

HOUSE BILL NO. 1361

Introduced by

Representatives Carlson, Headland, Kasper, Louser

Senators Armstrong, Casper

1 A BILL for an Act to create and enact section 57-15-02.2 of the North Dakota Century Code,
2 relating to limitations of property tax levies by taxing districts without voter approval; and to
3 provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Section 57-15-02.2 of the North Dakota Century Code is created and enacted
6 as follows:

7 **57-15-02.2. Limitation on levies by taxing districts without voter approval.**

8 1. Notwithstanding that a taxing district may have unused or excess levy authority under
9 any other provision of law, this section supersedes and limits that authority. This
10 section may not be interpreted as authority to increase any property tax levy authority
11 otherwise provided by law and must be applied to limit any property tax levy authority
12 to which a taxing district may otherwise be entitled. Property taxes levied in dollars by
13 a taxing district may not exceed the amount the taxing district levied in dollars in the
14 preceding taxable year by more than three percent, except:

15 a. When property and improvements to property which were not taxable in the
16 preceding taxable year are taxable in the current year, the amount levied in
17 dollars in the preceding taxable year by the taxing district must be increased for
18 purposes of this section to reflect the taxes that would have been imposed
19 against the additional taxable valuation attributable to that property at the mill rate
20 applied to all property in the preceding taxable year.

21 b. When a property tax exemption existed in the preceding taxable year which has
22 been reduced or no longer exists for the current taxable year, the amount levied
23 in dollars in the preceding taxable year by the taxing district must be increased
24 for purposes of this section to reflect the taxes that would have been imposed

- 1 against the portion of the taxable valuation of the property which is no longer
2 exempt at the mill rate applied to all property in the preceding taxable year.
- 3 c. When property that was taxable in the preceding taxable year is not taxable for
4 the current taxable year, the amount levied in dollars in the preceding taxable
5 year by the taxing district must be reduced for purposes of this section by the
6 amount of taxes that were imposed against the taxable valuation of that property
7 in the preceding taxable year.
- 8 d. When a temporary mill levy increase, excluding an increase under this section,
9 authorized by the electors of the taxing district or mill levy imposition authority
10 under state law existed in the previous taxable year but is no longer applicable or
11 has been reduced, the amount levied in dollars in the previous taxable year by
12 the taxing district must be adjusted to reflect the expired temporary mill levy
13 increase and the eliminated or reduced mill levy under state law before the
14 percentage increase allowable under this subsection is applied.
- 15 2. The limitation on the total amount levied by a taxing district under subsection 1 does
16 not apply to:
- 17 a. New or increased property tax levy authority that was not available to the taxing
18 district in the preceding taxable year, including property tax levy authority
19 provided by state law or approved by the electors of the taxing district.
- 20 b. Any irrevocable tax to pay bonded indebtedness levied under Article X,
21 Section 16, of the Constitution of North Dakota. Any tax levied for this purpose
22 must be excluded from the mill rate applied under subdivisions a through c of
23 subsection 1.
- 24 c. The one-mill levy for the state medical center authorized by Article X, Section 10,
25 of the Constitution of North Dakota. Any tax levied for this purpose must be
26 excluded from the mill rate applied under subdivisions a through c of
27 subsection 1.
- 28 3. A levy exceeding the percentage increase limitation under subsection 1 may be
29 imposed upon approval of a ballot measure, stating the percentage of the proposed
30 property tax levy increase percentage compared to the percentage limitation under
31 subsection 1, by a majority of the qualified electors of the taxing district voting on the

1 question at a regular or special election of the taxing district. A levy exceeding the
2 percentage increase limitation under subsection 1 may be approved by electors for not
3 more than one taxable year at a time.

4 4. A city or county may not supersede or modify the application of the provisions of this
5 section under home rule authority.

6 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
7 December 31, 2017.