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## **FISCAL NOTE STATEMENT**

House Bill or Resolution No. HB 1328

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, school districts, or townships. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Sheila Sandness  
Senior Fiscal Analyst

**2019 HOUSE POLITICAL SUBDIVISIONS COMMITTEE**

**HB 1328**

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Prairie Room, State Capitol

1/25/2019

HB 1328

Job # 31527

Subcommittee

Conference Committee

Committee Clerk: Carmen Hickle

### Explanation or reason for introduction of bill/resolution:

Relating to mill levy limitations in cities and excess levy limitations for cemetery purposes; and to provide an effective date

Minutes:

1,2,3

**Chairman J. Dockter:** Opened the hearing on HB 1328.

**Rep. Ertelt:** (Handout 1,2) Introduced the bill by reading his testimony.

**Rep. Hatlestad:** Does this also include a reduction in city taxes or city budgets?

**Rep. Ertelt:** It does not include a reduction in budget, it is a reduction in general funds mill levy.

**Rep. Hatlestad:** It says the number of mills isn't that general fund monies?

**Rep. Ertelt:** Your question is if there is a reduction in the general fund mill levy to do that offset, if that would affect based on the other provisions in that section? I am unsure but can ask for clarification from Legislative Council.

**Rep. Hatlestad:** You are only concerned with the cemetery mills?

**Rep. Ertelt:** Yes.

**Rep. Adams:** What about the private cemeteries? Grand Forks has all of their cemeteries private and they get no mills from city. So how does this affect them?

**Rep. Ertelt:** This does not impact private cemeteries at all. This is only municipally owned cemeteries.

**Rep K. Koppelman:** Is there cities that are abusing their levying authority with this mill levy authority and using it for other purposes?

**Rep. Ertelt:** Because of the small amount that some cities are able to levy is often not enough to take care of the maintenance.

**Rep. Guggisberg:** If your intention is not to affect the city budget, then we are going to have to take the language out that says for every mill above 2 the city will have to reduce their mill levy. And it will affect the city general fund budget.

**Rep. Ertelt:** The cemetery mill levy and the general mill levy is levied on the same property. Yes, the general fund budget would be reduced. But the cities overall budget would remain the same.

**Rep. Guggisberg:** If you spend more on cemeteries there is less money for other things. It will reduce the general fund for the city. The money for the cemetery must be in a separate account. Then there is the general fund and you are taking money from the general fund and putting it in the cemetery account.

**Rep. Ertelt:** That is correct but it comes from the same pool of money. When you levy at the city level it is on the same property, this simply prioritizes spending on cemeteries which is left up to the city council.

**Rep K. Koppelman:** What is it that cities can't do now that this bill will allow them to do?

**Rep. Ertelt:** It prioritizes spending on the cemetery. There is a limit on the cemetery mill levy of 2 mills.

**Rep K. Koppelman:** This allows more mills but it says it has to reduce it somewhere else, so this would be the Legislature telling the city that you have to spend more on your cemetery than you are and less in other areas?

**Rep. Ertelt:** It tell the cities they are allowed to spend more on the cemeteries and less in other areas. It's an option for them.

**Rep K. Koppelman:** So is there a problem that 2 mills are not enough to maintain it, do they not have the flexibility to take general funds dollars?

**Rep. Ertelt:** Yes, that possibility is there. The individual that is tasked with managing maintenance and improvements on the cemetery then has to go and lobby for that budget. This gives the cities an opportunity to prioritize upfront when they are making their budget.

**Rep. Magrum:** Would it be wise to add a city or county? And take that out where they would have to reduce the general fund because we are already capping them on the general fund?

**Rep. Ertelt:** As far as adding counties, I don't know any counties that manage or own a cemetery, townships might. I wouldn't be opposed to those entities that do own cemeteries to be added with an equal reduction in their mill levy. The intention of this bill is to be tax neutral and revenue neutral.

