



NORTH DAKOTA
BankERS
ASSOCIATION

North Dakota Bankers Association's
2025 LEGISLATIVE SUMMARY
69th Assembly (2025)
Legislative Assembly Regular Session

INTRODUCTION

The 69th Legislative Assembly adjourned sine die in the wee hours of the morning on May 3, 2025, having used 74 of the constitutionally limited 80 days and having voted on the greatest numbers of bills in the last 15 years. Of the total 1,083 bills and resolutions introduced—noting 1,741 bills were requested to be drafted—over 600 passed and over 410 failed. And for the first time in North Dakota history, the state's biennial budget (barely) eclipsed \$20B of state and federal funds. All sessions are frenetic in North Dakota, but this session seemed especially so with extended floor debates mostly driven by the populist factions of each chamber, lengthy committee hearings, drafting and amendment log jams, and a continued trend of floor debates overturning the recommendations of committees.

Of the 601 bills sent to Governor Armstrong, he signed 597—issuing line-item vetoes on portions of six budget bills to reduce spending and preserve executive authority. Four bills were vetoed in full while the legislature was still convened in Bismarck.

The six bills with partial vetoes include:

- HB 1003 – Section 12 of the Attorney General's budget bill, which contained a provision that prohibited a district court judge or judicial referee from waiving the fees for offenders participating in the 24/7 sobriety program.
- HB 1019 – Section 8, which prohibited the creation or renaming of a new state park or an existing state park without prior approval from the legislative assembly.
- SB 2001 – Section 6, which reserved the 15th floor of the capitol building to Legislative Council's staff expansion.
- SB 2004 – Section 5, which established statutory immunity provisions for members of the legislature.
- SB 2014 – Section 7, which included a \$150,000 pass through grant from the Housing Incentive Fund to a Native American focused liaison, and Section 31 which contained \$250,000 for a study of economic sustainability in North Dakota's western oil producing counties.
- SB 2018 – Section 7, which contained \$350,000 for the State Fair Association.

SESSION OVERVIEW

Property Taxes

The session began with discussions on property tax relief and reform, and the legislature used every single day of the session to see it through. In perhaps the biggest win for Governor Armstrong in his first session leading the state, his \$410M proposal ultimately prevailed: a \$1,600 per year primary residence property tax credit funded through the state's \$12B Legacy Fund and a 3% annual cap on local property tax increases. The proposal will continue to buy down property taxes as the Legacy Fund grows, potentially leading to zero property tax for primary residences in the state. Notably, this winning proposal did not include Senate Majority Leader Hogue's strong preference for "skin the game," which would've required homeowners to pay at least a minimum of 25% of their property tax bill.

Budget

The legislature convened with a very strong budget surplus, with revenues coming in significantly over budget. That's on top of a \$1.1B general fund ending cash balance and a \$1.6B balance for the Strategic Investment and Improvements Fund (SIIF), the backup general fund, for the current biennium ending July 2025. The total general fund appropriations increased from about \$6.1B in the current 2023-2025 biennium to \$6.3B for the 2025-2027 biennium, leaving \$225M in unobligated dollars (the ending fund balance for the next biennium). For SIIF, of the \$1.6B in available funds going into the session, the legislature appropriated all but \$200M. Thus, the expected cash "cushion" for the state—aside from the \$940M rainy day fund, called the budget Stabilization Fund—is \$425M.

Energy

Energy policy remained front and center this session, with a stronger push against energy companies of many stripes—including fossil fuels—towards a growing sentiment of individual rights. That's not to say the energy sector was not successful this session, because on the whole it was. But support of the energy industries has waned. Bills to incent new technologically advanced wells in the oil patch, to establish a property rights regime for the rare-earth minerals linked to lignite, to pre-empt unreasonable local ordinances for electric transmission, to kill CO2 projects, and to sustain tax breaks for the coal industry were resolved in favor of the energy industry.

