

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2021

Introduced by

Legislative Council

(Advisory Commission on Intergovernmental Relations)

1 A BILL for an Act to amend and reenact section 32-12.1-08, subsection 70 of section 40-05-01,
2 sections 40-46-02, 40-46-26, 40-48-07, subsection 13 of section 40-49-12, sections 40-55-09,
3 49-17.2-21, subsection 3 of section 52-09-08, sections 57-15-01.1, 57-15-06, 57-15-06.4,
4 57-15-06.6, 57-15-08, 57-15-10.1, 57-15-12, 57-15-12.1, 57-15-12.2, 57-15-12.3, 57-15-27.1,
5 57-15-27.2, 57-15-28.1, 57-15-37, 57-15-53, 57-15-60, and 61-04.1-26 of the North Dakota
6 Century Code, relating to consolidation of property tax levy authority of park districts, cities, and
7 counties; to repeal subsections 18, 19.1, 20, and 21 of section 57-15-06.7 and subsections 12
8 and 14 of section 57-15-10 of the North Dakota Century Code, relating to property tax levy
9 authority of cities and counties; to provide for transition; and to provide an effective date.

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

11 **SECTION 1. AMENDMENT.** Section 32-12.1-08 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **32-12.1-08. Political subdivision insurance reserve fund - Tax levy.**

14 1. A political subdivision, other than a school district, city, county, or park district, may
15 establish and maintain an insurance reserve fund for insurance purposes, and all
16 political subdivisions including school districts, cities, counties, and park districts
17 may include in the annual tax levy of the political subdivision such amounts as are
18 determined by the governing body to be necessary for the purposes and uses of
19 the insurance reserve fund. ~~Except in the case of a school district, the~~ The tax
20 levy authorized by this section ~~shall~~ may not exceed the limitation in section
21 57-15-28.1, except a levy by a school district, city, county, or park district must be
22 within the general fund levy authority of the school district, city, county, or park
23 district. If a political subdivision has no annual tax levy, the political subdivision
24 may appropriate from any unexpended balance in its general fund such amounts

as the governing body of the political subdivision ~~shall deem~~ determines necessary for the purposes and uses of the insurance reserve fund.

2. Except in the case of a school district, city, county, or park district, the fund established pursuant to this section ~~shall~~ must be kept separate and apart from all other funds and ~~shall~~ may be used only for the payment of claims against the political subdivision which have been settled or compromised, judgments rendered against the political subdivision for injuries arising out of risks established by this chapter, or costs incurred in the defense of claims. Payments by a school district, city, county, or park district for the same purposes ~~shall~~ must be made out of the ~~district's political subdivision's general fund as established in section 57-15-14.2.~~

SECTION 2. AMENDMENT. Subsection 70 of section 40-05-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

70. Employee pension system. To adopt, by ordinance, a city employee pension system which may provide all rules ~~and regulations~~ governing its operation and discontinuance, provided other pensions systems allowed by statute are not in effect, excepting firemen's relief associations and federal social security, or in order to consolidate existing pension plans. In addition to all other rules ~~and regulations~~ ~~deemed~~ determined necessary and proper by the governing body, it may provide as to matters pertaining to membership, tax levies ~~in an amount not exceeding the total levies~~ as authorized by chapters 40-45 and 40-46, membership fees and assessments, management, investments, acceptance of money and property, retirement conditions and payment amount, continuance of system and discontinuance procedures, discontinuance payments, entrance into contracts with an insurance firm or firms for coverage of such employee pension system.

SECTION 3. AMENDMENT. Section 40-46-02 of the North Dakota Century Code is amended and reenacted as follows:

40-46-02. Tax levy for city employees' pension fund authorized - Limitations. Any city may levy an annual tax ~~not exceeding the limitation in subsection 12 of section 57-15-10~~ within the general fund levy authority of section 57-15-08 for the purpose of creating and maintaining a city employees' pension fund. A city may make payment from a city employees' pension fund to any pension plan or retirement program for city employees provided the

receiving plan or program is approved by the internal revenue service. Any pension system ~~shall~~ must be based on actuarial tables and actuarial valuation ~~shall~~ must be performed at intervals of not more than five years.

SECTION 4. AMENDMENT. Section 40-46-26 of the North Dakota Century Code is amended and reenacted as follows:

40-46-26. Tax levy for city having provided its employees with the federal social security plan. ~~In addition to any other levies authorized by law for general purposes~~ Within the general fund levy authority of section 57-15-08, any city having provided its employees with the federal social security plan may levy such annual tax upon its taxable valuation as will be necessary to pay such city's share as employer of the cost of providing its employees with the federal social security plan.

SECTION 5. AMENDMENT. Section 40-48-07 of the North Dakota Century Code is amended and reenacted as follows:

40-48-07. Limitations on expenditures of commission - Tax levy authorized. The expenditures of the planning commission, exclusive of gifts, ~~shall~~ must be within the amounts appropriated for that purpose by the governing body of the municipality. The governing body shall provide the funds, equipment, and accommodations necessary for the commission's work. Each municipality ~~which~~ that has established a planning commission, in making its annual tax levy, may also levy and collect a tax ~~not exceeding the limitation in subsection 14 of section 57-15-10 in any fiscal year~~ within the general fund levy authority of section 57-15-08 for the purpose of defraying the lawful expenses incurred by the planning commission in carrying out the purposes of this chapter.

