

Fifty-fifth
Legislative Assembly
of North Dakota

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, 57-15-53, 57-15-60, and 61-04.1-26 of the North Dakota Century Code,
6 relating to consolidation of property tax levy authority of park districts, cities, and counties; to
7 repeal subsections 18, 19.1, 20, and 21 of section 57-15-06.7 and subsections 12 and 14 of
8 section 57-15-10 of the North Dakota Century Code, relating to property tax levy authority of
9 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 levy
20 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

1 within the general fund levy authority of the school district, city, county, or park
2 district. If a political subdivision has no annual tax levy, the political subdivision
3 may appropriate from any unexpended balance in its general fund such amounts
4 as the governing body of the political subdivision ~~shall deem~~ determines necessary
5 for the purposes and uses of the insurance reserve fund.

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

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

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

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

30 **40-46-02. Tax levy for city employees' pension fund authorized - Limitations.** Any
31 city may levy an annual tax ~~not exceeding the limitation in subsection 12 of section 57-15-10~~

1 within the general fund levy authority of section 57-15-08 for the purpose of creating and
2 maintaining a city employees' pension fund. A city may make payment from a city employees'
3 pension fund to any pension plan or retirement program for city employees provided the
4 receiving plan or program is approved by the internal revenue service. Any pension system
5 ~~shall~~ must be based on actuarial tables and actuarial valuation ~~shall~~ must be performed at
6 intervals of not more than five years.

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

9 **40-46-26. Tax levy for city having provided its employees with the federal social**
10 **security plan.** ~~In addition to any other levies authorized by law for general purposes~~ Within the
11 general fund levy authority of section 57-15-08, any city having provided its employees with the
12 federal social security plan may levy such annual tax upon its taxable valuation as will be
13 necessary to pay such city's share as employer of the cost of providing its employees with the
14 federal social security plan.

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

17 **40-48-07. Limitations on expenditures of commission - Tax levy authorized.** The
18 expenditures of the planning commission, exclusive of gifts, ~~shall~~ must be within the amounts
19 appropriated for that purpose by the governing body of the municipality. The governing body
20 shall provide the funds, equipment, and accommodations necessary for the commission's work.
21 Each municipality ~~which~~ that has established a planning commission, in making its annual tax
22 levy, may also levy and collect a tax ~~not exceeding the limitation in subsection 14 of section~~
23 ~~57-15-10 in any fiscal year~~ within the general fund levy authority of section 57-15-08 for the
24 purpose of defraying the lawful expenses incurred by the planning commission in carrying out
25 the purposes of this chapter.

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

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

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

3 **40-55-09. Favorable vote at election - Procedure.** Except in the case of a school
4 district or park district, upon adoption of the public recreation system proposition at an election
5 by a majority of the votes cast upon the proposition, the governing body of the municipality ~~or~~
6 ~~park district~~, by resolution or ordinance, shall provide for the establishment, maintenance, and
7 conduct of a public recreation system, and thereafter levy and collect annually a tax of not more
8 than two and five-tenths mills, or not more than eight and five-tenths mills if ~~the same is~~
9 authorized as ~~herein~~ provided by this section, on each dollar of the taxable valuation of all
10 taxable property within the corporate limits or boundaries of the municipality ~~or park district~~.
11 This tax is ~~to be~~ in addition to the maximum of taxes permitted to be levied in such municipality
12 ~~or park district~~. The mill levy ~~herein~~ authorized by this section may be raised to not more than
13 eight and five-tenths mills when the increase is approved by the citizens of the municipality ~~or~~
14 ~~park district~~ after submission of the question in the same manner as provided in section
15 40-55-08 for the establishment of the public recreation system. The governing body of the
16 municipality ~~or park district~~ shall continue to levy the tax annually for public recreation purposes
17 until the qualified voters, at a regular or special election, by a majority vote on the proposition,
18 decide to discontinue the levy. The governing body of the municipality, school district, or park
19 district, in its discretion, may appropriate additional funds for the operation of the public
20 recreation system if in the opinion of the governing body additional funds are needed for the
21 efficient operation thereof. This chapter does not limit the power of any municipality, school
22 district, or park district to appropriate on its own initiative general municipal, school district, or
23 park district tax funds for the operation of a public recreation system, a community center, or
24 character building facility. A school district may levy a tax annually for the conduct and
25 maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section
26 57-15-14.2. A park district may levy a tax annually within the general fund levy authority of
27 section 57-15-12 for the conduct and maintenance of a public recreation system.