Consequently, the legislature also approved a \$100M per biennium line of credit for up to five biennia to help de-risk and incent the development of a pipeline that would bring natural gas from the Bakken to eastern North Dakota. A more mature Bakken oil play generates increasing amounts of gas, which is expensive to capture and process. The more gas the state can treat and ship, the more likely it is for the Bakken oil play to survive for another generation.

Education

One of the hotly debated topics of the session was education reform, including two competing proposals to support non-public schools. One focused on vouchers for students at private schools and others sought to set up educational savings accounts for all ND primary education students. Both failed after months of debate, including one by veto of Governor Armstrong, citing a failure of the bill to support more than just private school kids. A bill to establish public charter schools became law. And funding of K-12 and higher education remains high. K-12 received a 2.5% increase in the funding formula, which amounts to total general fund support for K-12 of \$1.7B. For higher education, the legislature appropriated a total of \$3.3B, including \$880M from the general fund (the remainder being tuition and other sources of revenue). On top of that, the legislature infused \$200M of state money into higher education for buildings and fundraising matches.

Criminal Justice

With an accomplished defense lawyer as governor and a public-safety-at-all-cost Attorney General, you can imagine how interesting the debates around criminal justice became. The AG's prime bill for truth-in-sentencing was debated and heavily lobbied for months—in both the legislative halls and airwaves—ultimately failing in the House. The legislature approved huge investments amounting to \$100M in over-crowded prisons, amidst incremental proposals to

move the debate and funding upstream into behavioral health, addiction treatment, and avoiding recidivism through supporting the incarcerated.

Healthcare

The largest budget in state history, that of the Department of Health and Human Services, amounted to \$5.8B, of which \$2.2B is from the state general fund. While this agency's budget received a \$210M boost compared to last year, statistically it was essentially a hold-even budget considering the effect of inflation over the biennium. In what might be the largest state-owned construction project in state history, the legislature appropriated \$300M for a new state hospital in Jamestown—\$200M in cash and \$100M in a line of credit from the Bank of North Dakota. The legislative chapter for healthcare is only half written, though, as looming cuts from Congress will very likely force a reconvened or special session.

Infrastructure

The legislature enacted a robust budget for the Department of Transportation totaling \$2.7B in both state and federal funds, an increase of almost \$1B for the current biennium. They also passed an additional \$312M in one-time funding, mostly for highway projects. A total of \$430M from the \$1.6B SIIF was allocated to highways—double the amount of the next largest expenditure from SIIF (the state hospital).

Constitutional Measures

The legislature has sent three constitutional measures to the voters. The first would impose a 60% voter approval threshold for an initiated constitutional amendment. The second would establish the single-subject rule for initiated constitutional amendments. The third proposal revises voter-approved term limits by allowing legislators to serve up to four terms (16 years) total, regardless of chamber, and excludes appointed service that falls short of a full term from counting toward that limit. These measures will appear on the 2026 general election ballot.

Political Analysis

Populism, individualism, and anti-corporate sentiment are growing. While there are roughly 30 predictable votes espousing these philosophies in the House and proportionately about 15 predictable votes in the Senate, these are not yet prevailing sentiments overall. The next election cycle will be consequential to determine which direction sentiment heads. Governor Armstrong has indicated he's committed to recruiting and supporting pro-business candidates.

Earmarks and special amendments to budget bills are a dying breed. Even those with strong support receive tremendous scrutiny, triggering much floor debate. Alternatively, receiving support within an existing agency program or otherwise through stand-alone bills with robust public hearings and debates is generally the new norm.

Annual legislative sessions continue to inch closer to reality. The annual sessions bill passed the House this session but ultimately failed in the Senate. This vote was concurrent with the legislature approving a \$5.1M appropriation to hire 25 new FTEs for themselves, growing legislative staff by almost 50%. The legislative budget altogether grew by 42% from last biennium.

DISCLAIMER

The purpose of this Legislative Summary is to summarize recent legislation that may be of interest to bankers. This information is not intended as legal analysis or legal advice. If a bank has a question about any legislation, the bank must obtain legal advice from a licensed attorney who is acting on behalf of the bank.