SECTION 6. AMENDMENT. Subsection 13 of section 40-49-12 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

13. Levy taxes upon all the property within the district, ~~subject to the limitations of section 57-15-12.2~~ within the general fund levy authority of section 57-15-12, for the purpose of funding a comprehensive health care program for district employees.

SECTION 7. AMENDMENT. Section 40-55-09 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1 **40-55-09. Favorable vote at election - Procedure.** Except in the case of a school
2 district or park district, upon adoption of the public recreation system proposition at an election
3 by a majority of the votes cast upon the proposition, the governing body of the municipality ~~or~~
4 ~~park district~~, by resolution or ordinance, shall provide for the establishment, maintenance, and
5 conduct of a public recreation system, and thereafter levy and collect annually a tax of not more
6 than two and five-tenths mills, or not more than eight and five-tenths mills if ~~the same is~~
7 authorized as ~~herein~~ provided by this section, on each dollar of the taxable valuation of all
8 taxable property within the corporate limits or boundaries of the municipality ~~or park district~~.
9 This tax is ~~to be~~ in addition to the maximum of taxes permitted to be levied in such municipality
10 ~~or park district~~. The mill levy ~~herein~~ authorized by this section may be raised to not more than
11 eight and five-tenths mills when the increase is approved by the citizens of the municipality ~~or~~
12 ~~park district~~ after submission of the question in the same manner as provided in section
13 40-55-08 for the establishment of the public recreation system. The governing body of the
14 municipality ~~or park district~~ shall continue to levy the tax annually for public recreation purposes
15 until the qualified voters, at a regular or special election, by a majority vote on the proposition,
16 decide to discontinue the levy. The governing body of the municipality, school district, or park
17 district, in its discretion, may appropriate additional funds for the operation of the public
18 recreation system if in the opinion of the governing body additional funds are needed for the
19 efficient operation thereof. This chapter does not limit the power of any municipality, school
20 district, or park district to appropriate on its own initiative general municipal, school district, or
21 park district tax funds for the operation of a public recreation system, a community center, or
22 character building facility. A school district may levy a tax annually for the conduct and
23 maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section
24 57-15-14.2. A park district may levy a tax annually within the general fund levy authority of
25 section 57-15-12 for the conduct and maintenance of a public recreation system.

26 **SECTION 8. AMENDMENT.** Section 49-17.2-21 of the 1995 Supplement to the North
27 Dakota Century Code is amended and reenacted as follows:

28 **49-17.2-21. Annual certification of tax levy for authority - Levy of tax - Collection.**
29 An authority may certify annually to the governing bodies the amount of tax to be levied by said
30 governing bodies for railroad purposes. Each subdivision shall levy the amount certified,
31 pursuant to provisions of law authorizing political subdivisions of this state to levy property

1 taxes. ~~The~~ Except in cities, the levy may not exceed the maximum levy permitted by section
2 57-15-28.1. In cities, the levy must be within the general fund levy authority of the city. Each
3 subdivision shall collect the taxes certified by a railroad authority in the same manner as other
4 taxes are levied and collected and shall pay the revenues to the railroad authority.

5 **SECTION 9. AMENDMENT.** Subsection 3 of section 52-09-08 of the 1995
6 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 7 3. The political subdivision, except a school district, a county, a city, a multidistrict
8 special education board, or a center board of an area vocational and technology
9 center, shall levy a tax sufficient to meet its obligations under this chapter, up to a
10 maximum levy not exceeding the limitation in section 57-15-28.1. Within the
11 ~~general fund levy limitations set out in subsection 6 of section 57-15-28.1~~ authority
12 of section 57-15-06, the governing body of a county shall levy a tax to meet its
13 obligations under this chapter and may levy a tax for comprehensive health care
14 insurance employee benefit programs duly established by the governing body.
15 Any obligations under this chapter over and above the amount raised by the
16 maximum levy permitted in this section must be paid out of the general fund of the
17 political subdivision. All payments by a school district, county, or city for
18 obligations incurred under this chapter must be made out of the ~~school district's~~
19 ~~general fund established pursuant to section 57-15-14.2~~ of the school district,
20 county, or city.

21 **SECTION 10. AMENDMENT.** Section 57-15-01.1 of the 1995 Supplement to the North
22 Dakota Century Code is amended and reenacted as follows:

23 **57-15-01.1. (Effective for first four taxable years beginning after December 31,**
24 **1994) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser
25 of the amount in dollars as certified in the budget of the governing body, or the amount in
26 dollars as allowed in this section, subject to the following:

- 27 1. No taxing district may levy more taxes expressed in dollars than the amounts
28 allowed by this section.
29 2. For purposes of this section:

1 a. "Base year" means the taxing district's taxable year with the highest amount
2 levied in dollars in property taxes of the three taxable years immediately
3 preceding the budget year; and

4 b. "Budget year" means the taxing district's year for which the levy is being
5 determined under this section.