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

30 **49-17.2-21. Annual certification of tax levy for authority - Levy of tax - Collection.**
31 An authority may certify annually to the governing bodies the amount of tax to be levied by said

governing bodies for railroad purposes. Each subdivision shall levy the amount certified, pursuant to provisions of law authorizing political subdivisions of this state to levy property taxes. ~~The~~ Except in cities, the levy may not exceed the maximum levy permitted by section 57-15-28.1. In cities, the levy must be within the general fund levy authority of the city. Each subdivision shall collect the taxes certified by a railroad authority in the same manner as other taxes are levied and collected and shall pay the revenues to the railroad authority.

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

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

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

57-15-01.1. (Effective for first four taxable years beginning after December 31, 1994) 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:

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 the
21 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 base
23 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 that
30 year, which was authorized by law or by the electors of that taxing district but not
31 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 irrepealable 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.

(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 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 irrepealable 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 determined~~
8 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 one hundred ten mills on the
18 dollar of taxable valuation of property in the county.
- 19 c. The board of county commissioners may levy up to any specific number of
20 mills for general fund purposes which upon resolution of the board of county
21 commissioners has been submitted to and approved by a majority of the
22 qualified electors of the county voting upon the question at any county
23 election. The question of authorizing or discontinuing levy authority under this
24 subdivision must be submitted to the qualified electors of the county at the
25 next county election upon resolution of the board of county commissioners or
26 upon filing with the board of county commissioners of a petition bearing the
27 signatures of qualified electors of the county equal in number to twenty
28 percent of the qualified electors of the county as determined by the number of
29 votes cast in the county for governor in the preceding gubernatorial election.
- 30 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:

57-15-06.4. Levy authorized for county veterans' service officer's salary, traveling, and office expenses. The county commissioners of each county may levy annually a tax ~~not exceeding the limitation in subsection 18 of section 57-15-06.7~~ within the general fund

1 levy authority of section 57-15-06 to provide a fund, for the payment of the salary, traveling, and
2 office expenses of the county veterans' service officer authorized to be appointed by section
3 37-14-18.

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

6 **57-15-06.6. Levy authorized for regional or county correction centers.** The board
7 of county commissioners of each county may levy an annual tax ~~not exceeding the limitation in~~
8 ~~subsection 19.1 of section 57-15-06.7~~ within the general fund levy authority of section 57-15-06
9 for the purpose of constructing, equipping, operating, and maintaining regional or county
10 correction centers.

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

13 **57-15-08. ~~Tax~~ General fund levy limitations in cities.** The aggregate amount levied
14 for general city purposes may not exceed ~~such an~~ the amount as ~~will be produced by a levy of~~
15 ~~thirty-eight mills on the taxable valuation of property in the city; provided, that in cities with a~~
16 ~~population of over five thousand they be permitted to levy an additional one-half of one mill for~~
17 ~~each additional one thousand population in excess of five thousand, and provided, further, that~~
18 ~~the maximum levy for general city purposes may not exceed forty mills, except that cities, when~~
19 ~~authorized by a majority vote of the electors of such cities upon the submission of such~~
20 ~~question at a regularly scheduled or special election called for such purpose pursuant to a~~
21 ~~resolution approved by the governing body of such cities, may increase the maximum mill levy~~
22 ~~for general city purposes by not more than ten mills, and that in a city supporting a band or~~
23 ~~public library an additional levy, not to exceed one mill on the taxable valuation of property in~~
24 ~~such city, may be made for a band, and an additional levy not to exceed four mills on the~~
25 ~~taxable valuation of property in such city may be made for a public library~~ determined under this
26 section.

27 1. If the city general fund levy in the previous taxable year was less than ninety-eight
28 percent of the statewide average, the city governing body may levy an amount in
29 mills not exceeding the statewide average.

30 2. If the city general fund levy in the previous taxable year was ninety-eight percent or
31 more of the statewide average, the governing body of the city may levy an amount

1 in mills not exceeding the amount of the city general fund levy in mills in the
2 previous year adjusted by the consumer price index. A levy under this subsection
3 may not exceed one hundred eighty mills on the dollar of taxable valuation of
4 property in the city.

5 3. The governing body of the city may levy up to any specific number of mills for
6 general fund purposes which upon resolution of the governing body of the city has
7 been submitted to and approved by a majority of the qualified electors of the city
8 voting upon the question at any city election. The question of authorizing or
9 discontinuing levy authority under this subsection must be submitted to the
10 qualified electors of the city at the next city election upon resolution of the
11 governing body of the city or upon filing with the governing body of the city of a
12 petition bearing the signatures of qualified electors of the city equal in number to
13 twenty percent of the qualified electors of the city as determined by the number of
14 votes cast for governor in the city in the preceding gubernatorial election.