NDBA's goal in publishing this information is to alert bankers to some of the new laws that have been enacted. However, it is each bank's responsibility to fully inform itself regarding applicable laws. NDBA and its general counsel do not provide legal advice to member banks.

WHERE TO FIND THE LAWS

Bills enacted by the Legislative Assembly and the full text of other laws and administrative rules are accessible through the North Dakota Legislative Branch website, <https://www.legis.nd.gov>. A complete listing of bills introduced or enacted into law and a subject index is available at <https://www.ndlegis.gov/assembly/69-2025/regular>.

EFFECTIVE DATES

Most bills take effect August 1, 2025. However, any emergency bills took effect when they were signed by the Governor and bills that affect finances typically take effect on July 1, 2025, which starts a new fiscal year. Some bills carry a specific effective date.

PASSED BILLS SUPPORTED BY NDBA

HB 1127 – DFI Agency Update Bill

The bill updates and clarifies sections of the North Dakota Century Code relating to removal of financial institution officers, directors, and employees. This bill also creates a new chapter 13-01.2, relating to the financial institution data security program, which addresses data security for non-banks. This section does not apply to banks but only non-bank licensees, ensuring they have the same safeguards in place to protect consumer data as banks.

HB 1149 – Revised Uniform Unclaimed Property Act

This bill amends provisions of North Dakota's Revised Uniform Unclaimed Property Act. Most notable changes address the dormancy period for virtual currency and require the holder of virtual currency to liquidate the asset before turning the proceeds to the state.

HB 1176 – Property Tax Credit

Governor's Property tax proposal. The original bill provided the framework for a \$483.4 million property tax credit plan, funded by both the General Fund and the Legacy Earnings Fund to provide a total primary residence credit of \$1,550 per qualifying residence per year for the 2025-2027 biennium. As amended in the House, the bill increases the primary residence property tax credit from \$500 to \$1,450 annually and it expands the homestead property tax credit income thresholds and benefit for the renter's refund program.

HB 1447 – Virtual Currency Kiosks

This bill regulates crypto-currency kiosk machines in North Dakota. The bill implements consumer protection: licensing cryptocurrency kiosk operators; requiring posting fraud warnings; clear display of terms and conditions of use of the kiosk, including fees; requiring choice of a physical or digital receipt; and imposing a daily transaction limit of \$2,000.

HB 1507 – Establishment of Cooperative Bank Charter

This bill establishes and organizes a cooperative financial institutions charter, and the application, powers, payment of claims, liquidation, and sale of cooperative financial institutions.

SB 2014 – Appropriation for Defraying Expenses of Industrial Commission

This bill provides an appropriation for defraying the expenses of the industrial commission and the agencies under its control – including the Bank of North Dakota and the Housing Finance Agency. BND provisions include open records request clarification and update to PACE program.

SB 2028 – Budget Approval Process for the Department of Financial Institutions

This bill removes the DFI from the Legislative budgeting process and subjects it to a continuing appropriation overseen by the State Banking and State Credit Union Boards as the DFI is completely funded by private industry with no taxpayer funds.

SB 2122 – Uniform Commercial Real Estate Receivership Act

North Dakota has adopted the Uniform Commercial Real Estate Receivership Act (UCRERA), which provides for a consistent set of rules for receiverships involving commercial property.

UCRERA will only apply to commercial real estate receiverships effective August 1, 2025. It does not affect receiverships under Ch. 32-10, N.D.C.C., that do not involve commercial real estate, nor does it apply to receiverships for commercial real estate where the receiver was appointed prior to August 1, 2025.

SB 2123 – Uniform Special Deposits Act

North Dakota has adopted the Uniform Special Deposits Act (USDA), which address “special deposits” – defined as deposits of money at a bank created for a particular purpose where the person entitled to the money is not determined until the occurrence of a specified event occurs.

The USDA provides legal clarity as to the use of special deposits and the rights of the parties interested in the special deposits, as well as their respective creditors.

