

**SENATE BILL NO. 2211**

Introduced by

Senator Naaden

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; and

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

~~e. "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~~ assessment for the budget year but was included in the ~~taxing district~~ assessment 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~~ assessment for the base year but which is included in the ~~taxing district~~ assessment 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 not apply to the following:

- 1                   a.   Any irrevocable tax to pay bonded indebtedness levied pursuant to
- 2                        section 16 of article X of the Constitution of North Dakota.
- 3                   b.   The one-mill levy for the state medical center authorized by section 10 of
- 4                        article X of the Constitution of North Dakota.
- 5                7.   A school district choosing to determine its levy authority under this section may
- 6                    apply subsection 3 only to the amount in dollars levied for general fund purposes
- 7                    under section 57-15-14 or, if the levy in the base year included separate general
- 8                    fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school
- 9                    district may apply subsection 3 to the total amount levied in dollars in the base year
- 10                   for both the general fund and special fund accounts. School district levies under
- 11                   any section other than section 57-15-14 may be made within applicable limitations
- 12                   but those levies are not subject to subsection 3.
- 13                8.   Optional levies under this section may be used by any city or county that has
- 14                    adopted a home rule charter unless the provisions of the charter supersede state
- 15                    laws related to property tax levy limitations.