

Introduced by

Representatives Owens, K. Koppelman, Rohr, Weisz

1 A BILL for an Act to create and enact sections 46-03-10.1 and 57-15-01.2 of the North Dakota
2 Century Code, relating to statutory references to mills and property tax levy limitations; to repeal
3 section 57-15-01.1 of the North Dakota Century Code, relating to property tax levies; and to
4 provide an effective date.

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

6 **SECTION 1.** Section 46-03-10.1 of the North Dakota Century Code is created and enacted
7 as follows:

8 **46-03-10.1. Expression of mills references in decimal form.**

9 In arranging the laws for publication and in publishing and maintaining the laws, the
10 legislative council shall change statutory references to mills in reference to property tax
11 imposition to a decimal expression in numerals of the number of cents per dollar of taxable
12 valuation equivalent to the number of mills stated.

13 **SECTION 2.** Section 57-15-01.2 of the North Dakota Century Code is created and enacted
14 as follows:

15 **57-15-01.2. Limit on property taxes levied by a taxing district without voter approval.**

- 16 1. Notwithstanding that a taxing district may have unused or excess levy authority under
- 17 any other provision of law, this section limits that authority. This section may not be
- 18 interpreted as authority to increase any levy limitation otherwise provided by law and
- 19 may be applied only to limit any levy authority that a taxing district may otherwise be
- 20 entitled to use.
- 21 2. Property taxes in dollars levied by a taxing district for its consolidated tax levy may not
- 22 exceed by more than three percent the amount levied in dollars by that taxing district
- 23 for its consolidated tax levy against taxable property in that taxing district in the
- 24 preceding taxable year, subject to the following:

- 1 a. When a taxable improvement to property has been made or property has been
2 added to the taxing district which was not taxable in the previous taxable year,
3 the amount of property taxes in dollars levied by the taxing district in the previous
4 taxable year for purposes of this section must be increased by an amount equal
5 to the sum determined by the application of the previous year's calculated mill
6 rate for that taxing district to the taxable valuation of that property.
- 7 b. When a property tax exemption that existed in the previous taxable year has
8 been reduced or no longer exists, the amount of property taxes in dollars levied
9 by the taxing district in the previous taxable year for purposes of this section must
10 be increased by an amount equal to the sum determined by the application of the
11 previous year's calculated mill rate for that taxing district to the taxable valuation
12 of that property.
- 13 c. When a property tax exemption exists for property that was taxable in the
14 previous year, the amount levied in dollars in the previous taxable year by the
15 taxing district in the previous year for purposes of this section must be reduced
16 by the amount determined by applying the previous year's calculated mill rate for
17 that taxing district to the previous year's taxable valuation of that property.
- 18 d. When temporary mill levy increases authorized by the electors of the taxing
19 district or mill levies authorized by state law existed in the previous taxable year
20 but are no longer applicable or have been reduced, the amount levied in dollars
21 in the previous taxable year by the taxing district must be adjusted to reflect the
22 expired temporary mill levy increases and the reduced or eliminated mill levies
23 authorized by state law before the increase allowable under this subsection is
24 applied.
- 25 e. A taxing district may consolidate any general or special fund mill levy authority to
26 which it is entitled under any other provision of law if its consolidated tax levy
27 remains within the limitations provided by this section.
- 28 3. The limitation under subsection 2 does not apply to:
- 29 a. New or increased mill levies authorized by state law or the electors of the taxing
30 district which did not exist in the previous taxable year.

- 1 b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of
2 article X of the Constitution of North Dakota.
- 3 4. The mill rate applied to property that was not taxed in the previous taxable year may
4 not exceed the mill rate determined by law for the current taxable year for property that
5 was taxed in the previous taxable year.
- 6 5. The limitation under this section may not be superseded by a city or county under
7 home rule authority but:
- 8 a. The allowable percentage increase under subsection 2 may be doubled if the
9 governing body provides notice published one each week for two consecutive
10 weeks in the official newspaper or website, or both, of the taxing district and
11 states in that notice when a public hearing will be held at which the governing
12 body will hear and consider protests of the increase; and
- 13 b. The percentage increase limitations of this section may be suspended within a
14 taxing district by approval of at least fifty-five percent of electors of the taxing
15 district voting on the question at a regular or special election of the taxing district.
16 A ballot measure for levy increase authority under this subsection must state the
17 percentage rate of the proposed increase in levy authority in dollars and state for
18 which years the increase in levy authority would apply.
- 19 6. The limitation determined for a school district under this section is also subject to the
20 following adjustments:
- 21 a. The dollar amount levied in the base year must be increased by the amount the
22 school district's mill levy reduction grant under section 57-64-02 for the base year
23 exceeds the amount of the school district's mill levy reduction grant under section
24 57-64-02 for the budget year.
- 25 b. The dollar amount levied in the base year must be reduced by the amount the
26 school district's mill levy reduction grant under section 57-64-02 for the budget
27 year exceeds the amount of the school district's mill levy reduction grant under
28 section 57-64-02 for the base year.
- 29 7. The limitation under this section does not apply to the county human services levy
30 under chapter 50-03 if the board of county commissioners makes the finding that any

1 excess human services levy is attributable to an expenditure mandated by state or
2 federal law.

3 **SECTION 3. REPEAL.** Section 57-15-01.1 of the North Dakota Century Code is repealed.

4 **SECTION 4. EFFECTIVE DATE.** Sections 2 and 3 of this Act are effective for taxable years
5 beginning after December 31, 2012.