

North Dakota lawmakers approve needs, some wants with \$20.3 billion budget

State to fund property tax credits for homeowners, new state hospital

BY AMY DALRYMPLE

BY JEFF BEACH

BY MICHAEL ACHTERLING

BY MARY STEURER

North Dakota Monitor

North Dakota lawmakers adjourned early Saturday after approving a total state budget of \$20.3 billion for 2025-27, with investments including a historic property tax package for homeowners, a new State Hospital and funding to address overcrowding at jails and prisons.

The overall budget, which includes federal dollars and other special funds, is a 3.5 percent increase over the current two-year budget cycle.

“We managed to address all of our needs and some of our wants, and we did it without raising any taxes. We did it without borrowing any money, and we provided record (property tax) relief,” said Senate Majority Leader David Hogue, R-Minot, as lawmakers adjourned about 4 a.m. Saturday.

The preliminary two-year budget for general fund spending for 2025-27 is \$6.25 billion, an increase of 2.6 percent over 2023-25.

Though legislators started the 2025 session with excess revenue, they’re keeping a cautious eye to the future with the state’s growth projected to slow amid lower oil prices, declining oil tax revenue and uncertainty about tariffs. Lawmakers also funded investments that aim to spur new oil production and diversify the state’s economy.

Gov. Kelly Armstrong said he’s excited the Legislature passed a property tax package that includes a \$1,600 primary residence tax credit and provisions to limit future property tax increases, an idea he pitched at the start of the session. Armstrong said he’s also pleased lawmakers adopted a “bell-to-bell” cellphone ban for public schools, another idea he championed.

“I think those two things will have an immediate impact,” Armstrong said early Saturday.

The property tax package is funded with earnings from the state’s \$12 billion Legacy Fund. Armstrong said if lawmakers allow the fund to continue to grow, it could put most homeowners on a path to paying zero property taxes within a decade.

“What a legacy for our kids and grandkids, to be able to have a significant amount paid toward their property tax,” said House Majority Leader Mike Lefor, R-Dickinson.

House Minority Leader Zac Ista, D-Grand Forks, told his colleagues he’s glad they spent more time on the “real issues facing North Dakotans” this year than they had in recent years, referring to culture war issues that dominated much of the 2023 session.

“Let that be the start of a positive trend for our body and let us commit to resisting the pull of polarization and extremism,” Ista said.

Some, including Armstrong, said the Legislature missed an opportunity to do more to address the state’s housing and workforce needs.

“But those are tough issues, so we always have more time for that,” Armstrong said.

State hospital, behavioral health

Legislators approved \$300 million to construct a new State Hospital in Jamestown, which will replace an outdated facility. The project will provide 140 beds to serve people in need of acute mental health services.

Rep. Jon Nelson, R-Rugby, who chaired the division of the House Appropriations Committee that handled the budget for Health and Human Services, said that project is

critical for the state. Lawmakers had considered reducing the funding to \$285 million, but ultimately approved \$300 million. The Office of Management and Budget will oversee construction of the project.

“It was our highest priority in our section with the Human Service budget,” Nelson said.

Lawmakers approved other investments in regional behavioral health services, including nearly \$13 million to create 24 new in-patient acute psychiatric beds in Grand Forks and \$1.5 million for 10 beds in Williston.

Legislators also fully funded the Free Through Recovery and Community Connect programs that help people with recovery support.

Prison overcrowding

The Department of Corrections and Rehabilitation budget includes \$28.4 million for payments to county and regional jails, which are housing inmates due to crowding at state prisons. The department is looking to staff and operate unused space in Grand Forks County’s new jail expansion for some state prisoners. Armstrong’s administration secured a letter of intent from the Grand Forks County Commission to enter into an agreement, with terms still being finalized.

The budget also includes more than \$35 million to complete the Heart River Correctional Center in Mandan, the first state prison designed for women. Another \$8 million is dedicated for a temporary facility to add beds for the Missouri River Correctional Center and \$20 million to design and plan a new medium-security prison that’s proposed to be built next to the State Penitentiary.

A group of three bills backed by the corrections department aims to keep people out of the criminal justice system and lead to a lower recidivism rate after inmates are released.

The recidivism rate was a point of discussion as Attorney General Drew Wrigley backed what he called a truth-in-sentencing bill. Senate Bill 2128 sought to make sure inmates in the state prison system spend most of their sentence behind bars, but it was defeated in the House.

Education funding

K-12 education was a major topic for lawmakers, but proposals to establish private school vouchers or Education Savings Accounts did not survive the session. Armstrong vetoed one bill because it only affected private school students, and lawmakers defeated a more comprehensive bill, in large part due to the high price tag.

Lawmakers did approve a bill establishing public charter schools in North Dakota for the first time.

