

Property Tax Reform Brings Relief for Homeowners, New Fiscal Limits for Local Governments and Schools

By Amy De Kok, NDSBA Executive Director

In the early hours of Saturday, May 3, the North Dakota Legislature concluded its 69th regular session by passing what lawmakers described as “historic” property tax relief and reform legislation. House Bill (HB) 1176, championed by legislative leadership and backed by Gov. Kelly Armstrong, cleared the legislature with near-unanimous support and was quickly signed into law. While homeowners will see immediate benefits in the form of enhanced primary residence tax credits, local governments – including North Dakota’s public schools – now face the long-term challenge of operating under a new cap on property tax growth.

A New Era of Property Tax Relief

At the core of HB 1176 is a substantial increase in the state’s primary residence property tax credit. Beginning in tax year 2025, homeowners will qualify for up to \$1,600 in property tax relief on their primary residence – more than triple the \$500 credit previously provided. This tax relief will be funded by earnings from the state’s Legacy Fund, using interest income from the state’s oil tax savings account to offset property tax burdens on North Dakota homeowners.

New Levy Cap Limits Budget Growth for Local Governments and Schools

Equally significant – and concerning for school districts – is the bill’s imposition of a 3% annual cap on the growth of local property tax levies, beginning with the upcoming budget cycle. This cap applies to cities, counties, townships, park districts, and school districts, restricting annual levy growth to no more than 3% over the previous year’s dollar amount, unless voters approve exceeding the cap.

While this cap is intended to curb the growth of property taxes, it presents a serious fiscal challenge for school districts that rely on local tax revenue to fund operations. With inflation, staffing costs, and operational expenses rising faster than 3% annually, districts may quickly find themselves facing budget shortfalls. Without additional voter-approved authority, the cap could restrict schools’ ability to maintain current programs and services for students.

Certain Levies Exempted; Voter Approval Process Established

HB 1176 exempts certain levies from the cap, including:

- **The tuition fund levy**, which covers costs for students attending school in other districts or through special education cooperatives.
- **New or increased levying authority** established by future legislative action or approved by local voters. For example, if a school district seeks to establish a new building fund levy or increase its authority to levy for its existing building fund (e.g., from 10 mills to the max 20 mills) with voter approval, those new amounts are not subject to the 3% limitation for the initial year.

Local governments may also seek relief from the cap by placing a question on the ballot during a general election, asking voters to approve exceeding the cap for up to four years. However, the restriction to general election ballots

PROPERTY TAX CAPS TRAINING

Monday, June 16 • 1 p.m. – 4:30 p.m.

BPS Career Academy,
1221 College Drive, Bismarck

This workshop is a great opportunity for school business managers, administrators, and board members who manage the school district budgeting process. Seating is limited, so register early. The workshop will also be livestreamed. Use this link to secure your spot, attend virtually, or sign up to watch a recording of the workshop: <https://www.ndaco.org/tax-caps-training>.

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PROPERTY TAX REFORM

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limits when such measures can be placed before voters, making long-term financial planning more complex.

School Funding Falls Short of Stakeholder Requests

In addition to the property tax cap, public schools will also be operating with modest increases in state funding over the next biennium. Lawmakers approved a 2.5% increase in the per-pupil payment for each year of the biennium – well short of the 4% minimum requested by NDSBA and other education stakeholders to help districts keep pace with inflation and rising costs.

This combination of capped local revenue and limited state funding growth places public schools in a difficult position as they work to maintain educational quality and financial stability in the years ahead.

Gap Funding Program to Address State Aid Formula Impacts

Recognizing the risk the 3% cap could force districts to levy less than the state-required 60 mills for their local share of K-12 funding, lawmakers included a gap funding program to ensure these districts are not penalized in the state's funding formula. Districts that are forced to reduce their general fund levy below 60 mills solely due to the cap may apply for gap funding through the Department of Public Instruction.

The legislature set aside \$30 million for this purpose (which is estimated to be far short of what will be needed), though additional funding may be requested if necessary. Districts that choose to levy less than 60 mills for reasons unrelated to the cap are not eligible for gap funding.

