

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1361

Page 1, line 2, replace "and" with "to amend and reenact subsection 4 of section 15.1-27-04.1 of the North Dakota Century Code, relating to determination of school district state aid payments;"

Page 1, line 3, after "date" insert "; and to provide an expiration date"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Subsection 4 of section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
  - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, provided that after ~~2013~~2019, the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than ~~twelvethree~~ three percent or the percentage increase approved by a majority of the qualified electors of the school district pursuant to subsection 3 of section 57-15-02.2; and
  - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1."

Page 1, line 9, after the underscored period insert "For purposes of this section, "taxing district" means any political subdivision empowered to levy taxes, with the exception of school districts."

Page 3, after line 5, insert:

**"SECTION 3.** Section 57-15-02.2 of the North Dakota Century Code is created and enacted as follows:

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

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

- a. When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year.
  - b. When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the portion of the taxable valuation of the property which is no longer exempt at the mill rate applied to all property in the preceding taxable year.
  - c. When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be reduced for purposes of this section by the amount of taxes that were imposed against the taxable valuation of that property in the preceding taxable year.
  - d. When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the previous taxable year but is no longer applicable or has been reduced, the amount levied in dollars in the previous taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied.
2. The limitation on the total amount levied by a taxing district under subsection 1 does not apply to:
- a. New or increased property tax levy authority that was not available to the taxing district in the preceding taxable year, including property tax levy authority provided by state law or approved by the electors of the taxing district.
  - b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 1.
  - c. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 1.
3. A levy exceeding the percentage increase limitation under subsection 1 may be imposed upon approval of a ballot measure, stating the percentage of the proposed property tax levy increase percentage compared to the percentage limitation under subsection 1, by a majority of the qualified electors of the taxing district voting on the question at a regular or special election of the taxing district. A levy exceeding the percentage increase

limitation under subsection 1 may be approved by electors for not more than one taxable year at a time.

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

Page 3, line 6, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 3, line 6, replace "This" with "Section 2 of this"

Page 3, line 6, after "for" insert "the first two"

Page 3, line 7, after "2017" insert ", and is thereafter ineffective. Sections 1 and 3 of this Act are effective for taxable years beginning after December 31, 2019"

Renumber accordingly