6 3. A taxing district may elect to levy two percent more in taxable year 1995 and two
7 percent more in taxable year 1996 than the amount levied in dollars in the base
8 year and for taxable years 1997 and 1998 may elect to levy the amount levied in
9 dollars in the base year. Any levy under this section must be specifically approved
10 by a resolution approved by the governing body of the taxing district. Before
11 determining the levy limitation under this section, the dollar amount levied in the
12 base year must be:

13 a. Reduced by an amount equal to the sum determined by application of the
14 base year's mill rate for that taxing district to the final base year taxable
15 valuation of any property that is not included in the assessment for the budget
16 year but was included in the assessment for the base year. However, no
17 reduction may be made under this section due to the exemption of the
18 personal property of railroads by enactment of House Bill No. 1396 by the
19 fifty-fourth legislative assembly.

20 b. Increased by an amount equal to the sum determined by the application of
21 the base year's mill rate for that taxing district to the final budget year taxable
22 valuation of any property that was not included in the assessment for the
23 base year but which is included in the assessment for the budget year.

24 c. Reduced to reflect expired temporary mill levy increases authorized by the
25 electors of the taxing district.

26 4. A taxing district may levy an amount in dollars equal to the amount levied in any of
27 the previous three years reduced to reflect expired temporary mill levy increases
28 authorized by the electors of the taxing district and increased by an amount equal
29 to the sum determined by the application of any unused mill levy authority from
30 that year, which was authorized by law or by the electors of that taxing district but
31 not levied for that year, to the budget year taxable valuation of the taxable property

1 in that taxing district. A taxing district electing to increase its levy under this
2 subsection may not add any amount permitted by subsection 3 to the amount
3 levied under this subsection.

4 5. In addition to any other levy limitation factor under this section, a taxing district
5 may increase its levy in dollars to reflect new or increased mill levies authorized by
6 the legislative assembly or authorized by the electors of the taxing district.

7 6. Under this section a taxing district may supersede any applicable mill levy
8 limitations otherwise provided by law, or a taxing district may levy up to the mill
9 levy limitations otherwise provided by law without reference to this section, but ~~the~~
10 ~~provisions of this section do~~ does not apply to the following:

11 a. Any irrepealable tax to pay bonded indebtedness levied pursuant to
12 section 16 of article X of the Constitution of North Dakota.

13 b. The one-mill levy for the state medical center authorized by section 10 of
14 article X of the Constitution of North Dakota.

15 c. The general fund mill levy limitations of a county under section 57-15-06, a
16 city under section 57-15-08, or a park district under section 57-15-12.

17 7. A school district choosing to determine its levy authority under this section may
18 apply subsection 3 only to the amount in dollars levied for general fund purposes
19 under section 57-15-14 or, if the levy in the base year included separate general
20 fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school
21 district may apply subsection 3 to the total amount levied in dollars in the base
22 year for both the general fund and special fund accounts. School district levies
23 under any section other than section 57-15-14 may be made within applicable
24 limitations but those levies are not subject to subsection 3.

25 8. Optional levies under this section may be used by any city or county that has
26 adopted a home rule charter unless the provisions of the charter supersede state
27 laws related to property tax levy limitations.

28 **(Effective for taxable years beginning after December 31, 1998) Protection of**
29 **taxpayers and taxing districts.** Each taxing district may levy the lesser of the amount in
30 dollars as certified in the budget of the governing body, or the amount in dollars as allowed in
31 this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year;
 - b. "Budget year" means the taxing district's year for which the levy is being determined under this section; and
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the exempt property calculated in the same manner as the taxable property.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
 - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable and exempt property that is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable or exempt property that was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
4. A taxing district may levy an amount in dollars equal to the amount levied in any of the previous three years reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district and increased by an amount equal

to the sum determined by the application of any unused mill levy authority from that year, which was authorized by law or by the electors of that taxing district but not levied for that year, to the budget year taxable valuation of the taxable property in that taxing district. A taxing district electing to increase its levy under this subsection may not add any amount permitted by subsection 3 to the amount levied under this subsection.

5. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.

6. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but ~~the provisions of this section do~~ does not apply to the following:

a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.

b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.

c. The general fund mill levy limitations of a county under section 57-15-06, a city under section 57-15-08, or a park district under section 57-15-12.

7. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.

8. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

1 **SECTION 11. AMENDMENT.** Section 57-15-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-15-06. ~~Limitations on county~~ County general fund tax levies.** County tax levies
4 are limited as follows:

5 1. The board of county commissioners may not levy any taxes for ~~general or special~~
6 county general fund purposes which will exceed the amount ~~produced by a levy of~~
7 ~~twenty three mills on the dollar of the taxable valuation of the county as~~
8 determined in this subsection:

9 a. If the county general fund levy in the previous taxable year was less than
10 ninety-eight percent of the statewide average, the board of county
11 commissioners may levy an amount in mills not exceeding the statewide
12 average.

