



LEGISLATIVE UPDATES



April 17, 2025

Update No. 15

Did I say things were getting interesting last week? While Eagles' lyrics got a feature in the last report, it's the Carpenters' turn this week, because *we've only just begun*. Before I dive into the excitement, let's talk about **hoghouses**. And I don't mean pig pens, or anything related to Easter ham.

We haven't had a chance to talk about my least favorite type of amendment yet this session, but this week presents the perfect opportunity. While hearing the term "hoghouse" might make most normal people assume we are talking about something that houses swine, for those of use spending too much time at the Capitol, it means something else. A hoghouse amendment is a procedure used in the Legislature whereby everything after the enacting clause of a bill is struck and new language is inserted, essentially creating an entirely new bill. We'll say that a bill, "has been hoghoused." In theory, the new language is supposed to be germane to the topic of the original bill, but germaneness is subjective. "*What a strange term,*" you say. "*Who on Earth came up with that!?*" Well, it is a regional term, used mostly in the Midwest. South Dakota proudly claims to have been the originator of the term. Multiple sources over the years have attributed its first use to legislation relating to the construction of a new hog facility near Brookings for what at that time was South Dakota State College. Some stories say a fire late in the session destroyed a hog barn on the campus and funding for a new one had to be inserted into an unrelated bill. Other stories attribute the term to a bill that inserted increased legislator pay into a bill that had originally included funding to maintain various hog houses, poultry houses, horse barns, etc. We may never know.

So now that we've covered what a hoghouse is, why do we care? And what's so exciting about a hoghouse without any pigs? Well, we're back to property taxes, folks. Remember how at the start of the session there were several bills with several ideas to 'fix' property taxes, but the Nathe/Armstrong plan seemed to be the chosen plan from the start? The Senate has kept one of those other bills – **HB 1168**, Louser's bill – waiting around, just in case they needed a vehicle towards the end of session. A couple of weeks ago the Senate gutted the Nathe/Armstrong plan (HB 1176) and sent it back to the House. It's just been sitting in waiting with no movement since then. Finally, conference committee members were appointed by the House this week (Headland, Nathe, and Bosch). In the meantime, the Senate Finance and Tax Committee has been making some interesting moves. They met yesterday morning and again in the afternoon for committee work on the almost forgotten about HB 1168. They proceed to **hoghouse** HB 1168 into a nearly identical version of **HB 1176**. We'll call them fraternal twins. Let's make a side-by-side comparison to pick out the differences:

	HB 1176 <i>as passed by the Senate</i>	HB 1168 <i>as hoghoused by Senate Finance & Tax</i>
Disabled Vets Property Credit	X	<ul style="list-style-type: none"> Increases existing credit from \$8100 max to \$9000 max
Primary Residence Credit	<ul style="list-style-type: none"> MIN: \$500 MAX: \$1650 OR 75% property tax due Credit MAY apply credit to voter approved in order to utilize full \$1650 	<ul style="list-style-type: none"> MIN: \$500 MAX: \$1250 OR 75% of property tax due Credit may NOT apply to voter approved levies unless necessary to hit \$500 minimum
Increase Caps	<ul style="list-style-type: none"> 3% cap on cities, counties, and schools year over year 	<ul style="list-style-type: none"> 3% cap on cities and counties year over year Schools may levy a maximum of 10 mills for their general fund.
Intent Language	<ul style="list-style-type: none"> Intent language to consider providing property tax relief to agricultural property during the 70th legislative assembly. 	<ul style="list-style-type: none"> Intent language to consider providing property tax relief to commercial, centrally assessed, nonprimary residential, and agricultural property during the 70th legislative assembly.
Study	X	<ul style="list-style-type: none"> “Shall consider” study regarding the transparency of the real estate tax statement

So, after declining to make amendments to HB 1176 in Senate Finance and Tax and then dropping a handful of surprise amendments to the bill in Appropriations, the Senate has everyone scratching their heads again. They’ve transformed HB 1168 into almost the version of HB 1176 they had originally sent to Appropriations, but with a bigger primary residence credit. While the now-infamous skin-in-the-game amendment stuck, they eliminated the original prohibition on using the credit on voter approved levies, allowing significantly more homeowners to use up the full \$1650 despite the skin-in-the-game amendment. The other major change relates to capping the school district levies. Rather than cap the districts at three percent like other political subdivisions, HB 1168 allows districts a maximum ten mills of general fund levy (current max is 70, 60 +10 extra if voters approve). Senators are trying to work out how the caps interact with the very complicated K12 funding formula, and it sounds like what is currently in HB 1168 may not stick, either. Even as they adopted the amendments and gave HB 1168 a 6-0 Do Pass, the committee was discussing further amendments they may be required in conference committee.

So, what’s the strategy here? Beats me. This would all make a lot more sense if one of these bills was a Senate bill so each body had control of one going into conference committees, but that’s not what’s happening. Does the Senate hold HB 1168 as a sledgehammer in case conference committee doesn’t go

their way on HB 1176. That doesn't seem like a great strategy, as the House can just hold off scheduling HB 1176 as long as they want, and we won't Sine Die until May 9. At this point, the odds-on favorite for last three bills out are the health and human services budget, commerce budget, and whichever bill has property tax relief – might be HB 1176, might be HB 1168, or it might be some other bill that gets new life as a hoghouse.

UPDATES FROM ICBND'S PRIORITY TRACKING LIST

Well, **HB 1584** passed the house 42-5 on Wednesday. We greatly appreciate the emails you sent, but after a multitude of conversations on Monday and Tuesday this week it became clear this bill was going to pass no matter how hard we worked it. HB 1584 is the bill that regulates pharmacy benefits managers and will affect banks using both the North Dakota Banks Benefits Trust and those using their own self-funded benefits plans. Both ICBND and the NDBBT oppose the bill because it seeks to erase the ERISA protections currently provided to self-funded insurance plans. By removing these protections and regulating pharmacy benefits managers, we believe HB 1584 would increase pharmaceutical costs for users of our plans and drive-up premiums for employees and employers. One of the most frustrating days I have is a lobbyist are days where I work bills like this one. I had conversations with at least three different Senators who understood the issue, knew the bill wouldn't benefit consumers or employers, admitted to not liking the bill, but were still going to vote YES anyway. If you reached out to Senators Conley, Cory, Larson, Patten, or Roers, thank them for their NO votes. If the House concurs the bill will head to the Governor's office. If not, it could go to conference committee. While there were no policy changes made in the Senate, they did add the appropriation. The bill did not have the appropriation or a fiscal note when it was in the House, and thus, did not go through appropriations there. If the House chose, they could not concur on the bill to send it through the appropriations committee. If they do, we'll get one more shot at it there. Even if they choose to concur, the House will have to take a full vote on the bill one more time.

NEXT WEEK'S HEARING SCHEDULE

Monday, April 21

No committee hearings currently scheduled at this time.

Tuesday, April 22

No committee hearings currently scheduled at this time.

Wednesday, April 23

No committee hearings currently scheduled at this time.

Thursday, April 24

No committee hearings currently scheduled at this time.

Friday, April 25

No committee hearings currently scheduled at this time.

LEGISLATIVE DEADLINES

May 9 Session limited to 80 legislative days.

Legislator contact information can be found at <https://ndlegis.gov/contact-my-legislators>, and you can check on any legislative activities through the Legislative Council's web page at ndlegis.gov.

Thank you for your participation in the legislative process. Please call, email, or text me with any questions or concerns. If you'd like to be taken off this distribution list or if there are others in your organization that should be receiving these updates, please let me know.

Sincerely,

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