

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2199

Page 1, line 2, after "54-15-01.1" 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,", 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 and one-half 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 and one-half 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. Notwithstanding any other provision of law, the true and full value for residential and commercial property must be based on a five-year rolling average of market value of those properties as determined by the sales, market, and productivity study for the locality where the property is located.
4. 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."

Page 1, after line 16, insert:

"SECTION 3. 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 may not exceed the amount the taxing district levied in dollars in the preceding taxable year by more than three and one-half 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 1 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 irrepealable 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 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.

Page 6, line 12, replace ", 2, and 3" with "through 5"

Renumber accordingly