the meeting.

*Chance Anderson, Committee Clerk*

**REPORT OF STANDING COMMITTEE  
ENGROSSED HB 1563 ([25.1231.02000](#))**

**Finance and Taxation Committee (Sen. Weber, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1563 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.