

Sixtieth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1276

Introduced by

Representatives Koppelman, Froelich, Owens

Senators Dever, Wanzek

1 A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota  
2 Century Code, relating to limitation of property tax increases; and to provide an effective date.

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

4 **SECTION 1.** A new section to chapter 57-15 of the North Dakota Century Code is  
5 created and enacted as follows:

#### 6 **Limitation on levies by taxing districts - Exceptions.**

- 7 1. Notwithstanding any other provision of law, property taxes in dollars levied by a  
8 taxing district may not exceed by more than two percent the amount levied in  
9 dollars by that taxing district on any parcel of taxable property in that taxing district  
10 in the preceding taxable year except:
- 11 a. If improvements to property have been made which were not taxable in the  
12 previous taxable year, the additional taxable valuation attributable to the  
13 improvements is taxable without regard to the limitation under this subsection.
- 14 b. If a property tax exemption existed in the previous taxable year which has  
15 been reduced or does not exist, the portion of the taxable valuation of the  
16 property which is no longer exempt is not subject to the limitation in this  
17 subsection.
- 18 c. If temporary mill levy increases authorized by the electors of the taxing district  
19 or mill levies authorized by state law existed in the previous taxable year but  
20 are no longer applicable or have been reduced, the amount levied in dollars in  
21 the previous taxable year by the taxing district must be adjusted to reflect the  
22 expired temporary mill levy increases and the reduced or eliminated mill levies  
23 authorized by state law before the two percent increase allowable under this  
24 subsection is applied.

d. If the property was not in the taxing district in the preceding taxable year.

2. The limitation under subsection 1 does not apply to:

a. New or increased mill levies authorized by state law or by the electors of the taxing district which did not exist in the previous taxable year.

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

3. The mill rate of the taxing district applied to property that was not taxed in the previous taxable year may not exceed the mill rate of the taxing district determined by law for the current taxable year for property that was taxed in the previous taxable year.

4. The provisions of this section may not be superseded by any provision of a home rule charter, ordinance, or resolution but may be superseded upon approval by a majority vote of electors of the taxing district voting on the question at any regular or special election of the taxing district. The question of approval of excess levy authority by the electors may be placed on the ballot at any regular or special election of the taxing district by a majority vote of the governing body of the taxing district.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2006.