

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2199

That the Senate accede to the amendments adopted by the House as printed on pages 1357-1360 of the House Journal and pages 1281-1284 of the Senate Journal and that Reengrossed Senate Bill No. 2199 be further amended as follows:

Page 1, line 2, after "57-15-01.1" insert ", section 57-15-01.2,"

Page 1, line 3, after "grants" insert "and levy limitations for taxing districts", after "sections" insert "57-02-11, 57-12-05, 57-13-04,", and after "57-15-14" insert a comma

Page 1, line 5, after "districts" insert "and property assessment restrictions"

Page 1, after line 6, insert:

"SECTION 1. AMENDMENT. Section 57-02-11 of the North Dakota Century Code is amended and reenacted as follows:

57-02-11. Listing of property - Assessment thereof - Limitations. Property must be listed and assessed as follows:

1. All real property subject to taxation must be listed and assessed every year with reference to its value, on February first of that year.
2. Notwithstanding any other provision of law, the taxable valuation of real property may not be increased by more than three percent from its taxable valuation from the previous taxable year unless:
 - a. Improvements have been made on the property which were not subject to assessment in the previous taxable year, in which case the taxable valuation of the property, without the improvements, from the previous taxable year may not be increased by more than three percent and the taxable valuation of the improvements may be added. For purposes of this subdivision, "taxable valuation of the improvements" means the value determined by comparison with taxable valuation of comparable property; or
 - b. The classification of the property has changed from the previous taxable year.
3. Whenever after the first day of February and before the first day of April in any year, it is made to appear to the assessor by the oath of the owner that any building, structure, or other improvement, or tangible personal property, which is listed for taxation for the current year has been destroyed or injured by fire, flood, or tornado, the assessor shall investigate the matter and deduct from the valuation of the property of the owner of such destroyed property an amount which in the assessor's judgment fairly represents such deduction as should be made.
4. The governing body of a city or county may not supersede this section under home rule authority.

SECTION 2. AMENDMENT. Section 57-12-05 of the North Dakota Century Code is amended and reenacted as follows:

57-12-05. Requirements to be followed in equalization of individual assessments. The county board of equalization, when equalizing individual assessments, shall observe the following rules:

1. The valuation of each tract or lot of real property which is returned below its true and full value must be raised to the sum believed by such board to be the true and full value thereof.
2. The valuation of each tract or lot of real property which, in the opinion of the board, is returned above its true and full value must be reduced to such sum as is believed to be the true and full value thereof.
3. The board may not make any adjustment in taxable valuation of property which would exceed the limitations of subsection 2 of section 57-02-11.

SECTION 3. AMENDMENT. Section 57-13-04 of the North Dakota Century Code is amended and reenacted as follows:

57-13-04. General duties and powers of board. The state board of equalization shall equalize the valuation and assessment of property throughout the state, and has power to equalize the assessment of property in this state between assessment districts of the same county, and between the different counties of the state. It shall:

1. Equalize the assessment of real property by adding to the aggregate value thereof in any assessment district in a county and in every county in the state in which the board may believe the valuation too low, such percentage rate as will raise the same to its proper value as provided by law, and by deducting from the aggregate assessed value thereof, in any assessment district in a county and every county in the state in which the board may believe the value too high, such percentage as will reduce the same to its proper value as provided by law. City lots must be equalized in the manner provided for equalizing other real property.
2. In making such equalization, add to or deduct from the aggregate assessed valuation of lands and city lots such percentage as may be deemed by the board to be equitable and just, but in all cases of addition to or deduction from the assessed valuation of any class of property in the several assessment districts in each county and in the several counties of the state, or throughout the state, the percentage rate of addition or deduction must be even and not fractional.
3. In equalizing individual assessments:
 - a. If it believes an assessment to be too high, the board may reduce the assessment on any separate piece or parcel of real estate if the taxpayer has appealed such assessment to the board either by appearing personally or by a representative before the board or by mail or other communication to the board in which the taxpayer's reasons for asking for the reduction are made known to the board. The board does not have authority to reduce an assessment until the taxpayer has established to the satisfaction of the board that the taxpayer had first appealed the assessment to the local equalization board of the taxing district in which the property was assessed and to the county board of equalization of the county in which the property was assessed.
 - b. If it believes an assessment to be too low, the board may increase the assessment on any separate piece or parcel of real estate. The secretary of the board, by mail sent to the last-known address of the

owner to whom the property was assessed, shall notify such person of the amount of increase made by the board in such assessment.

- c. The percentage of reduction or increase made by the board under this subsection in any assessment must be a whole-numbered amount and not a fractional amount.
- 4. The board may not make any adjustment in taxable valuation of property which would exceed the limitations of subsection 2 of section 57-02-11."

Page 1, after line 16, insert:

"**SECTION 5.** Section 57-15-01.2 of the North Dakota Century Code is created and enacted as follows:

57-15-01.2. Limitation on levies by taxing districts.

- 1. Notwithstanding that a taxing district may have unused or excess levy authority under any other provision of law, this section limits that authority. This section may not be interpreted as authority to increase any levy limitation otherwise provided by law and may be applied only to limit any unused or excess levy authority that a taxing district may otherwise be entitled to use. Property taxes levied in dollars by a taxing district against a parcel of property may not exceed the amount the taxing district levied in dollars against that parcel of property in the preceding taxable year by more than three percent, except:
 - a. When improvements to property have been made which were not taxable in the previous taxable year, the additional taxable valuation attributable to the improvements is taxable without regard to the limitation under this subsection but the limitation on the taxable valuation of the improvements under subdivision a of subsection 2 of section 57-02-11 applies to those improvements.
 - b. When a property tax exemption existed in the previous taxable year which has been reduced or does not exist, the portion of the taxable valuation of the property which is no longer exempt is not subject to the limitation in this subsection.
 - c. When temporary mill levy increases authorized by the electors of the taxing district or mill levies authorized by state law existed in the previous taxable year but are no longer applicable or have been reduced, the amount levied in dollars in the previous taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increases and the reduced or eliminated mill levies authorized by state law before the percentage increase allowable under this subsection is applied.
 - d. For a school district, the amount levied in dollars in the previous taxable year by the school district must be adjusted to reflect any increase or decrease determined for the school district under section 4 of this Act.
- 2. The limitation on the total amount levied by a taxing district under subsection 1 does not apply to:
 - a. New or increased mill levies authorized by state law or 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.
 - c. Levies for a building fund or capital improvements.
 - d. Levies for fire protection, law enforcement, or emergency services.
 - e. Budget expenditures for substantial equipment purchases for infrastructure maintenance, repair, or construction such as road equipment, mowers, equipment for collection of solid waste, and similar equipment but not including office or computer equipment.
- 3. The mill rate applied to property that was not taxed in the previous taxable year may not exceed the mill rate determined by law for the current taxable year for property that was taxed in the previous taxable year.
- 4. Application of this section may be suspended and additional levy authority approved for a taxing district for up to four taxable years upon approval by a majority of the qualified electors of the taxing district voting on the question at a regular or special election of the taxing district. A taxing district may not expend funds of the taxing district to promote voter approval of a ballot measure under this subsection.
- 5. The governing body of a city or county may not supersede this section under home rule authority."

Page 6, line 12, replace ", 2, and 3" with "through 8"

Renumber accordingly