**Morris Sacksrud:** Local cemetery board in Lisbon, ND. We have one person work full time during the summer and in the winter when there is a burial. Our budget is \$40,000 and we have \$196,000 in CD's. We made \$421 last year on interest. For many years the cemetery did not hand in a budget because they did not need the money. Today we are living on past money that is in the checking account and that will run out. In the last budget we had 5 mills now we have 2. In Ransom County that generates \$8000, our budget is \$40,000. We have raised the price of lots; we have raised the price burials but still this year we are deficit \$4000. The city auditor said we are not in favor of that bill because it takes away from them. That is what initiated this.

**Rep. Hatlestad:** Did you say the cemetery fund has CD's of \$196,000.

**Mr. Sackrud:** They are untouchable under North Dakota law they are in a perpetual care fund. The principle can never be touched.

**Rep. Hatlestad:** You can spend the interest from the fund but not the principle?

**Mr. Sacksrud:** Yes.

**Rep K. Koppelman:** Is there no way for the city to use some general fund money to supplement the needs of the cemetery?

**Mr. Sacksrud:** The cemetery board has always been a separate board. The city does help us out, what is becoming more common is winter funerals. The city does come in and plow the roads but they aren't part of the mowing or part of the upkeep.

**Rep K. Koppelman:** You have an employee who is full time part of the year, part time part of the year and they work strictly for the cemetery?

**Mr. Sacksrud:** Yes, he works strictly for the cemetery.

**Rep K. Koppelman:** Is there a way that employee could be paid partial out of city funds and partial out of cemetery funds?

**Mr. Sacksrud:** He is not a city employee. He is an employee of the cemetery board.

**Rep K. Koppelman:** But the cemetery is owned by the city, correct?

**Mr. Sacksrud:** Yes.

**Rep K. Koppelman:** I was just wondering if you could revamp some of that within your own city governmental structure to make that more flexible.

**Mr. Sacksrud:** In the summer the city hires people to do mowing. But this gentleman goes up if you bought a lot and locates the lot, brings the grave digger in to make sure it's within the boundaries, so it's not someone you can take off the streets to do that.

**Rep K. Koppelman:** You talked earlier that the Legislature took away the authority to tax at a higher mill level than was previously allowed and it went down?

**Mr. Sacksrud:** We were at 5 and now they put it at 2.

**Rep K. Koppelman:** Do you know when that happened?

**Mr. Sacksrud:** The last session.

**Rep. Ertelt:** Do you know how much the city of Lisbon generates on an annual basis with the 2 mill levy?

**Mr. Sacksrud:** \$8000.

**Blake Crosby:** ND League of Cities. (Handout 3). Read his testimony. I think they should look at the perpetual care funds to see if they could use some portion of the fund to supplement the cemetery costs.

**Rep. Magrum:** Don't the cities, when they do the budget, have the cemetery board report to them?

**Mr. Crosby:** What this bill does it starts the conversation of 4 mills, so the cemetery board is going to come in and say they want the 4 mills. Hearing from elected officials a lot of the problem was they weren't coming in with a budget because statutorily they were allowed so many mills. I do not think the original levy 1614 was at 5 mills, it was always at 2 mills.

**Rep K. Koppelman:** The task force you described was there any discussion about more authority with respect accessing the number of mills? Having something in law that required there to be more interchange of information?

**Mr. Crosby:** For the city commission to have to force some of these unelected boards to come in with a budget that was not a situation that would create very pleasant circumstances. As far as allowing an increase to some of these specific levy authorities for unelected, the Legislators on that committee expressed concern over unelected, to allow them to expend tax payer money.

**Rep K. Koppelman:** Is there any limitation on a board for them to come in and say the mill levy we are allowed is not enough? Then the city saying here is money out of the general fund?

**Mr. Crosby:** Nothing is preventing the city from providing additional funds if the city budget can afford it.

**Rep. Magrum:** The value of a mill in different counties is very different, did that committee talk about the cap on mill levies?