Legislators voted down proposals to provide free school meals to all students, an idea that was strongly supported by the public.

Lawmakers did include \$7.3 million in the Department of Public Instruction budget to make free lunch available to students from families within 225 percent of the federal poverty level. That’s an increase from 200 percent of the poverty line that was funded in the 2023 session. It means a family of four with an income of about \$72,000 would qualify for free school lunches.

The Together for School Meals coalition has said it’s deeply disappointed the Legislature did not pass universal school meals.

“Free school meals is a policy supported by 79 percent of North Dakotans and championed by over 80 local organizations committed to ending child hunger,” said Amy Jacobson, executive director of Prairie Action ND and a member of the coalition. “This bill had the power to put real money — an estimated \$850 per child per year — back into the pockets of hardworking parents.”

The overall Department of Public Instruction budget contains a 2.5 percent increase of the per-pupil payment for each year of the biennium, raising it

to \$11,349 in fiscal year 2026 and \$11,633 the following year. The Senate advocated for 3 percent each year.

Legislation signed by Armstrong will make public K-12 schools phone-free, requiring personal electronic devices to be stowed and inaccessible during instructional time. The law takes effect Aug. 1.

Culture war bills

Lawmakers debated several controversial issues that ultimately failed. A resolution urging an end to same-sex marriage passed the House but later was defeated in the Senate.

Lawmakers also defeated a bill to require the display of the Ten Commandments in schools and public colleges and rejected a resolution that declared the kingship of Jesus Christ.

The Legislature spent a considerable amount of time on policing the content in public libraries and bathrooms at public schools.

Armstrong vetoed a bill that addressed content in public libraries and K-12 schools, which expanded on legislation approved two years ago. Failure to comply could have cost the library or school state funding and resulted in criminal charges.

“The bill imposes vague and punitive burdens on professionals and opens the door to a host of unintended and damaging consequences for our communities,” Armstrong said in his veto message.

Armstrong signed a bill that prevents K-12 public schools from building new all-gender, multistall bathrooms. Lawmakers added an exemption for existing restrooms after schools complained they would have to spend millions to bring their facilities into compliance. Schools could be fined if they don’t comply with the bathroom policy and other regulations in the same section of code, including a requirement for schools and teachers to inform a students’ parents if they learn the child is transgender.

The governor also signed a bill that amends Century Code to state “words used to reference an individual’s gender mean the individual’s sex,” a proposal some critics called discriminatory to transgender and intersex North Dakotans.

Property rights

Landowner groups and local government officials argued with lawmakers this session to maintain local control, though frequently ended up on the losing side of the debate.

House Bill 1258 gave the Public Service Commission more authority over setback rules on large electrical transmission lines, taking away authority from townships and counties.

Sen. Terry Wanzek, R-Jamestown, represents an area where a large power line is planned. A township created a half-mile setback from residences, and Wanzek said such rules hinder the project and threaten others like it across the state.

House Bill 2321, which aimed to strengthen the position of landowners in negotiations with oil and infrastructure developers by helping them recoup legal fees, had support in the Senate but ultimately failed in the House.

The bill was sponsored by Sen. Jeff Magrum, R-Hazleton, who represents an area where the controversial Summit Carbon Solutions pipeline is routed. His other bills to strengthen landowner rights and limit carbon capture development made little headway.

On the final day of the session, lawmakers approved a bill that aims to keep North Dakota on the forefront of rare earth mineral development. The Northwest Landowners Association argued the bill is unconstitutional.

Loss of lawmaker

During the session, House members mourned the loss of Rep. Josh Christy, R-Fargo, who died in February at age 43.

Last week, Armstrong signed two bills sponsored by Christy, who had developed a niche in the Legislature on the subjects

of artificial intelligence and technology.

“While we continue to mourn, we celebrate the achievements he made and the legacy he left with his service,” Ista said.

As lawmakers closed out the session they also acknowledged Rep. Jim Kasper, R-Fargo, who was hospitalized late in the session.

Special session?

Lawmakers adjourned on day 74 of the session, which means they have six days remaining of their 80-day limit.

Several expressed a desire to save days in case lawmakers

need to return to address impacts on the state from cut federal funds.

“It’s highly likely that we’ll need to get called back,” said Sen. Judy Lee, R-West Fargo.

Lee, who chaired the Senate Human Services Committee, said she’s watching potential cuts to Medicaid or other human services funding that could require the state to respond.

“Without the money, the state has to be able to step up,” Lee said. “And we’re lucky to be in a position to know that we’re probably going to be able to do that.”

The state Democrats issued

a statement warning of “misguided and chaotic national policies” that threaten local impacts.

