

# North Dakota

## Travel Alliance Partnership

### Legislative Update

Nov. 16, 2021

#### Special Legislative Session Adjourns Nov. 12

The special session of the North Dakota Legislature concluded after five days, during which the House and Senate appropriated American Rescue Plan Act (ARPA) funding, approved legislative redistricting, provided income tax relief to North Dakota residents, and wrestled with COVID-19 and social issues. Gov. Doug Burgum called the special session to deal specifically with ARPA funds and redistricting. Burgum signed all passed bills on Monday, Nov. 15.

Central to the session was appropriating ARPA funds distributed to the state by the federal government for coronavirus relief. **SB 2345** appropriated \$571 million to infrastructure and one-time spending projects and \$150 million for a natural gas pipeline that will take natural gas from western to eastern North Dakota. Nearly \$400 million more was used to cover commitments made during the 2021 legislative session, leaving more than \$60 million to be used by the 2023 legislature. The final version of SB 2345 passed the House of Representatives by a vote of 79-14 and the Senate by a vote of 39-7. A summary can be found [here](#).

#### Travel and Tourism Funding

Below is a summary of funding that affects the travel and tourism industry included in **SB 2345**:

- \$15 million – Department of Commerce for local workforce development; requires 25% local match
- \$10 million – State parks projects, with a minimum of \$100,000 spent on projects at each park
- \$5 million – Local park districts for renovations of existing outdoor facilities; requires \$1 to \$1 match
- \$5 million – Department of Commerce for technical skills training
- \$5 million – Aeronautics Commission for airport improvements
- \$950,000 – State Historical Society for historic site repairs

#### International Peace Garden – HB 1505

The legislature passed legislation on capital projects in **HB 1505**, which included federal funds derived from the federal state fiscal recovery fund for the International Peace Garden. Expenditure of the funds appropriated for this purpose is subject to the province of Manitoba providing funding equal to 50%. HB 1505 also included \$317 million for state, county and township roads and bridges.

#### Redistricting – HB 1504

The legislature passed redistricting legislation in **HB 1504** that maintained the number of legislative districts at 47 but added two new subdistricts that include Native American reservations. Lawmakers subdivided House districts 9 and 4 on the Turtle Mountain and Fort Berthold reservations. Under this

proposal, districts 4 and 9 are still represented by a single senator but House representation is split into two distinct geographic regions within the district. One representative will serve Subdistrict A; another Subdistrict B. Subdistricts are divided so that about 8,000 North Dakotans live in each subdistrict, with a majority of the population in one of the subdistricts being Native American. HB 1504 passed the House 73-18 and the Senate 40-7.

### **Income Tax Relief – HB 1515, SB 2351**

Gov. Burgum signed **HB 1515** to provide an income tax credit of up to \$350 per year for resident individual income taxpayers or \$700 per year for individuals filing a married joint return, effective for tax years 2021 and 2022. The bill, introduced by Rep. Pat Heinert, originally mirrored the governor's Accelerate ND income tax proposal. The tax relief will be funded from the state's \$412 million excess general fund balance from the 2019-21 biennium. The legislature budgeted for an ending fund balance of \$710 million, but the actual ending fund balance arrived at \$1.12 billion, thanks to conservative budgeting, higher than anticipated Legacy Fund earnings and the strategic use of federal Coronavirus Relief Funds to pay for state expenses during the last biennium. The bill passed the Senate 92-0 and the House 40-7.

Under **HB 2351**, North Dakota becomes the 38th state to exempt Social Security income from state income tax.

### **Vaccine Mandates – HB 1511**

**HB 1511** mandates that businesses that require vaccines for employees allow exceptions for employees choosing not to be vaccinated. This includes allowing for proof of antibodies, regular COVID-19 testing or medical, religious and philosophical exemptions. In addition, government and business entities are prohibited from requiring employees to disclose vaccination status. Businesses also may not require customers to show vaccination status, but exceptions are outlined for nonprofits not selling a product or service, developmental disability residential facilities, healthcare providers, or assisted living facilities. The legislation would not apply if federal mandates are allowed to stay in place, current federal mandates apply to hospitals, nursing homes, federal contractors, and businesses with more than 100 workers. After lengthy debate, the bill passed the House 80-11 and the Senate 33-14. Read more [here](#).

### **Additional Information**

If you have questions or would like additional information, feel free to contact TAP Executive Director John Suter at 701-355-4458 or [jsuter@clearwatercommunications.net](mailto:jsuter@clearwatercommunications.net).