Training Opportunity: Understanding the New Property Tax Caps

To help school districts and other local governments prepare for these changes, NDSBA – together with the North Dakota League of Cities, North Dakota Association of Counties, North Dakota Township Officers Association, and the North Dakota Recreation and Parks Association – will host a Property Tax Cap Implementation Training on Monday, June 16, from 1:00 p.m. to 4:30 p.m. at the BPS Career Academy in Bismarck.

This training will provide practical guidance on:

- Understanding the levy limitations and exemptions,
- How caps are calculated,
- Managing local budgets under the cap, and
- Navigating the gap funding process.

In-person seating is limited, but the session will also be livestreamed and recorded for broader accessibility. Registration is now open at www.ndsba.org, and all business managers, school administrators, and board members involved in the budgeting process are encouraged to participate and/or view the recording.

Preparing for the Road Ahead

While HB 1176 brings significant property tax relief for homeowners, it also introduces long-term fiscal limitations for schools and local governments. Combined with limited increases in state education funding, North Dakota's public schools face the dual challenge of managing operational needs under tighter financial constraints.

NDSBA will continue to monitor implementation, advocate for the needs of public education, and provide resources to support districts through this transition. For more information, updates, and registration for the upcoming training, visit www.ndsba.org.

SEEKING APPLICANTS for NE Director Opening on NDSBA Board

The Northeast Director seat on the NDSBA Board of Directors will be open during the election of the 2025 Annual Convention in October. The successful candidate will be eligible for two, two-year terms. If you are interested in being a candidate for this position, you must (1) be from the northeast region and (2) fill out a corresponding regional Candidate Information Form that can be attained from the NDSBA office. The form must be received in the NDSBA office by Friday, Aug. 1. The nominating committee will review applications and select candidates to be placed on the ballot for the election held during the annual convention on Oct. 9 -10 in Bismarck. Candidates slated for election by the nominating committee will have time to make brief comments at the first business session on Thursday afternoon, Oct. 9. Contact the NDSBA office for more information.

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COSSBA Federal Advocacy Conference

Are you ready to raise your voice for America's public schools? Join education leaders from across the country at the 2025 Federal Advocacy Conference, taking place Sept. 7-9 at the Grand Hyatt in Washington, D.C.



Hosted by COSSBA, this powerful event brings together school board members, school board association staff, and public education advocates for two days of learning, networking, and direct action on Capitol Hill. From exclusive briefings with top policymakers to hands-on advocacy training and dynamic general sessions, the conference equips you with the tools and connections to make a real impact.

Visit www.cossba.org/federal-advocacy-conference to register and book your hotel rooms.

June Brunch & Learn: Getting Gruvy with AI

AI is here to stay. What does it mean for school districts and board leadership? William Grube has the answers! Mark your calendar for our upcoming Brunch & Learn on June 18.



Grube is the founder of Gruvy Education, and he partners with more than 150 schools and several state-level organizations to provide AI training. In this Brunch & Learn, you will:

- Learn how tools such as ChatGPT can support policy review, community communication, budget evaluation, and strategic planning.
- See real examples from North Dakota schools.
- Explore risks, learn to reduce them, and walk away with clear next steps.
- Gain access to a full library of AI tools built for board-level leadership.

The Brunch and Learn will be held via Zoom on Wednesday, June 18, starting at 9 a.m. Register by visiting the NDSBA website, click on Calendar under Events.

Association Dues

NDSBA no longer sends dues statements to association members in the mail. Instead, district business managers should have already received an email with a link and instructions on how to pay. Association dues must be paid by Aug. 1.

An email with instructions for renewing and paying Policy Services will also be sent out later in June. Policy Services membership will ensure you have the latest policy updates. Keep your school district up to date by submitting payments promptly. If you have questions, please contact Sheila at sheila.long@ndsba.org.