**Mr. Crosby:** As we looked at the levies and there was discussion on the value of a mill, we consolidated a bunch of mills into the city's general fund. They can have 105 mills if they are a home rule charter. We wanted that money to be as flexible as possible. I don't know what the counties were capped at.

**Gwen Crawford:** Auditor from the city of Lisbon. We are in support of raising the levy limitations from 2 mills to 4 mills. However, as it's written, its revenue neutral and we would actually need it to be new money. When there was a consolidation of levies but consolidating Lisbon's levies created a general levy in excess of 127 mills. In 2014 there was general mills of 74.52 and it puts us over 127 when they added all the consolidated mills with it. Since 2014 the cemetery mills have been at 4.83. Regarding winter burials, there is no cost to the cemetery the cost is paid by the deceased persons family.

**Rep K. Koppelman:** If it's not necessarily about more maybe just reassigning? What I am hearing is the cemetery board in Lisbon is a very separate entity from the city, if they are running short can the city say we have a city employee be allocated to help at the cemetery? Is that possible without costing the city more dollars?

**Ms. Crawford:** They have looked into that but the problem is with our city crews there is not time for the city employees to come help. The cemetery board in the past hasn't been involved but in the last two years they have an actual council member on their board, I'm in all of their meetings as well, so we are trying to find things. The city does remove the snow now. Consolidation of the levies is what hurt Lisbon in the first place.

**Rep. Ertelt:** Is the city of Lisbon over 105 mill for the general fund?

**Ms. Crawford:** This is the first year we actually hit 105. In 2014 the total mills were 142.66 we are down to 126.88.

**Chairman J. Dockter:** Closed the hearing on HB1328.

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Prairie Room, State Capitol

HB 1328  
2/1/2019  
Job # 32026

- Subcommittee  
 Conference Committee

Committee Clerk Signature	Carmen Hickle
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### Explanation or reason for introduction of bill/resolution:

Relating to mill levy limitations in cities and excess levy limitations for cemetery purposes; and to provide an effective date

### Minutes:

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**Chairman J. Dockter:** Opens for committee work. This bill wants to go from two to four mills but the city still has under current law the ability to appropriate more funds through their budget. The city has mentioned they will get their mills down to 125 mills that it is working. They still have the ability to appropriate more money if they have it in the budget. I am going to look at a do not pass for this.

**Rep. Adams:** I agree with you. This is something the city and the cemetery people need to figure out.

**Rep. Guggisberg:** Made a do not pass motion.

**Vice Chairman Pyle:** Second the motion.

**Vote yes 11, no 3, absent 0.**

**Rep. Guggisberg:** Will carry the bill.

Date: 2-1-19  
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1328

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Guggisberg Seconded By Rep. Pyle

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:	/				
Rep. Ertelt:		/			
Rep. Fegley:	/				
Rep. Hatlestad:	/				
Rep. Johnson		/			
Rep K. Koppelman:	/				
Rep. Longmuir	/				
Rep. Magrum:		/			
Rep. Simons:	/				
Rep. Toman:	/				
Rep. Strinden:	/				
Rep. Adams:	/				
Rep. Guggisberg	/				

Total (Yes) 11 No 3

Absent 0

Floor Assignment Rep. Guggisberg

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1328: Political Subdivisions Committee (Rep. Dockter, Chairman)** recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1328 was placed on the Eleventh order on the calendar.

**2019 TESTIMONY**

**HB 1328**

Testimony in Support of House Bill 1328  
Rep. Sebastian Ertelt  
ND District 26

#1  
1-25-19

Chairman Ruby and Members of the Committee,

For the record, I am Representative Sebastian Ertelt, representing North Dakota District 26, which includes all of Sargent County, the eastern half of Dickey County, the southern half of Ransom County, and the western half of Richland County. This is a primarily rural district with small cities of 2,100 people or less. The two largest cities are Lisbon with 2,073 people<sup>1</sup> and Oakes with 1,721 people<sup>2</sup> according to 2017 census data from the United States Census Bureau. The two mill property tax levy limit for maintenance and improvement of municipal cemeteries often falls short of what is needed to simply maintain the cemetery in these small cities as you will hear in further testimony by one of my constituents.