15 4. For purposes of this section:

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

20 b. "Statewide average" means the average number of mills levied for general
21 fund purposes by all cities levying under subsection 1 or 2 in the previous
22 taxable year.

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

25 **57-15-10.1. Counties and cities may levy for certain advertising purposes.** The
26 board of county commissioners of any county or the governing body of any city may ~~annually~~
27 levy annually a tax for the purpose of advertising the resources and opportunities in the county
28 or city and promoting industrial development. The tax ~~may not exceed the limitations in~~
29 ~~subsection 20 of section 57-15-06.7 and subsection 17 of section 57-15-10~~ must be within the
30 general fund levy authority of the county or city.

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

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

5 **57-15-12. ~~Tax~~ General fund levy limitations in park districts.** ~~In park districts tax~~
6 ~~levies have the following limitations:~~

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

~~park board requesting an election on the question of continuing the excess levy,
that question must be submitted to the qualified electors of the park district at the
next regular park district election. If the majority of the qualified electors voting at
that election determine not to continue the excess levy, no further excess levy may
be made except that the election does not affect the tax levy in the calendar year in
which the election is held~~ determined under this section:

1. If the park district general fund levy in the previous taxable year was less than
ninety-eight percent of the statewide average, the board of park commissioners
may levy an amount in mills not exceeding the statewide average.
2. If the park district general fund levy in the previous taxable year was ninety-eight
percent or more of the statewide average, the board of park commissioners may
levy an amount in mills not exceeding the amount of the park district general fund
levy in mills in the previous year adjusted by the consumer price index. A levy
under this subsection may not exceed forty mills on the dollar of taxable valuation
of property in the park district.
3. The board of park commissioners may levy up to any specific number of mills for
general fund purposes which upon resolution of the board of park commissioners
has been submitted to and approved by a majority of the qualified electors of the
park district voting upon the question at any park district election. The question of
authorizing or discontinuing levy authority under this subsection must be submitted
to the qualified electors of the park district at the next park district election upon
resolution of the board of park commissioners or upon filing with the board of park
commissioners of a petition bearing the signatures of qualified electors of the park
district equal in number to twenty percent of the qualified electors of the park
district as determined by the number of votes cast in the most recent park district
election.
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~~ annually levy 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~~ Levying a tax to establish a public recreation system in accordance with section 40-55-09 and a park district 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~~ Levying 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. ~~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.

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

57-15-27.2. Abandoned cemetery tax levies. The governing body of any county may levy a tax, ~~not exceeding one-tenth of one mill on the dollar of the taxable valuations of the county, in addition to all levies now authorized by law,~~ within the general fund levy authority of

section 57-15-06 for the purpose of defraying the expenses incurred in the maintenance of abandoned cemeteries as provided by section 23-06-30.

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

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

1. A political subdivision levying a tax for the control of pests in accordance with section 4-33-11 may levy a tax not exceeding one mill.
2. A political subdivision, except a school district, city, county, or park district, levying a tax for an insurance reserve fund according to section 32-12.1-08 may levy a tax not exceeding five mills.
3. A political subdivision, except a school district, levying a tax for the payment of a judgment in accordance with section 32-12.1-11 may levy a tax not exceeding five mills.
4. A political subdivision, except a city, levying a tax for railroad purposes in accordance with section 49-17.2-21 may levy a tax not exceeding four mills.
5. A political subdivision, except a school district, county, or city, levying a tax for old-age and survivors' insurance according to section 52-09-08 may levy a tax not exceeding thirty mills.
- ~~6. A county levying a tax for comprehensive health care insurance employee benefit programs in accordance with section 52-09-08 may levy a tax not exceeding four 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 57-15-53 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,~~

1 ~~the~~ The governing body of any city may levy taxes annually, ~~not exceeding the limitation in~~
2 ~~subsection 24 of section 57-15-10 within the general fund levy authority of section 57-15-08, for~~
3 the purpose of providing additional funds to meet the operational, maintenance, and
4 construction costs of establishing stations for police protection services and correctional
5 facilities. The proceeds of this levy ~~must~~ may be placed in a separate fund known as the police
6 station and correctional facility fund. ~~No levy may be made under this section during any period~~
7 ~~in which the moneys to the fund equal or exceed an amount equal to the sum that would be~~
8 ~~produced by a levy of ten mills upon the taxable valuation of the city making the levy.~~

9 **SECTION 24. AMENDMENT.** Section 57-15-60 of the 1995 Supplement to the North
10 Dakota Century Code is amended and reenacted as follows:

11 **57-15-60. Authorization of tax levy for programs and activities for handicapped**
12 **persons - Elections to authorize or remove the levy - Handicapped person programs and**
13 **activities.**

- 14 1. The board of county commissioners of any county ~~is hereby authorized to~~ may levy
15 a tax, or if no levy is made by the board of county commissioners, the governing
16 body of any city or park district in the county ~~is authorized to~~ may levy a tax, in
17 addition to all levies now authorized by law, for the purpose of establishing or
18 maintaining programs and activities for handicapped persons, including
19 recreational and other leisure-time activities and informational, health, welfare,
20 transportation, counseling, and referral services. If the tax authorized by this
21 section is levied by the board of county commissioners, any existing levy under this
22 section by a city or park district in the county is void for subsequent taxable years.
23 The removal of the levy is not subject to the requirements of subsection 3. This tax
24 may not exceed the limitation in subsection 33 of section 57-15-06.7 ~~and,~~
25 subsection 29 of section 57-15-10, or subsection 5 of section 57-15-12.2. The
26 proceeds of the tax must be kept in a separate fund and used exclusively for the
27 public purposes provided for in this section. This levy is in addition to any moneys
28 expended by the board of county commissioners pursuant to section 11-11-65 or
29 by the governing body of any city or park district pursuant to section 40-05-20.
- 30 2. The levy authorized by this section may be used to fund an intergovernmental
31 program under a joint powers agreement pursuant to chapter 54-40, but may not

be used to defray any expenses of any organization or agency until the organization or agency is incorporated under the laws of this state as a nonprofit corporation and has contracted with the board of county commissioners or the governing body of the city or park district in regard to the manner in which the funds will be expended and the services will be provided. An organization or agency that receives funds under this section must be reviewed or approved annually by the board of county commissioners or the governing body of the city or park district to determine its eligibility to receive funds under this section.

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

SECTION 25. AMENDMENT. Section 61-04.1-26 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 26. REPEAL. Subsections 12 and 14 of section 57-15-10 of the North Dakota Century Code and subsections 18, 19.1, 20, and 21 of section 57-15-06.7 of the 1995 Supplement to the North Dakota Century Code are repealed.

1 **SECTION 27. Transition.** For purposes of determining "statewide average" under
2 sections 57-15-06, 57-15-08, and 57-15-12 for taxable year 1997, this section applies.

- 3 1. To determine "statewide average" for counties there must be totaled and averaged
4 for all counties the number of mills levied in taxable year 1996 for the general fund
5 under section 57-15-06, insurance reserve fund under section 32-12.1-08, social
6 security and comprehensive health care insurance under section 52-09-08,
7 veterans' service officer under section 57-15-06.4, correction center under section
8 57-15-06.6, advertising under section 57-15-10.1, abandoned cemeteries under
9 section 57-15-27.2, and weather modification under section 61-04.1-26.
- 10 2. To determine "statewide average" for cities there must be totaled and averaged for
11 all cities the number of mills levied in taxable year 1996 for the general fund under
12 section 57-15-08, insurance reserve fund under section 32-12.1-08, employee
13 pensions under section 40-46-02, employee social security under section
14 40-46-26, planning commission under section 40-48-07, railroads under section
15 49-17.2-21, social security under section 52-09-08, advertising under section
16 57-15-10.1, forestry under section 57-15-12.1, police stations under section
17 57-15-53, and cemeteries under 57-15-27.1.
- 18 3. To determine "statewide average" for park districts there must be totaled and
19 averaged for all park districts the number of mills levied in taxable year 1996 for the
20 general fund under section 57-15-12, insurance reserve fund under section
21 32-12.1-08, employee health care program under section 40-49-12, a public
22 recreation system under section 40-55-09 including any additional levy approved
23 by the electors, forestry purposes under section 57-15-12.1 except any additional
24 levy approved by the electors, and facilities under section 57-15-12.3.
- 25 4. The amount levied under each section listed in subsections 1 through 3, including
26 any growth factor allowed under section 57-15-01.1 or predecessor law, as levied
27 by the county, city, or park district for taxable year 1996 is the amount that must be
28 used under this section.

29 **SECTION 28. EFFECTIVE DATE.** Except as otherwise provided in this Act, this Act is
30 effective for taxable years beginning after December 31, 1996. However, this Act is suspended

Fifty-fifth
Legislative Assembly

- 1 from effectiveness during the time Senate Bill No. 2022, as enacted by the fifty-fifth legislative
- 2 assembly, is effective.