13 b. If the county general fund levy in the previous taxable year was ninety-eight
14 percent or more of the statewide average, the board of county commissioners
15 may levy an amount in mills not exceeding the amount of the county general
16 fund levy in mills in the previous year adjusted by the consumer price index.
17 A levy under this subdivision may not exceed eighty-five mills on the dollar of
18 taxable valuation of property in the county, except the levy for a county with
19 more than two hundred seventy-five thousand acres [110000 hectares] held
20 in trust by the United States for the benefit of Indian tribes may not exceed
21 one hundred ten mills.

22 c. The board of county commissioners may levy up to any specific number of
23 mills for general fund purposes which upon resolution of the board of county
24 commissioners has been submitted to and approved by a majority of the
25 qualified electors of the county voting upon the question at any county
26 election. The question of authorizing or discontinuing levy authority under this
27 subdivision must be submitted to the qualified electors of the county at the
28 next county election upon resolution of the board of county commissioners or
29 upon filing with the board of county commissioners of a petition bearing the
30 signatures of qualified electors of the county equal in number to twenty

percent of the qualified electors of the county as determined by the number of votes cast in the county for governor in the preceding gubernatorial election.

d. For purposes of this subsection:

(1) "Consumer price index" means the percentage change in the consumer price index for all nonmetropolitan consumers in the north central region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.

(2) "Statewide average" means the average number of mills levied for general fund purposes by all counties levying under subdivision a or b in the previous taxable year.

2. The board of county commissioners annually shall levy taxes sufficient to meet the obligations of the county for the maintenance of its patients in the charitable institutions of the state, but such taxes may not exceed the amount produced by a levy rate of one and one-quarter mills on the dollar of taxable valuation. Such levy must be within the ~~amount produced by the twenty-three mill rate~~ general fund levy authority of this section, and is a paramount charge, to the exclusion of all other budget items, upon the necessary part of the total tax levies; provided, that any funds now on hand or hereinafter levied for the purpose of this subsection shall not, in the discretion of the board of county commissioners, be included in the budget of the county.

3. The ~~twenty-three mill~~ general fund levy limitation applies to all tax levies which the county is authorized to levy for general and special county purposes unless otherwise provided by law, including taxes levied for road and bridge purposes. Any unexpended balance in the county road fund at the end of the fiscal year may be transferred to a special road fund, except that such special fund may never exceed the amount a ten-mill levy on the taxable valuation of the county would yield, and the balance in said fund may not be considered in determining the budget or the amount that may be levied. ~~Such mill~~ The limitation in this section does not apply to the levies in section 57-15-06.7.

SECTION 12. AMENDMENT. Section 57-15-06.4 of the North Dakota Century Code is amended and reenacted as follows:

1 **57-15-06.4. Levy authorized for county veterans' service officer's salary,**
2 **traveling, and office expenses.** The county commissioners of each county may levy annually
3 a tax ~~not exceeding the limitation in subsection 18 of section 57-15-06.7~~ within the general fund
4 levy authority of section 57-15-06 to provide a fund, for the payment of the salary, traveling, and
5 office expenses of the county veterans' service officer authorized to be appointed by section
6 37-14-18.

7 **SECTION 13. AMENDMENT.** Section 57-15-06.6 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-15-06.6. Levy authorized for regional or county correction centers.** The board
10 of county commissioners of each county may levy an annual tax ~~not exceeding the limitation in~~
11 ~~subsection 19.1 of section 57-15-06.7~~ within the general fund levy authority of section 57-15-06
12 for the purpose of constructing, equipping, operating, and maintaining regional or county
13 correction centers.

14 **SECTION 14. AMENDMENT.** Section 57-15-08 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **57-15-08. Tax General fund levy limitations in cities.** The aggregate amount levied
17 for general city purposes may not exceed ~~such an~~ the amount as ~~will be produced by a levy of~~
18 ~~thirty-eight mills on the taxable valuation of property in the city; provided, that in cities with a~~
19 ~~population of over five thousand they be permitted to levy an additional one-half of one mill for~~
20 ~~each additional one thousand population in excess of five thousand, and provided, further, that~~
21 ~~the maximum levy for general city purposes may not exceed forty mills, except that cities, when~~
22 ~~authorized by a majority vote of the electors of such cities upon the submission of such~~
23 ~~question at a regularly scheduled or special election called for such purpose pursuant to a~~
24 ~~resolution approved by the governing body of such cities, may increase the maximum mill levy~~
25 ~~for general city purposes by not more than ten mills, and that in a city supporting a band or~~
26 ~~public library an additional levy, not to exceed one mill on the taxable valuation of property in~~
27 ~~such city, may be made for a band, and an additional levy not to exceed four mills on the~~
28 ~~taxable valuation of property in such city may be made for a public library~~ determined under this
29 section.