House Bill 1328 seeks to prioritize funding for these municipal cemeteries while avoiding a tax increase on property owners. The bill would increase the limit set in subsection 14 of section 57-15-10 of the North Dakota Century Code from two to four mills. For any amount levied above two mills the city would decrease the general fund levy by the same amount, resulting in a tax neutral situation. To give you a better picture of what cities are able to levy property taxes for, I have included the July 2017 Schedule of Levy Limitations prepared by the Office of the State Tax Commissioner.

Chairman Dockter and fellow Members of the Committee, I thank you for your time today and urge a unanimous DO PASS recommendation on House Bill 1328 to prioritize honoring the generations that have come before us.

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<sup>1</sup> [https://www.census.gov/search-results.html?q=Lisbon%2C+ND&page=1&stateGeo=none&searchtype=web&cssp=SERP&\\_charset\\_=UTF-8](https://www.census.gov/search-results.html?q=Lisbon%2C+ND&page=1&stateGeo=none&searchtype=web&cssp=SERP&_charset_=UTF-8)

<sup>2</sup> <https://www.census.gov/search-results.html?searchType=web&cssp=SERP&q=Oakes%20city,%20ND>

#2

HB 1328

1-25-19

# State of North Dakota Office Of State Tax Commissioner

**RYAN RAUSCHENBERGER, COMMISSIONER**  
Bismarck, North Dakota

**July 2017**  
Schedule of

## Levy Limitations

Applicable To The Authority Of The Political Subdivisions Of The  
State Of North Dakota To Levy Ad Valorem Taxes On Property

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## Levy Limitations

#2  
HB 1328  
1-25-19

### 1600 - City

Levy No.	Fund Or Purpose	Maximum Rate Or Amount	Law	Remarks (x) Indicates levies in add. to Gen. Fund Levy
1601	General	105.00 Mills	N.D.C.C. § 57-15-08	If, for taxable year 2015, a city levied more than 105.00 mills for general fund purposes plus other levies consolidated into the general fund pursuant to 2015 SB 2144, it may levy the same number of mills for taxable year 2016. The number of mills in excess of 105.00 mills must be reduced by 25 percent each year beginning with taxable year 2017 so that by taxable year 2020, the city is levying no more than 105.00 mills for general fund purposes.
	or			
	Home Rule Cities		See N.D.C.C. § 40-05.1-06(2)	
	Interim Fund	75 percent of Current Appropriation	N.D.C.C. § 57-15-27	For carrying over to next fiscal year to meet cash requirements
1603	Repealed			
1604	Emergency - For Snow Removal, Natural Disaster or Other Emergency	2.50 Mills	N.D.C.C. §§ 57-15-48 57-15-10(9)	(x) Upon two-thirds vote of governing body. Fund size not to exceed \$5.00 per capita or amount produced by 5.00 mills
1605	Repealed			
1606	Airport or Municipal or Regional Airport Authority	4.00 Mills	N.D.C.C. §§ 2-06-07; 2-06-15; 57-15-10(7)	(x) In cities where no levy for airport has been made by other taxing body. Levy based upon amount certified by the airport authority
1607	Share of Special Improvements	None	N.D.C.C. §§ 40-24-10; 57-15-10(1)	(x) Also see N.D.C.C. §§ 1-06-06; 40-56-03
1608	Special Assessments and Drain Assessment on City Property	None	N.D.C.C. §§ 40-23-07; 57-15-41; 61-21-52; 21-03-07(10)	(x) N.D.C.C. § 57-15-10(1). Nonprofit cemetery is exempt from special assessments (2009 amendment to § 40-23-07).
1609	Deficiency or Expected Deficiency of Special Improvements	None	N.D.C.C. §§ 40-26-08; 57-15-10(2)	(x)
1610	Repealed			
1611	Repealed			
1612	Repealed			
1613	Public Library Service	4.00 Mills or as increased by 60 percent majority vote of electors	N.D.C.C. §§ 40-38-02; 40-38-11(5); 54-24.2-02.2; 57-15-10(4)	(x) May be established upon petition of 51 percent of voters or upon majority vote of electors. See N.D.C.C. § 40-38-01. A joint library board may levy taxes within the service area which is outside city limits within the limitations and according to procedures provided by law for a county library fund levy, and may levy taxes within the service area that is within city limits within the limitations and according to the procedures provided by law for a city library fund levy.  A public library is not eligible to receive state aid to public libraries if the governing body has diminished, from the average of the three preceding fiscal years, the appropriation in dollars derived from the mill levy for public library services under section 40-38-02. If the governing body is levying the maximum number of mills it can levy without an election and the appropriation is diminished solely because of a reduction in taxable valuation, the public library is eligible to receive funds.

