

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1341

Introduced by

Representatives Nichols, Wardner, Brown

Senator Kinnoin

1 A BILL for an Act to amend and reenact section 57-15-01.1 of the North Dakota Century Code,
2 relating to establishing values for property exempt from property taxes.

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

4 **SECTION 1. AMENDMENT.** Section 57-15-01.1 of the 1995 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **57-15-01.1. (Effective for first four taxable years beginning after December 31,**
7 **1994) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser
8 of the amount in dollars as certified in the budget of the governing body, or the amount in
9 dollars as allowed in this section, subject to the following:

- 10 1. No taxing district may levy more taxes expressed in dollars than the amounts
11 allowed by this section.
- 12 2. For purposes of this section:
 - 13 a. "Base year" means the taxing district's taxable year with the highest amount
14 levied in dollars in property taxes of the three taxable years immediately
15 preceding the budget year; and
 - 16 b. "Budget year" means the taxing district's year for which the levy is being
17 determined under this section.
- 18 3. A taxing district may elect to levy two percent more in taxable year 1995 and two
19 percent more in taxable year 1996 than the amount levied in dollars in the base
20 year and for taxable years 1997 and 1998 may elect to levy the amount levied in
21 dollars in the base year. Any levy under this section must be specifically approved
22 by a resolution approved by the governing body of the taxing district. Before
23 determining the levy limitation under this section, the dollar amount levied in the
24 base year must be:

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

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

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

14 4. A taxing district may levy an amount in dollars equal to the amount levied in any of
15 the previous three years reduced to reflect expired temporary mill levy increases
16 authorized by the electors of the taxing district and increased by an amount equal
17 to the sum determined by the application of any unused mill levy authority from that
18 year, which was authorized by law or by the electors of that taxing district but not
19 levied for that year, to the budget year taxable valuation of the taxable property in
20 that taxing district. A taxing district electing to increase its levy under this
21 subsection may not add any amount permitted by subsection 3 to the amount
22 levied under this subsection.

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

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

30 a. Any irrepealable tax to pay bonded indebtedness levied pursuant to
31 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.

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.

(Effective for taxable years beginning after December 31, 1998) Protection of taxpayers and taxing districts. Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in 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 exempt by local discretion, calculated in the same manner as the taxable property-; and

d. "Property exempt by local discretion" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to

property under chapter 57-02.2; or new single-family residential or townhouse
or condominium property, property used for early childhood services, or
pollution abatement improvements under section 57-02-08.

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 property and ~~exempt~~ property ~~that~~ exempt by
local discretion which 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 property or ~~exempt~~ property ~~that~~ exempt by
local discretion which 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.

- 1 6. Under this section a taxing district may supersede any applicable mill levy
- 2 limitations otherwise provided by law, or a taxing district may levy up to the mill
- 3 levy limitations otherwise provided by law without reference to this section, but the
- 4 provisions of this section do not apply to the following:
- 5 a. Any irrepealable tax to pay bonded indebtedness levied pursuant to
- 6 section 16 of article X of the Constitution of North Dakota.
- 7 b. The one-mill levy for the state medical center authorized by section 10 of
- 8 article X of the Constitution of North Dakota.
- 9 7. A school district choosing to determine its levy authority under this section may
- 10 apply subsection 3 only to the amount in dollars levied for general fund purposes
- 11 under section 57-15-14 or, if the levy in the base year included separate general
- 12 fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school
- 13 district may apply subsection 3 to the total amount levied in dollars in the base year
- 14 for both the general fund and special fund accounts. School district levies under
- 15 any section other than section 57-15-14 may be made within applicable limitations
- 16 but those levies are not subject to subsection 3.
- 17 8. Optional levies under this section may be used by any city or county that has
- 18 adopted a home rule charter unless the provisions of the charter supersede state
- 19 laws related to property tax levy limitations.