2025 NDSBA Board Member Service Awards

It's time to submit paperwork for the NDSBA awards honoring board members. NDSBA gives awards to school board members in three categories: Legacy of Service, Service, and the Barb Norby Scholarship. The recipients of these awards will be recognized at the 2025 NDSBA Annual Convention in Bismarck on Oct. 9 and 10.

We are counting on you to let us know who qualifies and should receive these awards, so please send the applicable paperwork by the deadlines indicated for each one. The information on the award qualifications and nominating procedures will be emailed to business managers and board members. You can also find the information and forms at ndsba.org under My Membership, and click on Resources.

Legacy of Service Award - Deadline: Aug. 1

This award honors North Dakota's longest-serving school board members and the impact they have made on their local school districts, their communities, and the state of North Dakota. There are two ways in which a school board member may qualify for this award: **Steadfast Commitment** and **Profound Impact**.

Service Award - Deadline: Sept. 12

NDSBA recognizes board members for their professional development and service on two levels: **Veteran Board Member** and **Master Board Member**. A point system has been adopted whereby each professional development activity carries a specific value.

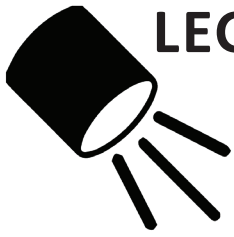
Barb Norby Scholarship - Deadline: Sept. 12

The Barb Norby Scholarship, created by NDSBA Board of Directors in tribute to Barb's valuable service to the association, honors a board member who has demonstrated exceptional board service and commitment to their district.



Legacy of Service Award

To nominate a board member for this award, please email a short paragraph describing why your nominee is deserving to Amy at amy.dekok@ndsba.org.



LEGAL SPOTLIGHT

UPDATED LEGISLATION: New State Law Restricts Student Use of Personal Devices

By KrisAnn Norby-Jahner, NDSBA General Counsel

In a move aimed at what Gov. Kelly Armstrong hopes will provide much-needed supports for academics and student well-being, North Dakota lawmakers have enacted SB 2354 (after previously enacting HB 1160), which creates a new law significantly restricting student use of personal electronic devices during instructional time in public schools. The legislation, which passed with strong bipartisan support, goes into effect on Aug. 1, right before the new school year begins.

How is “Instructional Time” Defined?

The law adds a new section to N.D.C.C. ch. 15.1-07, prohibiting public school students from accessing personal electronic communication devices during “instructional time,” which is defined broadly as “the time from the start of the school day until dismissal at the end of the school day on school premises, for which the signal may be the ringing of a bell.”

Instructional time **includes**:

- Structured or unstructured learning experiences
- Recesses
- Lunch periods
- Times between classes

Instructional time **does not include**:

- Private student travel time to and from area career and technology centers

- Private student travel time to off-site learning experiences
- Instructional time occurring in virtual environments off school premises

Personal electronic devices must be silenced or turned off and securely stowed away during instructional time in public schools that provide prekindergarten, elementary, or secondary education, including area career and technology centers. The law does not include private schools, home-school environments, virtual schools, virtual instruction, or the North Dakota Center for Distance Education.

What Devices Are Affected?

The law targets a wide range of personal electronic communication devices, which is defined as “a portable electronic device capable of communication by voice, text, or other data with one or more other parties or devices, or capable of connection to a smartphone, the internet, or a cellular or wireless fidelity network.”

Devices **affected** include:

- Smartphones
- Cell phones
- Bluetooth-enabled devices
- Tablets
- Smartwatches or other wearable devices
- Gaming devices



Devices **not affected** include:

- School-owned devices provided to a student
- School-approved devices used by a student
- Portable devices that meet the definition of a “medical device” under the federal Food, Drug, and Cosmetic Act.

Additional **exceptions** also must be made in accordance with other state and federal laws, and schools cannot prohibit a student from possessing a personal device if:

- a. A licensed medical provider determines the device possession or use is necessary for the “health or well-being of the student;” or
- b. Possession or use of a device is required by the student’s individual education program under (1) the Individuals with Disabilities Education Act (IDEA); (2) Section 504 of the Rehabilitation Act; or (3) a plan developed in accordance with state or federal law requiring accommodation.