#2  
HB 1328  
1-25-19

Levy Limitations

1600 - City (Continued)				
Levy No.	Fund Or Purpose	Maximum Rate Or Amount	Law	Remarks (x) Indicates levies in add. to Gen. Fund Levy
1614	Cemetery	2.00 Mills	N.D.C.C. §§ 57-15-27 1; 57-15-10(14)	(x)
1615	Repealed			
1616	Repealed			
1617	Repealed			
1618	Public Recreation System	6.00 Mills	N.D.C.C. §§ 40-55-08; 40-55-09; 57-15-10(13)	(x) If the electors have approved a public recreation system, the city may provide funding from its general fund up to the equivalent of 2.50 mills. If approved by majority vote, a special tax of up to 6.00 mills may be levied. If a voter-approved levy was authorized before January 1, 2015, it remains in effect for up to ten taxable years under the provisions of law in effect at the time it was approved.
1619	Repealed			
1620	Repealed			
1621	Interest and Principal Payments on Bonds Issued for Public Buildings, Improvements, Equipment, etc.	None	N.D.C.C. §§ 21-03-15; 40-34-08	(x) N.D.C.C. § 57-15-10(3)
1622	General Obligation Bonds for Municipal Industrial Development Projects	None	N.D.C.C. § 57-15-10(15)	(x) Taxes levied for retirement of bonds issued before January 1, 2015 under N.D.C.C. § 40-57-19 may be continued until the bonds are retired, after which time the levy authority is repealed.
1623	Bonds for Purchase of Special Assessment Warrants		N.D.C.C. § 40-27-05	(x)
1624	Capital Improvements	10.00 Mills for specified purposes with majority vote; 60% approval for first 10 Mills for general purposes; 60% approval for Mills 11-20 levied for specified purposes	N.D.C.C. §§ 57-15-38; 57-15-42; 21-03-07(5); 40-58-07(8); 40-58-15(2)	(x) If a voter-approved levy was authorized before July 1, 2015, it remains in effect for up to ten taxable years under the provisions of law in effect at the time it was approved. After June 30, 2015, a voter-approved levy may not be effective for more than ten taxable years. May be used for capital costs associated with airports or airport authorities.
1625	Fire Department Building or Equipment Reserve Fund	5.00 Mills	N.D.C.C. § 57-15-42;	(x) Repealed by 2015 SB 2144. However, if a voter-approved levy was authorized before January 1, 2015, it remains in effect for up to ten taxable years under the provisions of law in effect at the time it was approved. Upon expiration of the voter-approved levy, the levy authority is repealed and consolidated with the capital improvements levy (1624).
1626	Repealed			
1627	Repealed			
1628	Repealed			
1629	Repealed			

