

Sixty-third
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1290

Introduced by

Representatives Kasper, Brabandt, Grande, Headland, Heller, Rohr, Ruby, Streyle, Thoreson
Senators Miller, Sitte

1 A BILL ~~for an Act to create and enact section 57-15-01.2 of the North Dakota Century Code,~~
2 ~~relating to property tax levy dollar increase limitations; to amend and reenact section 57-20-07.1-~~
3 ~~of the North Dakota Century Code, relating to contents of property tax statements; and to~~
4 ~~provide an effective date.~~ to provide for a legislative management study of controlling the growth
5 in property tax levies.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 SECTION 1. ~~Section 57-15-01.2 of the North Dakota Century Code is created and enacted~~
8 ~~as follows:~~

9 ~~57-15-01.2. Limitation on levies by taxing districts.~~

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

17 ~~a. When a taxable improvement to property has been made or property has been~~
18 ~~added to the taxing district which was not taxable in the previous taxable year,~~
19 ~~the amount levied in dollars in the previous taxable year by the taxing district~~
20 ~~must be adjusted to reflect the taxes that would have been imposed against the~~
21 ~~additional taxable valuation attributable to the improvements or additional~~
22 ~~property.~~

23 ~~b. When a property tax exemption existed in the previous taxable year which has~~
24 ~~been reduced or no longer exists, the amount levied in dollars in the previous~~

1 ~~taxable year by the taxing district must be adjusted to reflect the taxes that would~~
2 ~~have been imposed against the portion of the taxable valuation of the property~~
3 ~~which is no longer exempt.~~

4 ~~c. When temporary mill levy increases authorized by the electors of the taxing~~
5 ~~district or mill levies authorized by state law existed in the previous taxable year~~
6 ~~but are no longer applicable or have been reduced, the amount levied in dollars~~
7 ~~in the previous taxable year by the taxing district must be adjusted to reflect the~~
8 ~~expired temporary mill levy increases and the reduced or eliminated mill levies~~
9 ~~authorized by state law before the percentage increase allowable under this~~
10 ~~subsection is applied.~~

11 ~~2. The limitation on the total amount levied by a taxing district under subsection 1 does~~
12 ~~not apply to:~~

13 ~~a. New or increased mill levies authorized by state law or the electors of the taxing~~
14 ~~district which did not exist in the previous taxable year.~~

15 ~~b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of~~
16 ~~article X of the Constitution of North Dakota.~~

17 ~~3. The mill rate applied to property or improvements to property that was not taxed in the~~
18 ~~previous taxable year may not exceed the mill rate determined by law for the current~~
19 ~~taxable year for property that was taxed in the previous taxable year.~~

20 ~~4. Application of the percentage increase limitation under this section may be suspended~~
21 ~~upon approval of the dollar amount and percentage of the tax levy increase by sixty~~
22 ~~percent or more of the qualified electors of the taxing district voting on the question at~~
23 ~~a regular or special election of the taxing district. This section may not be superseded~~
24 ~~under city or county home rule authority. Suspension of the percentage increase~~
25 ~~limitation under this subsection may be approved by electors for not more than one~~
26 ~~taxable year at a time.~~

27 ~~**SECTION 2. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is~~
28 ~~amended and reenacted as follows:~~

29 ~~**57-20-07.1. County treasurer to mail real estate tax statement.**~~

30 ~~1. On or before December twenty-sixth of each year, the county treasurer shall mail a~~
31 ~~real estate tax statement to the owner of each parcel of real property at the owner's~~

1 last-known address. The statement must be provided in a manner that allows the
2 taxpayer to retain a printed record of the obligation for payment of taxes and special
3 assessments as provided in the statement. If a parcel of real property is owned by
4 more than one individual, the county treasurer shall send only one statement to one of
5 the owners of that property. Additional copies of the tax statement will be sent to the
6 other owners upon their request and the furnishing of their names and addresses to
7 the county treasurer. The tax statement must include:

8 ~~a. Include a dollar valuation of the true and full value as defined by law of the~~
9 ~~property and the total mill levy applicable. The tax statement must include~~

10 ~~b. Include, or be accompanied by a separate sheet, with three columns showing, for~~
11 ~~the taxable year to which the tax statement applies and the two immediately~~
12 ~~preceding taxable years, the property tax levy in dollars against the parcel by the~~
13 ~~county and school district and any city or township that levied taxes against the~~
14 ~~parcel.~~

15 ~~c. Include, for the taxable year to which the statement applies and the two~~
16 ~~immediately preceding taxable years, an item identified as "legislative property~~
17 ~~tax relief" showing the dollar amount of the property taxes against the parcel paid~~
18 ~~through legislative appropriation pursuant to section 57-20-07.2 and chapter~~
19 ~~57-64 against the property taxes levied against the property.~~

20 ~~2. Failure of an owner to receive a statement will not relieve that owner of liability, nor~~
21 ~~extend the discount privilege past the February fifteenth deadline.~~

22 ~~**SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after~~
23 ~~December 31, 2012.~~

24 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - CONTROLLING GROWTH OF**
25 **PROPERTY TAX LEVIES.** During the 2013-14 interim, the legislative management shall
26 consider studying controlling the growth of property tax levies, with emphasis on consideration
27 of the following:

- 28 1. In recent years, the legislative assembly has diverted an enormous amount of state
29 funds to benefit political subdivisions and provide property tax relief to taxpayers and
30 an analysis should be made of whether the level of property tax relief received by
31 taxpayers has been commensurate with the amount of state funds distributed.

- 1 2. The legislative assembly has provided for state assumption of funding for some social
- 2 service functions previously funded by counties. Analysis is needed to determine the
- 3 additional cost to the state of these functions in each county and compare that amount
- 4 to the actual reduction in property taxes passed through to taxpayers in each county.
- 5 3. Consideration is needed of whether voter approval through referral or levy and budget
- 6 restrictions should play a greater role in local taxing decisions.
- 7 4. Consideration is needed of the feasibility of establishing more restrictive statutory
- 8 property tax limits to manage the growth of property taxes.
- 9 The legislative management shall report its findings and recommendations, together with any
- 10 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.