New Policy Requirements for Schools

Each public school district in North Dakota is now **required** to adopt and implement a local policy in alignment with the new law. This policy must include provisions related to the following:

- a. **Device Ban During Instructional Time.** A requirement that “all personal electronic communication devices be silenced or turned off, securely stowed away, and inaccessible to students during instructional time.”
- b. **Limitations/ Allowances During Non-Instructional Time.** Guidelines on whether and how the school “may limit or allow student access to personal electronic communication devices outside of instructional time, during a school-related activity,” which includes a school sanctioned activity, event, or function where students are supervised by the school, such as a bus ride, field trip, sporting event, and school dance.
- c. **Enforcement Provisions.** Clear enforcement provisions “to ensure strict compliance with the policy by students and school and employees.”
- d. **Authorized Parent/ Caregiver Contact.** A process that allows a student to contact “the student’s parent or authorized caregiver during the school day if needed by using a school telephone made available to the student in a manner and location designated by the school.”

Policies must include the specific provisions outlined above to be compliant with the new law. In the immediate future, the NDSBA will issue a new **required policy template** that will be available to policy service members for review and adoption by Aug. 1. The new law requires that “upon the adoption and implementation of a policy,” school districts must ensure the following:

- a. **Communication.** Ensure the policy is communicated to students, parents, and authorized caregivers.
- b. **Student and Personnel Handbooks.** Publish the policy in student and personnel handbooks.

Data Collection and Accountability

To evaluate the impact of this policy, the new law requires schools to “collect data annually with the goal of measuring the impact of its policy on student behavior, mental health, disciplinary incidents, school attendance, and academic performance.” There is no standardized reporting requirement to the superintendent of public instruction. However, schools should make good faith efforts in data collection and common-sense approaches.

Conclusions

Proponents of the law argue banning electronic devices in public schools will reduce distractions, improve academic performance, and promote healthier social interactions. Critics have voiced concerns over limiting student access to personal devices during emergencies, personal downtime, and instructional time when using personal devices for an instructional purpose. Some critics also question the practicality/ feasibility of implementing such a strict ban, particularly in districts with large student populations and in districts with multiple release times (for various purposes) throughout a school day. The law does allow for medical and disability-related exemptions, as well as allowance for “school-approved devices.” However, careful data collection and feedback from school boards, administrators, teachers, and staff will be important in future legislative sessions.

Should a school district have questions about the NDSBA’s template policy, student and staff handbook drafting, policy implementation, data collection requirements, professional development for staff, communication to parents and students, or any other matters related to the new law, feel free to reach out to the NDSBA’s attorneys.

APPLY NOW for Business Manager Certification Program

North Dakota Association of School Business Managers and NDSBA are looking forward to bringing voluntary courses and training through the North Dakota School Business Manager Certification Program this year. Whether you are a veteran business manager or new to the position, you are invited to apply.

The application forms to enter the program and start courses this fall are available online at www.ndsbmcp.org/wp-content/uploads/2024/05/Applicationform.docx. For more information on the program, contact Patty Verdouw at 800-932-8791 or patty.verdouw@ndsba.org.

Election Tips: Oath of Office

Elected school board members are required to take an oath of office before beginning their duties. The North Dakota Secretary of State has an oath of office form that can be used by school districts. Once the oath of office is taken, it is filed with the school district's business manager. A school board member's term begins at the board's annual meeting in July following the member's election.

More information about school board elections statutes, including oaths of office, can be found in North Dakota Century Code Ch. 15.1-09.

Attention Business Managers: Update Your District Information

With a new fiscal year starting soon, and with the election of new board members and staff changes, it's time to update your information with NDSBA. Please log into your membership portal at ndsba.org and update your district's information, including the names, phone numbers, mailing addresses, and emails of the board president, board members, superintendent, and business manager. This information is vital for ensuring you continue to receive member benefits and important communications from NDSBA.

Please also update the number of years board members have served so NDSBA may utilize the information for its awards program and association educational components.