- 1 1. If the city general fund levy in the previous taxable year was less than ninety-eight
2 percent of the statewide average, the city governing body may levy an amount in
3 mills not exceeding the statewide average.
- 4 2. If the city general fund levy in the previous taxable year was ninety-eight percent or
5 more of the statewide average, the governing body of the city may levy an amount
6 in mills not exceeding the amount of the city general fund levy in mills in the
7 previous year adjusted by the consumer price index. A levy under this subsection
8 may not exceed one hundred eighty mills on the dollar of taxable valuation of
9 property in the city.
- 10 3. The governing body of the city may levy up to any specific number of mills for
11 general fund purposes which upon resolution of the governing body of the city has
12 been submitted to and approved by a majority of the qualified electors of the city
13 voting upon the question at any city election. The question of authorizing or
14 discontinuing levy authority under this subsection must be submitted to the
15 qualified electors of the city at the next city election upon resolution of the
16 governing body of the city or upon filing with the governing body of the city of a
17 petition bearing the signatures of qualified electors of the city equal in number to
18 twenty percent of the qualified electors of the city as determined by the number of
19 votes cast for governor in the city in the preceding gubernatorial election.
- 20 4. For purposes of this section:
 - 21 a. "Consumer price index" means the percentage change in the consumer price
22 index for all nonmetropolitan consumers in the north central region as
23 determined by the United States department of labor, bureau of labor
24 statistics, for the most recent year ending December thirty-first.
 - 25 b. "Statewide average" means the average number of mills levied for general
26 fund purposes by all cities levying under subsection 1 or 2 in the previous
27 taxable year.

28 **SECTION 15. AMENDMENT.** Section 57-15-10.1 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **57-15-10.1. Counties and cities may levy for certain advertising purposes.** The
31 board of county commissioners of any county or the governing body of any city may ~~annually~~

1 levy annually a tax for the purpose of advertising the resources and opportunities in the county
2 or city and promoting industrial development. The tax ~~may not exceed the limitations in~~
3 ~~subsection 20 of section 57-15-06.7 and subsection 17 of section 57-15-10~~ must be within the
4 general fund levy authority of the county or city.

5 When any county or city makes the levy provided for by this section, the expenditure of
6 the fund must be under the direction of the governing ~~boards~~ body of the county or city.

7 **SECTION 16. AMENDMENT.** Section 57-15-12 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-15-12. ~~Tax~~ General fund levy limitations in park districts.** ~~In park districts tax~~
10 ~~levies have the following limitations:-~~

- 11 4- The aggregate amount levied for park district general fund purposes, exclusive of
12 levies to pay interest on bonded debt and levies to pay and discharge the principal
13 thereof, and levies to pay the principal and interest on special assessments
14 assessed and levied against park board properties by other municipalities, may not
15 exceed ~~such~~ the amount ~~as will be produced by a levy of four mills on the dollar of~~
16 ~~the taxable valuation of the district for the current year.~~
- 17 2- Any park district owning and operating an airport for which no city levy is made,
18 may ~~levy an additional tax, regardless of the foregoing limitations and in addition to~~
19 ~~the levies hereinbefore provided for, of not to exceed four mills on the dollar of the~~
20 ~~taxable valuation of the district for the current year, such additional tax to be used~~
21 ~~solely for the purpose of purchasing or acquiring lands necessary for said airport,~~
22 ~~paying for land previously acquired for said airport, and for operating and~~
23 ~~maintaining the same.~~
- 24 3- ~~Whenever the board of park commissioners deems it advisable to raise moneys by~~
25 ~~taxes in excess of the levy herein provided, for any purpose for which the park~~
26 ~~district is authorized to expend moneys raised by taxes, the board of park~~
27 ~~commissioners shall submit to the voters of the district the question of increasing~~
28 ~~the levy by a certain number of mills, but not to exceed fifteen mills, on the dollar of~~
29 ~~the taxable valuation of the district. When authorized by a majority of the qualified~~
30 ~~electors of the park district voting on the question at an election in which the~~
31 ~~question has been submitted, the board may increase the levy in the amount so~~

1 ~~authorized. This excess levy may be continued from year to year by action of the~~
2 ~~park board except that if a petition containing the signatures of not less than ten~~
3 ~~percent of the qualified electors of the park district, as determined by the city~~
4 ~~auditor of the municipality in which the park district is situated, is presented to the~~
5 ~~park board requesting an election on the question of continuing the excess levy,~~
6 ~~that question must be submitted to the qualified electors of the park district at the~~
7 ~~next regular park district election. If the majority of the qualified electors voting at~~
8 ~~that election determine not to continue the excess levy, no further excess levy may~~
9 ~~be made except that the election does not affect the tax levy in the calendar year~~
10 ~~in which the election is held~~ determined under this section:

- 11 1. If the park district general fund levy in the previous taxable year was less than
12 ninety-eight percent of the statewide average, the board of park commissioners
13 may levy an amount in mills not exceeding the statewide average.
- 14 2. If the park district general fund levy in the previous taxable year was ninety-eight
15 percent or more of the statewide average, the board of park commissioners may
16 levy an amount in mills not exceeding the amount of the park district general fund
17 levy in mills in the previous year adjusted by the consumer price index. A levy
18 under this subsection may not exceed forty mills on the dollar of taxable valuation
19 of property in the park district.
- 20 3. The board of park commissioners may levy up to any specific number of mills for
21 general fund purposes which upon resolution of the board of park commissioners
22 has been submitted to and approved by a majority of the qualified electors of the
23 park district voting upon the question at any park district election. The question of
24 authorizing or discontinuing levy authority under this subsection must be submitted
25 to the qualified electors of the park district at the next park district election upon
26 resolution of the board of park commissioners or upon filing with the board of park
27 commissioners of a petition bearing the signatures of qualified electors of the park
28 district equal in number to twenty percent of the qualified electors of the park
29 district as determined by the number of votes cast in the most recent park district
30 election.
- 31 4. For purposes of this section:

a. "Consumer price index" means the percentage change in the consumer price index for all nonmetropolitan consumers in the north central region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.