SB 2127 – Uniform Electronic Estate Planning Documents Act

North Dakota has adopted the Uniform Electronic Estate Planning Documents Act (UEEPDA), which authorizes electronic documents and signatures for common estate planning documents. UEPPDA fills in existing gaps in law adopted by the state (namely, the Uniform Electronic Transactions Act and Uniform Electronic Wills) by clearly authorizing electronic documents and signatures for non-testamentary documents, such as trusts and powers of attorney.

SB 2164 – Confidentiality and Disclosure to North Dakota Protection and Advocacy Project

This bill adds the Protection and Advocacy Project to the agency list that banks may report suspected financial exploitation of an eligible adult to under NDCC § 6-08.1-03.

SB 2229 – Condo Disclosures

This bill is intended to address disclosure issues impacting buyers regarding homeowner and/or condo associations. SB 2229 adds required disclosures before the sale of a condominium unit or a property subject to a homeowners’ association or a condominium project.

SB 2282 – Income Tax Credits for Employer Childcare Contributions

Relating to an income tax credit for childcare contributions provided by qualified employers. The bill provides an income tax credit against the income tax liability of qualified employers for 30% of the aggregate childcare contributions made toward childcare costs of a qualified employee; limited to the first five hundred dollars in childcare contributions per employee.

SB 2310 – Garnishment Fee Increase

The bill increases garnishment fees from \$25 to \$40.

SB 2356 – Contents of Legal Description for a Deed

This bill prohibits the rejection of recording a deed on the sale of property that has been previously recorded.

The bill was introduced to address an issue that arises when a county auditor asks the county recorder to reject the recording of a deed on the sale of property that has been previously recorded in order to replat the property. The county has the right to require property owners to plat property but does not have the right to request the rejection of the recording of the deed for that purpose. When a county rejects the recording of a deed, it causes lien risks for the new owner because North Dakota is a race recording state.

HB 1278 – Establishment of Cash Management Committee

This bill provides for the establishment of a cash management committee to oversee the creation of a three-tier cash management plan for the immediate, intermediate, and long-term cash flow needs of the state.

Amendments maintain much of the cash management responsibilities with the Bank of North Dakota. NDBA was neutral with amendments.

PASSED BILLS OPPOSED BY NDBA

HB 1584 – Pharmacy Benefits Managers

The bill removes the exemption of a self-funded Employee Retirement Income Security Act (ERISA) health plan from the pharmacy benefits management statutes.

NDBA opposed this bill due to concerns that it would increase health care costs and lead to costly litigation.

OTHER PASSED BILLS OF INTEREST

HB 1080 – Regulation of Appraisal Management Companies

This bill brings the state's appraisal management company licensing program into compliance with federal requirements. State Appraiser Management Company (AMC) statutes are monitored at the federal level by the Appraisal Subcommittee to determine compliance with Federal Rules. The bill addresses three noncompliance issues found in the North Dakota statutes.

HB 1134 – Harassment of Another

SB 1134 prohibits the dissemination of an individual's personally identifying information to a public internet site or public forum.

HB 1354 – Evaluations Performed by Professional Appraisers

This bill allows appraisers to perform evaluations for North Dakota financial institutions.

SB 2088 – Data Security Requirements for Insurance Producers

Relating to data security requirements for insurance producers; and to repeal section 26.1-02.2-11 of the North Dakota Century Code, relating to implementation dates for certain data security requirements for insurance producers.

SB 2144

Relating to information required in applications for professional employer services licensure, confidential records maintained by the secretary of state, notification provided to and fees charged by a notary public, notification provided to the registrant of a trade name, and fees charged by the secretary of state; and to provide a penalty.

SB 2152 – Statements of Full Consideration

Section 11-19-02.2, NDCC, requires statements of the full consideration paid for the property conveyed to be certified on the face of the deed. Subsection 6 provided for certain properties which are exempt from this requirement and previously included agricultural lands of less than 80 acres (32.37 hectares). This exemption has been deleted, meaning a statement of full consideration will be required for smaller tracts.