“Already we’ve lost promised funds for rural infrastructure, mental health care and even the care of disabled persons,” Ista said.

The governor can also call a special session, which would not have a time limit.

“We’ll wait and see where we’re at,” Armstrong said Saturday. “It costs money to bring everybody back. Obviously, if there’s a real reason to do it, we will do it.”

Public Notices

NOTICE OF SPECIAL ELECTION

Notice is given that on Tuesday, May 13, 2025, at the polling place in the County of Walsh County, a special election will be held for two county ordinances in regard to the Walsh County Jail and Sheriff's Office. The Walsh County Courthouse, Farmers Room, located in the County of Walsh at 600 Cooper Ave, Grafton, North Dakota will be open at 9:00 am and continue open until 7:00 pm on May 13, 2025.

Absentee mail ballots must be postmarked no later than May 12, 2025, or placed in the secure drop box located outside on the south side entrance to the Walsh County Courthouse by 5:00pm CT on May 12, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of Walsh County, North Dakota, this 24nd day of April, 2025.

/s/ Kristi Quibell
Kristi Quibell
Walsh County Auditor/Treasurer

SPECIAL ELECTION BALLOT

| | | | | | |
|--|-----------------------|---|--------------|---|----------|
| D | STATE OF NORTH DAKOTA | E | WALSH COUNTY | F | 50200101 |
| | | | | | |
| | | | | | |
| MEASURES BALLOT | | | | | |
| Vote by darkening the oval next to the word "YES" or "NO" following the explanation of each measure. | | | | | |
| County Measure No. 1 WALSH COUNTY ORDINANCE 2025-1 IMPLEMENTATION OF A 3/4 PERCENT SALES TAX | | | | | |
| Shall the Walsh County Commission be authorized to implement and collect up to a new three-quarters of one percent (0.75%) sales and use tax outlined in Ordinance 2025-1 for the purpose of funding the construction of a County Jail and Sheriff's office? | | | | | |
| <input type="radio"/> Yes - Means you approve Walsh County Ordinance 2025-1. | | | | | |
| <input type="radio"/> No - Means you reject Walsh County Ordinance 2025-1. | | | | | |
| | | | | | |
| County Measure No. 2 WALSH COUNTY ORDINANCE 2025-2 INCREASE OF GENERAL FUND LEVY | | | | | |
| Shall the general fund levy of Walsh County, North Dakota be increased from 60 mills up to 80 mills as outlined in Ordinance 2025-2 for the purpose of funding the construction and operation of the County jail and Sheriff's Office? | | | | | |
| <input type="radio"/> Yes - Means you approve Walsh County Ordinance 2025-2. | | | | | |
| <input type="radio"/> No - Means you reject Walsh County Ordinance 2025-2. | | | | | |
| | | | | | |

Initials_____

| | | | | | |
|---|----------|---|--------|---|------|
| A | 50200101 | B | 502001 | C | 0010 |
|---|----------|---|--------|---|------|

SPECIAL ELECTION BALLOT

| | | | | | |
|--|-----------------------|---|--------------|---|----------|
| D | STATE OF NORTH DAKOTA | E | WALSH COUNTY | F | 50190201 |
| | | | | | |
| | | | | | |
| MEASURES BALLOT | | | | | |
| Vote by darkening the oval next to the word "YES" or "NO" following the explanation of each measure. | | | | | |
| County Measure No. 1 WALSH COUNTY ORDINANCE 2025-1 IMPLEMENTATION OF A 3/4 PERCENT SALES TAX | | | | | |
| Shall the Walsh County Commission be authorized to implement and collect up to a new three-quarters of one percent (0.75%) sales and use tax outlined in Ordinance 2025-1 for the purpose of funding the construction of a County Jail and Sheriff's office? | | | | | |
| <input type="radio"/> Yes - Means you approve Walsh County Ordinance 2025-1. | | | | | |
| <input type="radio"/> No - Means you reject Walsh County Ordinance 2025-1. | | | | | |
| | | | | | |
| County Measure No. 2 WALSH COUNTY ORDINANCE 2025-2 INCREASE OF GENERAL FUND LEVY | | | | | |
| Shall the general fund levy of Walsh County, North Dakota be increased from 60 mills up to 80 mills as outlined in Ordinance 2025-2 for the purpose of funding the construction and operation of the County jail and Sheriff's Office? | | | | | |
| <input type="radio"/> Yes - Means you approve Walsh County Ordinance 2025-2. | | | | | |
| <input type="radio"/> No - Means you reject Walsh County Ordinance 2025-2. | | | | | |
| | | | | | |

Initials_____

| | | | | | |
|---|----------|---|--------|---|------|
| A | 50190201 | B | 501902 | C | 9020 |
|---|----------|---|--------|---|------|