2025 NSDBA Annual Convention Reminders

NDSBA's 2025 Annual Convention is set for Oct. 9-10 at the Bismarck Event Center. Visit ndsba.org to find all the links and forms you need for the following:

• BOOK YOUR ROOMS!

Scan the QR code to see a list of hotels with NDSBA room blocks reserved. Contact Sheila at sheila.long@ndsba.org with questions.



• SHARE YOUR CLINIC SESSION IDEAS

Do you have an idea for a clinic session at the 2025 NDSBA Annual Convention? We'd love to hear from you. Please submit a proposal for a clinic session by **June 6**.

• SEND US A PHOTO!

We are still taking photo submissions for the 2025 Annual Convention Program cover!

Each public school district may submit one photo for consideration, and NDSBA staff will vote by secret ballot to select the winner.

To submit a photo, visit https://docs.google.com/forms/d/1oL5kAYtYxslV6N_hRDWUMebgz_9dAT5BpLJrrxSQ-S4/edit.

The submission deadline is July 11. The winner will be announced on NDSBA social media platforms on July 25. Submissions must be in .png or .jpg format and must be 8.5 x 11 inches, in vertical orientation. Contact Marci at marci.narum@ndsba.org if you need to change your submission.

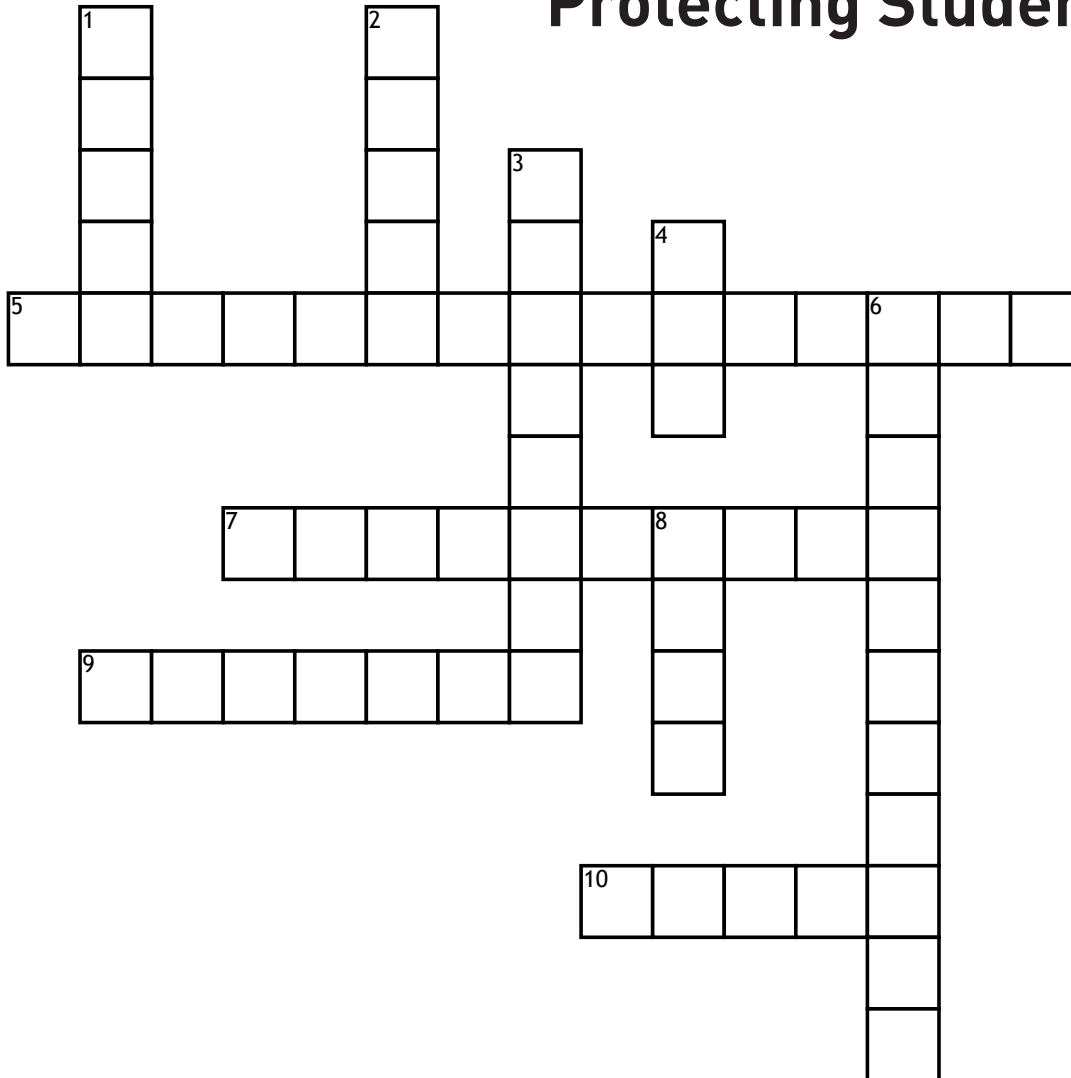


• STANDING RESOLUTIONS

NDSBA is a voice for public schools and local control, and legislative advocacy is among the many services NDSBA provides to member boards. The association's total legislative platform is formed by Standing Resolutions and Beliefs and Policies, which can be found on the NDSBA website at <https://ndsba.org/about-ndsba/beliefs-and-policies>.

Standing Resolutions are specifically legislative statements adopted by the association's delegate assembly at the annual convention. Resolutions are automatically dropped after four years unless brought to the delegate assembly for reconsideration. Any member board may submit a resolution for consideration using the format found on the NDSBA Annual Convention webpage. Please see the current Standing Resolutions before submitting. **The deadline for submission is Aug. 1.** Submit proposed resolutions by email to Sheila at sheila.long@ndsba.org.

JUNE CROSSWORD: Protecting Student Privacy



ANSWERS:
June Crossword:
Protecting Student Privacy

ACROSS

- 4. Grievance
- 5. Assess
- 6. Never
- 8. Disciplinary
- 9. Neutral
- 10. Conduct

DOWN

- 1. Policies
- 2. Evidence
- 3. State law
- 7. Relevant

ACROSS

- 5. Any school official who receives education records protected under FERPA is bound by FERPA regulations and _____ requirements.
- 7. _____ of an education record may be made to officials of another school where the student seeks to enroll so long as it is for the purposes related to the student’s enrollment or transfer.
- 9. The purpose of FERPA is to protect the _____ of a student’s education records, which are generally defined as records directly related to a student and maintained by a school or by a party acting for the school.
- 10. The acronym for the Family Educational Rights and Privacy Act: _____

DOWN

- 1. FERPA generally does not require a school to release copies of a _____ when it is an education record of multiple students.
- 2. FERPA does not require a school to automatically _____ (modify) a record upon request.
- 3. Parents have the right to be notified _____ of their FERPA rights.
- 4. Parents generally have the right to consent to the disclosures of _____, or “personally identifiable information.”
- 6. The SPPD may formally _____ or may act as an intermediary in providing resolution.
- 8. Parents who believe their FERPA rights were violated may file a complaint with _____, also known as the U.S. Department of Education’s Student Privacy Policy Office.



1224 West Owens Avenue
Bismarck, ND 58501



MARK your calendar

11th Annual Indian Education Summit

July 17-18

State Capitol Building, Bismarck

2025 NDREA Literacy Summit

July 30-31

Avalon Events Center, Fargo

2025 ND Career & Technical Education Professional Development Conference

Aug. 4-6

Bismarck Event Center, Bismarck

2025 NDSBA & NDDPI

Board Member Bootcamp

Aug. 7

Zoom

2025 NDSBA Annual Convention

Oct. 9-10

Bismarck Event Center, Bismarck

Follow us!   

We are now on Instagram and LinkedIn in addition to Facebook and X. Follow us at [@ndschoobboards](#) (X and Instagram), [North Dakota School Boards Association](#) (Facebook and LinkedIn), for event, policy, and other education-related updates.