Levy Limitations

#2  
HB1328  
1-25-19

1600 - City (Continued)				
Levy No.	Fund Or Purpose	Maximum Rate Or Amount	Law	Remarks (x) Indicates levies in add. to Gen. Fund Levy
1630	Programs and Activities for Older Persons	2.00 Mills	N.D.C.C. §§ 57-15-56; 57-15-10(11)	(x) Only if county does not levy for this purpose. Upon a majority vote of qualified electors voting on the question
1631	Repealed			
1632	Repealed			
1633	Repealed			
1634	Repealed			
1635	Repealed			
1636	Repealed			
1638	Aid for Public Transportation System	5.00 Mills	N.D.C.C. §§ 57-15-55 57-15-10(10)	(x) Upon majority vote of qualified electors voting on the question
1639	Repealed			
1640	Discontinuance of Employees' or Police Pension Plan	None	N.D.C.C. §§ 40-46-25 40-05-01(69); 40-45-27	(x)
1641	Repealed			
1642	Repealed			
1643	Police Station and Correctional Facility Fund	2.00 Mills	N.D.C.C. § 57-15-53;	(x) Repealed by 2015 SB 2144. However, if a voter-approved levy was authorized before January 1, 2015, it remains in effect for up to ten taxable years under the provisions of law in effect at the time it was approved. Upon expiration of the voter-approved levy, the levy authority is repealed and consolidated with the capital improvements levy (1624).
1644	Repealed			
1645	Repealed			
1646	Repealed			
1647	Judgments or settlement of a claim	5.00 Mills; 10 Mills if liability insurance policy in force	N.D.C.C. §§ 40-43-01; 32-12.1-11; 57-15-28.1	(x)
1648	Repealed			
1649	Judgments for Property Condemned for Special Improvements	None	N.D.C.C. § 40-22-05	
1651	Repealed			
1652	Repealed			

#2  
HB1328  
1-25-19

Levy Limitations

1600 - City (Continued)				
Levy No.	Fund Or Purpose	Maximum Rate Or Amount	Law	Remarks (x) Indicates levies in add. to Gen. Fund Levy
1653	Municipal or Regional Airport Authority Deficiency or Expected Deficiency in Principal or Interest Payments on Revenue Bonds for Restrictive Deeds from Federal Government	None	N.D.C.C. § 2-06-10	(x)
1654	Repealed			
1655	Repealed			
1656	Repealed			
1657	Repealed			
1658	Municipal Arts Council	5.00 Mills	N.D.C.C. §§ 40-38.1-02; 57-15-10(6)	(x) Upon vote of the electors
1659	Repealed			
1661	For Exempt Property's Proportionate Share of Fire Protection Services		N.D.C.C. §§ 57-02-08(10); 57-02-08(11); 57-15-10(5)	
1662	Animal Shelter	.50 Mill	N.D.C.C. § 40-05-19	(x) Repealed by 2015 SB 2144. However, if a voter-approved levy was authorized before January 1, 2015, it remains in effect for up to ten taxable years. Upon expiration of the voter-approved levy, the levy authority is repealed and consolidated with the general fund levy.
1663	Job Development Authority	4.00 Mills	N.D.C.C. §§ 40-57.4-04; 57-15-10(12)	(x) Governing body of a city, by resolution, may create or discontinue authority. Hearing must be held. Instead of establishing a job development authority, may contract with an industrial development organization
1664	Repealed			
1665	Lease for Court, Correction, and Law Enforcement Facilities	10.00 Mills	N.D.C.C. § 57-15-10(16)	(x) Repealed by 2015 SB 2144. However, if a levy under N.D.C.C. § 57-15-59 was dedicated for lease payments prior to January 1, 2015, the levy may be continued for the duration of the lease and after that must be discontinued and the balance in the fund transferred to the general fund.
1666	Repealed			
1667	Repealed			
1699	Tax Increments		N.D.C.C. § 40-58-20	See Guideline G-34 - Taxation Manual