FAILED BILLS OF INTEREST

HB 1089 – Regulations or Plans Adopted by International Organizations

Relating to regulations or plans adopted by international organizations. Proposed amendments and reenactments of certain sections of the NDCC relating to international health and climate control regulations.

HB 1141 – Using Public Services or Property for a Political Purpose

This bill related to using public services or property for political purposes and would have prohibited state agencies from holding paid membership in organizations if they had endorsed a candidate or supported/ opposed a ballot measure in the past 10 years.

HB 1150 – Sunday Closing Laws and Retail Agreements

This bill would have made it a class B misdemeanor to operate certain businesses between midnight and noon on Sundays.

HB 1152 – Definition of Residential Property

This bill would have modified the definition of residential property under N.D.C.C. § 57-02-01, to include garages, barns, and storage buildings not located on the same parcel as a dwelling, used in connection with residential use, and not used for commercial or agricultural purposes.

HB 1168

Relating to a legacy earnings fund and limitations on property tax levies by taxing districts except school districts without voter approval. The bill decreases the amount school districts can levy on property by 10 mills and mirrors that change in the foundation aid formula, limits mill levy increases on political subdivisions other than school districts, and creates a bucket for the state tuition fund out of the legacy fund earnings.

HB 1183 – Gold and Silver Investment

This bill would have required the State Treasurer to invest 1% of all funds deposited in the treasury in physical gold and silver as bullion or coins, approximately \$40M.

HB 1239 – Blockchain Technology and Protection for Digital Asset Mining

This bill would have enacted new sections and chapters of the NDCC, relating to blockchain technology and protection for digital asset mining.

HB 1259 – Eliminating Daylight Saving Time

The bill would have required the state to observe standard time year-round.

HB 1330

Relating to divestment from legacy fund investments in Chinese companies; and to amend and reenact section 21-10-07.1 of the North Dakota Century Code, relating to the prudent investor rule

HB 1378 – Payment of Interest on Escrow Accounts

NDBA opposed this bill, which would have required the payment of interest to a borrower on the funds held in an escrow account on their residential mortgage.

HB 1441 – Specie Legal Tender

This bill would have allowed gold and silver as legal tender in the State of North Dakota.

NDBA had proposed an amendment clarifying that no person would be required to offer or accept specie legal tender for the payment of debts, deposit, or any other purpose.

HB 1575

Relating to a legacy earnings fund, a legacy property tax relief fund, a state reimbursed taxable valuation reduction for residential, agricultural, and commercial property, limitations on taxable valuation increases, and voter-approved excess levy authority.

HCR 3001

A concurrent resolution encouraging the State Treasurer and State Investment Board to invest selected state funds in digital assets and precious metals.

HCR 3022

A concurrent resolution directing the Legislative Management to consider studying political subdivisions making investments in stablecoins.

SB 2008

NDBA supported this bill, which would have provided an appropriation for defraying the expenses of the DFI.

SB 2225 – Appropriation for HOME Program

This bill provided an appropriation to the department of commerce for a housing for opportunity, mobility, and empowerment program (HOME). The governor's housing plan focused on local political subdivisions. A community would decide the type of housing they need and which contractor they want to build the project. The community, state and developer would each put up 1/3 of the cost for the infrastructure. Then, the contractor would build the project.

SB 2364 – UCC Article 8

SB 2364 related to UCC Article 8's choice of law, the property interest in a financial asset held by a securities intermediary, priority among security interests and entitlement holders, and the law governing perfection and priority of security interests in investment property.

The basis for the bill was incorrect information provided by its proponents and NDBA testified in opposition.

2025-2027

Although it seems far off, NDBA will be planning for 2027 Legislative Session before we know it. Please remind bankers to keep track of problems they are having that may be improved by state legislation. They can email Rick Clayburgh (rick@ndba.com) or Tracy Kennedy (tracy@ndba.com) about ideas to improve legislation.