b. "Statewide average" means the average number of mills levied for general fund purposes by park districts, in cities with a population of two hundred fifty or more, levying under subsection 1 or 2 in the previous taxable year.

SECTION 17. AMENDMENT. Section 57-15-12.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-12.1. City or park district tax levy or service charge for forestry purposes.

1. The governing body of a city or park district may ~~annually~~ levy annually a tax ~~not in excess of two mills on the taxable valuation of property within the city or park district, for the purpose of providing to provide~~ funds for the establishment, operation, and maintenance of forestry activities within the city or park district. A tax levied by a city or park district under this section must be within the general fund levy authority of the city or park district. The governing board of a city or park district, upon approval by a majority vote of the electors at any citywide or districtwide election, may also annually levy an additional tax not in excess of three mills on the taxable valuation of property within the city or park district, for the purpose of providing funds for forestry activities within the city or park district. Any ~~such tax~~ levy approved by the electors is in addition to and not restricted by any mill levy limit prescribed by law. The proceeds of any ~~such~~ levy under this section may be used for forestry activities, including, ~~but not limited to, the following:~~ prevention or control of Dutch elm disease or other diseases which may affect trees, shrubs, and other vegetation; purchasing, planting, or removal of trees, shrubs, and other vegetation; pruning and maintenance of trees, shrubs, and other vegetation; purchasing of necessary equipment; hiring of personnel; contracting for services; public information and technical assistance; and other items related to forestry activities which may be necessary to provide for proper care, maintenance, propagation, and improvement of forestry resources within the city or park district.

2. In lieu of a ~~mill~~ levy as specified in subsection 1, a city or park district may propose a service charge as an alternative form of financing. Such alternative form of financing must be approved by a majority vote of the electors at any general or special citywide or districtwide election. The proceeds of any service charge may be used for forestry activities, as specified in subsection 1.

SECTION 18. AMENDMENT. Section 57-15-12.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-12.2. Exceptions to tax levy limitations in for park districts. The ~~tax~~ general fund levy limitations specified in section 57-15-12 do not apply to the following ~~mill~~ levies; ~~expressed in mills per dollar of taxable valuation of property~~ in a park district:

1. ~~A park district levying~~ Levying a tax for an employees pension fund according to sections 40-49-21 and 40-49-22 ~~and a park district~~ may levy a tax not exceeding the ratio ~~which~~ that the total amounts paid to the employees of the city per annum bears to the total amount of taxes levied by the city for such employees pension fund.
2. ~~A park district levying a tax to establish a public recreation system in accordance with section 40-55-09 may levy a tax not exceeding two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided in section 40-55-09.~~
3. ~~A park district may levy a tax providing for forestry activities in accordance with section 57-15-12.1 in an amount not exceeding five mills.~~
4. ~~A park district levying~~ Levying a tax for airport purposes in accordance with section 57-15-37 ~~may levy a tax in an amount~~ not exceeding four mills.
5. ~~3. A park district levying~~ Levying a tax for parks and recreational facilities in accordance with section 57-15-12.3 may levy a tax not exceeding five mills programs and activities for handicapped persons in accordance with section 57-15-60 in an amount not exceeding one-half mill.
6. ~~A park district levying a tax for a comprehensive health care program for district employees in accordance with section 40-49-12 may levy a tax not exceeding one mill.~~

~~Tax levy or mill levy limitations do not apply to any statute which expressly provides that taxes authorized to be levied therein are not subject to mill levy limitations provided by law.~~

SECTION 19. AMENDMENT. Section 57-15-12.3 of the North Dakota Century Code is amended and reenacted as follows:

57-15-12.3. Tax levy for parks and recreational facilities. A board of park commissioners established pursuant to chapter 40-49; may levy taxes annually ~~not exceeding the limitation in subsection 5 of section 57-15-12.2 within the general fund levy authority of section 57-15-12~~ for a fund for the purpose of acquiring real estate as a site for public parks, construction of recreational facilities, renovation and repair of recreational facilities, and the furnishing of recreational facilities. ~~The tax is to be levied, spread, and collected in the same manner as are other taxes in the park district. The question of whether the levy is to be discontinued must be submitted to the qualified electors at the next regular election upon petition of twenty five percent of the qualified electors voting in the last regular park district election, if the petition is filed not less than sixty days before the election. If the majority of the qualified electors vote to discontinue the levy, it may not again be levied without a majority vote of the qualified electors at a later regular election on the question of relevying the tax, which question may be submitted upon petition as above provided or by decision of the governing board.~~

