



LEGISLATIVE UPDATES



May 8, 2025

Update No. 18

We predicted a marathon late night on Friday, and what a late night it was. Early morning may be more apt, as the 69th Legislative Assembly of the State of North Dakota adjourned sine die just after 4 a.m. on Saturday morning. New legislative days do not begin until 7 a.m. the following day. By continuing through the night (rather than adjourning at a reasonable hour and coming back in the morning) **the legislature was able to drag out legislative day 74 and save six days.** While this was less than the 10 they had initially hoped for, it is greater than the usual 3-5. The Legislature has not saved this many days since 1999 when it completed its work in 71 days. Saving days was important because **they expect to need to meet again this fall to deal with federal funding reductions**, including significant cuts to Medicaid.

When the dust settled, the Legislature passed 600 of the 1,035 bills that were introduced. Those 600 bills included an additional 25 FTEs for legislative council to deal with the large number of bills legislators continue to introduce in recent sessions. Suggestions of limiting the number of bills a single legislator can introduce have been repeatedly rejected. **The 1,035 bills introduced this session was the greatest number introduced since 2009.**

The last bill to be completed was **HB 1377**, a bill that would have updated campaign finance laws for legislators. While the bill had previously passed the Senate, it ultimately failed in the same chamber following conference committee work. The Senate favored the updates, and had amended the bill to resemble another bill that the House had killed. The House objected to many of the changes, refused to concur with the Senate version, and would not budge during conference committee work. Despite serious efforts from the Senate, they eventually had to acquiesce to the House if they wished to adjourn. The conference committee got so heated that the Senate conferees walked out in the midst of negotiations due to disrespectful lecturing from a House member. The watered-down version of the bill passed the House 64-25, but failed in the Senate 5-39.

Pending any line-item vetoes by Governor Armstrong, **the state budget adopted by the assembly was nearly \$20.3 billion, up from \$19.6B in 2023.** Many budgets received trims late in the session as legislators worked to account for decreased oil prices and revenue predictions. There is some concern in Bismarck that revenue predictions based on \$57-59/bbl oil were still too high, as WTI traded around \$60/bbl this week. Bakken crude often sees a discount from the WTI price, which has recently widened to around \$7.

Included in the budget was \$408 of property tax relief in **HB 1176**. When all was said and done, **the relief and reform package included a \$1,650 primary residence credit and no skin-in-the-game restrictions**, meaning taxpayers will get the full \$1,650 of relief if their property tax bill is \$1,650 or more. That relief will have to be reapproved in 2027 if it is to continue. While most legislators were happy with the final product (at least publicly), Representative Louser was not. You'll recall that the Senate had hoghoused **HB 1168** into HB 1176's sort-of twin, before ultimately killing it in favor of the latter bill. HB 1168 was introduced by Rep. Louser, who was disappointed in the changes the Senate made without consulting him. As a result, he told the House in a floor speech on Friday that he had drafted and would be introducing an initiated measure to buy down all property taxes levied by school districts on all property classes, which would cost the state roughly \$720 million. This is the second time a legislator has aggressively asserted their displeasure with changes to bills they introduced this session. This is a new twist to the legislative process; the first rule of fight club has always been that once you introduce a bill, you no longer have any ownership over the bill. Legislators and lobbyists have begrudgingly accepted that reality of the process, until now. I'm not sure that it matters in the long run but listening to legislators opine about how they have been wronged by amendments is interesting, to say the least.

Now that legislators have left town, the Governor's timeline to sign a bill increases from three days to 15. If he opts not to sign or veto a bill within that timeframe, it automatically becomes law. In addition to signing or vetoing entire bills, the Governor is allowed to 'line-item' veto single appropriations or sections within appropriations bills. If any vetoes are issued, the legislature would have to reconvene and use some of their remaining 6 days to consider veto overrides. This rarely happens, and most vetoes issued after Sine Die are sustained without further action. Agency appropriations bills will go into effect on July 1 and policy bills on August 1, unless a bill included an emergency clause or other effective date. Legislators will return soon to begin interim work by selecting and assigning studies passed over the past four months.

While ICBND had a relatively quiet and successful session there were two major takeaways in my mind:

1. ***Recruiting and electing candidates who truly understand and appreciate the challenges faced by our industry and business in general is going to be very important and difficult.*** Educating these candidates will be critical. District 26 will be up first as they look to appoint Rep. Jeremy Olson's replacement after he submitted his resignation yesterday. Initially he said he did not intent to resign anything other than his leadership role, but that was before a formal sexual harassment complaint was filed with Legislative Council.
2. ***The rules of the game have changed.*** Educating legislators and building relationships has become more difficult in the post-term limits world. Legislators are deferring to 'normal citizens' more than lobbyists or other industry experts. Moving forward, we're going to need bankers ready to provide testimony and contact your legislators more than we have in the past. Please consider joining our legislative committee and tuning in to meetings if this is of interest to you.

UPDATES FROM ICBND'S PRIORITY TRACKING LIST

While early favorites for the last bill out included the Department of Commerce and Health & Human Services budgets, the last budget bill to be completed turned out to be **SB 2014**, the North Dakota Industrial Commission budget bill. This bill includes the Bank of North Dakota's budget and many other agencies, including the budget for the ND Housing Finance Agency, Department of Mineral Resources, and

the Mill & Elevator Association. You'll recall that the bill's conference committee report had been rejected by the Senate late last week due to funds for the North Dakota Pipeline Authority. The conference committee didn't meet again until 7 p.m. on Friday evening, but when they did they quickly moved an amendment and gave the bill a unanimous Do-Pass recommendation. The final bill still included the line of credit for the North Dakota Pipeline Authority (up to \$100m) and increased loan guarantees from the strategic investment and improvements fund (SIIF) to \$160m to be used to address the challenges in the building of a west to east natural gas pipeline. This would be done by allowing the state to purchase capacity on this theoretical pipeline if needed. The conference committee added language that dictates if no purchases are made by December 31, 2026, the line of credit line reverts to what had been previously approved last session. Both the Senate (42-3) and House (74-15) adopted the conference committee report and passed the final bill.

NEXT WEEK'S HEARING SCHEDULE

Monday, May 5

No committee hearings currently scheduled at this time.

Tuesday, May 6

No committee hearings currently scheduled at this time.

Wednesday, May 7

No committee hearings currently scheduled at this time.

Thursday, May 8

No committee hearings currently scheduled at this time.

Friday, May 9

No committee hearings currently scheduled at this time.

LEGISLATIVE DEADLINES

May 10 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,

Alexis D. Baxley

alexisb@icbnd.com

701.258.7121 (office) | 701.870.4167 (cell)