## Levy Limitations

#2  
HB 1328  
1-25-19

<b>1700 - City Park District</b>				
Levy No.	Fund Or Purpose	Maximum Rate Or Amount	Law	Remarks (x) Indicates levies in add. to Gen. Fund Levy
1701	General	38.00 Mills	N.D.C.C. § 57-15-12;	General purposes. See N.D.C.C. §§ 40-49-04; 40-49-06; 40-49-12; 40-55-09; 57-15-12.1. A park district may levy up to 38.00 mills, subject to the higher of the following limitations: - The highest amount in dollars levied for general fund purposes for the three taxable years immediately preceding the current year, plus 12 percent. - The highest number of mills levied in any of the three preceding years for the combined total of levies 1701, 1709, 1710, and 1717.  For a park district that levied more than 38.00 mills in 2014 for the combined total of 1701, 1709, 1710, and 1717, the same number of mills may be levied for taxable year 2015. The number of mills in excess of 38.00 mills must be reduced by 25 percent each year beginning with taxable year 2016 so that by taxable year 2019, the park district is levying no more than 38.00 mills for general fund purposes.
	Interim Fund	75 percent of current appropriation	N.D.C.C. § 57-15-27	For carrying over to next fiscal year to meet cash requirements
1704	Interest and Principal Payments on Bonds Issued for Park Development	None	N.D.C.C. § 21-03-15	(x)
1705	Special Assessment on Park Property	None	N.D.C.C. §§ 40-23-07; 57-15-41; 21-03-07(10)	(x)
1709	Repealed			
1710	Repealed			
1711	Repealed			
1714	Judgment or settlement of a claim	5.00 Mills; 10.00 Mills if liability insurance policy in force	N.D.C.C. §§ 32-12.1-11; 57-15-28.1	(x)
1715	Repealed			
1716	Repealed			
1717	Repealed			
1719	Parks & Recreational Facilities	5.00 Mills	N.D.C.C. § 57-15-12.3	(x) Levied by Board action. To discontinue, it must be submitted to qualified electors. If electors vote to discontinue levy, it may not again be levied without majority vote of qualified electors voting on the question
	Note:		N.D.C.C. § 40-49.1-03(3)	A combined board of park commissioners may levy taxes within the portion of the combined park district outside city limits within the limitations provided by law for county park commissioners and may levy taxes within the portion of the combined park district within city limits within the limitations provided by law for city park districts. The plan must be approved by the electorate in each affected city and county. Effective for taxable years beginning after December 31, 2005.

#3

January 25, 2019  
House Political Subdivisions  
Rep. Jason Dockter, Chairman  
HB 1328

Chairman Dockter and members of the Committee. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

I am here in opposition to HB 1328. In November of 2013, Governor Jack Dalrymple called to ask that I sit on his Task Force on Property Tax Reform to represent the cities of North Dakota. Other political subdivisions included the counties, townships, and park districts and the Task Force also included legislators. As a group we looked at and discussed every levy for all the mentioned political subdivisions. We discussed the impact of levy consolidation, methods of tax relief, local control, transparency, local government's ability to respond to unique situations and needs, and the importance of the demand for local services and how the service is paid for. It was a long, careful process that culminated in a bill, passed and signed, in the 2015-17 Session.

There was considerable discussion on the Task Force about unelected boards/commissions/authorities spending tax payer's money. We heard from a number of elected officials expressing concern that those entities were hampering the ability of a city to sufficiently budget for essential services because they were demanding their full levy authority whether they needed it or not. This only caused an increase in property taxes or decrease in local services or both.

As I read this bill, it moves Levy 1614 from 2 mills to 4 mills and forces the city to remove 2 mills from the city's general fund... "taking from Peter to pay Paul". It puts us right back where we started on the Task Force by taking the decision out of the hands of city council or commission and we should not be going back down that road. Nothing is currently preventing Cemetery Boards from appearing before the city fathers and requesting additional funds. And, nothing is preventing the city from providing additional funds if the city's budget can afford it.

Thank you for your time and consideration. I respectfully ask for a DO NOT PASS on HB 1328.

I will try to answer any questions.