SECTION 20. AMENDMENT. Section 57-15-27.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-27.1. Cemetery tax levies. Organized townships and cities ~~are hereby authorized to may~~ levy a tax, ~~not exceeding two mills on the dollar of the taxable valuations of the organized townships or cities, in addition to all levies now authorized by law,~~ for the purpose and to be used exclusively for the care, maintenance, and improvement of established cemeteries, owned and maintained by such organized townships or cities. The levy by a city must be within the general fund levy authority of section 57-15-08. The levy by an organized township may not exceed two mills on the dollar of taxable valuation of property in the township and is in addition to all levies authorized by law. In addition to all levies ~~now~~ authorized by law, organized townships may levy a tax not exceeding one-fourth of one mill on the dollar of taxable valuation of property in the township for the care, maintenance, and improvement of established cemeteries maintained but not owned by the township.

1 **SECTION 21. AMENDMENT.** Section 57-15-27.2 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-15-27.2. Abandoned cemetery tax levies.** The governing body of any county may
4 levy a tax, ~~not exceeding one-tenth of one mill on the dollar of the taxable valuations of the~~
5 ~~county, in addition to all levies now authorized by law,~~ within the general fund levy authority of
6 section 57-15-06 for the purpose of defraying the expenses incurred in the maintenance of
7 abandoned cemeteries as provided by section 23-06-30.

8 **SECTION 22. AMENDMENT.** Section 57-15-28.1 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **57-15-28.1. Exceptions to tax levy limitations in political subdivisions.** The tax
11 levy limitations specified by law do not apply to the following mill levies, expressed in mills per
12 dollar of taxable valuation of property in the political subdivision. For purposes of this section,
13 "political subdivision" has the same meaning as in section 32-12.1-02.

- 14 1. A political subdivision levying a tax for the control of pests in accordance with
15 section 4-33-11 may levy a tax not exceeding one mill.
- 16 2. A political subdivision, except a school district, city, county, or park district, levying
17 a tax for an insurance reserve fund according to section 32-12.1-08 may levy a tax
18 not exceeding five mills.
- 19 3. A political subdivision, except a school district, levying a tax for the payment of a
20 judgment in accordance with section 32-12.1-11 may levy a tax not exceeding five
21 mills.
- 22 4. A political subdivision, except a city, levying a tax for railroad purposes in
23 accordance with section 49-17.2-21 may levy a tax not exceeding four mills.
- 24 5. A political subdivision, except a school district, county, or city, levying a tax for
25 old-age and survivors' insurance according to section 52-09-08 may levy a tax not
26 exceeding thirty mills.
- 27 6. ~~A county levying a tax for comprehensive health care insurance employee benefit~~
28 ~~programs in accordance with section 52-09-08 may levy a tax not exceeding four~~
29 ~~mills.~~

~~Additionally, tax levy limitations do not apply to taxes levied pursuant to any statute which expressly provides that the taxes authorized to be levied therein are not subject to mill levy limitations provided by law.~~

SECTION 23. AMENDMENT. Section 57-15-37 of the North Dakota Century Code is amended and reenacted as follows:

57-15-37. Tax levy for airport purposes in park districts. In park districts supporting airports, a levy not exceeding the limitation in ~~subsection 4 of~~ section 57-15-12.2 may be made for such purpose; provided, however, that the levy may be made by not more than one of the political subdivisions in any taxing district.

SECTION 24. AMENDMENT. Section 57-15-53 of the North Dakota Century Code is amended and reenacted as follows:

57-15-53. Tax levy for police department stations. ~~Upon approval of a majority of the electors voting thereon at any regular election or special election called for such purpose,~~ the governing body of any city may levy taxes annually, ~~not exceeding the limitation in subsection 24 of section 57-15-10~~ within the general fund levy authority of section 57-15-08, for the purpose of providing additional funds to meet the operational, maintenance, and construction costs of establishing stations for police protection services and correctional facilities. The proceeds of this levy ~~must~~ may be placed in a separate fund known as the police station and correctional facility fund. ~~No levy may be made under this section during any period in which the moneys to the fund equal or exceed an amount equal to the sum that would be produced by a levy of ten mills upon the taxable valuation of the city making the levy.~~

SECTION 25. AMENDMENT. Section 57-15-60 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-15-60. Authorization of tax levy for programs and activities for handicapped persons - Elections to authorize or remove the levy - Handicapped person programs and activities.

1. The board of county commissioners of any county ~~is hereby authorized to~~ may levy a tax, or if no levy is made by the board of county commissioners, the governing body of any city or park district in the county ~~is authorized to~~ may levy a tax, in addition to all levies now authorized by law, for the purpose of establishing or maintaining programs and activities for handicapped persons, including

1 recreational and other leisure-time activities and informational, health, welfare,
2 transportation, counseling, and referral services. If the tax authorized by this
3 section is levied by the board of county commissioners, any existing levy under
4 this section by a city or park district in the county is void for subsequent taxable
5 years. The removal of the levy is not subject to the requirements of subsection 3.
6 This tax may not exceed the limitation in subsection 33 of section 57-15-06.7 ~~and~~,
7 subsection 29 of section 57-15-10, or subsection 5 of section 57-15-12.2. The
8 proceeds of the tax must be kept in a separate fund and used exclusively for the
9 public purposes provided for in this section. This levy is in addition to any moneys
10 expended by the board of county commissioners pursuant to section 11-11-65 or
11 by the governing body of any city or park district pursuant to section 40-05-20.

12 2. The levy authorized by this section may be used to fund an intergovernmental
13 program under a joint powers agreement pursuant to chapter 54-40, but may not
14 be used to defray any expenses of any organization or agency until the
15 organization or agency is incorporated under the laws of this state as a nonprofit
16 corporation and has contracted with the board of county commissioners or the
17 governing body of the city or park district in regard to the manner in which the
18 funds will be expended and the services will be provided. An organization or
19 agency that receives funds under this section must be reviewed or approved
20 annually by the board of county commissioners or the governing body of the city or
21 park district to determine its eligibility to receive funds under this section.

22 3. The levy authorized by this section may be imposed or removed only by a vote of a
23 majority of the qualified electors voting in an election in the county, city, or park
24 district. The governing body shall put the issue before the qualified electors either
25 on its own motion or when a petition in writing, signed by qualified electors of the
26 county or city equal in number to at least ten percent of the total vote cast in the
27 county or city for the office of governor of the state at the last general election, is
28 presented to that governing body.

29 **SECTION 26. AMENDMENT.** Section 61-04.1-26 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **61-04.1-26. Tax may be certified by weather modification authority.** The weather
2 modification authority may certify annually to the board of county commissioners a tax ~~of not to~~
3 ~~exceed seven mills upon the taxable valuation of the property in the county~~ for a "weather
4 modification" fund. The board of county commissioners shall levy the tax ~~shall be levied by the~~
5 ~~board of county commissioners and may be levied in excess of the mill levy limit fixed by law~~
6 ~~for taxes for general county purposes~~ within the general fund levy authority of section 57-15-06.
7 The weather modification fund ~~shall~~ may be used only for weather modification activities in
8 conjunction with the state ~~of North Dakota~~. The tax certified by the weather modification
9 authority is limited to the period of existence of the weather modification authority as provided
10 for in this chapter.

11 **SECTION 27. REPEAL.** Subsections 12 and 14 of section 57-15-10 of the North
12 Dakota Century Code and subsections 18, 19.1, 20, and 21 of section 57-15-06.7 of the 1995
13 Supplement to the North Dakota Century Code are repealed.

14 **SECTION 28. Transition.** For purposes of determining "statewide average" under
15 sections 57-15-06, 57-15-08, and 57-15-12 for taxable year 1997, this section applies.

16 1. To determine "statewide average" for counties there must be totaled and averaged
17 for all counties the number of mills levied in taxable year 1996 for the general fund
18 under section 57-15-06, insurance reserve fund under section 32-12.1-08, social
19 security and comprehensive health care insurance under section 52-09-08,
20 veterans' service officer under section 57-15-06.4, correction center under section
21 57-15-06.6, advertising under section 57-15-10.1, abandoned cemeteries under
22 section 57-15-27.2, and weather modification under section 61-04.1-26.

23 2. To determine "statewide average" for cities there must be totaled and averaged for
24 all cities the number of mills levied in taxable year 1996 for the general fund under
25 section 57-15-08, insurance reserve fund under section 32-12.1-08, employee
26 pensions under section 40-46-02, employee social security under section
27 40-46-26, planning commission under section 40-48-07, railroads under section
28 49-17.2-21, social security under section 52-09-08, advertising under section
29 57-15-10.1, forestry under section 57-15-12.1, police stations under section
30 57-15-53, and cemeteries under 57-15-27.1.

1 3. To determine "statewide average" for park districts there must be totaled and
2 averaged for all park districts the number of mills levied in taxable year 1996 for
3 the general fund under section 57-15-12, insurance reserve fund under section
4 32-12.1-08, employee health care program under section 40-49-12, a public
5 recreation system under section 40-55-09 including any additional levy approved
6 by the electors, forestry purposes under section 57-15-12.1 except any additional
7 levy approved by the electors, and facilities under section 57-15-12.3.

8 4. The amount levied under each section listed in subsections 1 through 3, including
9 any growth factor allowed under section 57-15-01.1 or predecessor law, as levied
10 by the county, city, or park district for taxable year 1996, is the amount that must
11 be used under this section.

12 5. The state supervisor of assessments shall determine "statewide average" for
13 counties, cities, and park districts under this section and certify that information to
14 county auditors on or before June first of each year. County auditors shall provide
15 this information to cities and park districts in the county on or before June tenth of
16 that year.

17 **SECTION 29. EFFECTIVE DATE.** Except as otherwise provided in this Act, this Act is
18 effective for taxable years beginning after December 31, 1996. However, this Act is suspended
19 from effectiveness during the time Senate Bill No. 2022, as enacted by the fifty-fifth legislative
20 assembly, is effective.