

(Return in triplicate)

FISCAL NOTE

ENGROSSED

Bill/Resolution No.: _____

Amendment to: HB 1053

Requested by: Legislative Council

Date of Receipt: 4-19-83

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

The present method of calculating maximum property tax levies that can be made by counties and cities expires with the 1982 levy (due January 1, 1983). For years beginning in 1983 cities and counties will be faced with returning to the former mill levy limitations which would reduce their property tax revenue because the mill levy limits are below the present levies. HB 1053 as amended provides that the temporary legislation passed in 1981 be continued and that cities and counties continue with the levy limits much as they were in 1981 and 1982.

If this bill is enacted, as amended, the estimated fiscal effect for the 1983-85 biennium is as follows:

State Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
+\$1,628,000	+\$1,077,000	+\$1,742,000	+\$1,141,000	+\$3,370,000	+\$2,218,000

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name C. William Cudworth

Date prepared: 4-19-83

Department TAX 

1053

flat

That the Senate recede from its amendments and that engrossed House Bill No. 1053 be further amended as follows:

On page 1 of the engrossed bill, line 3, after the first semicolon insert the words "to create and enact a new subsection to section 17 and a new subsection to section 18 of Senate Bill No. 2047, as approved by the forty-eighth legislative assembly, relating to mill levy limitations which apply to school districts; and to amend and reenact section 57-15-14 of the North Dakota Century Code as amended by Senate Bill No. 2047, as approved by the forty-eighth legislative assembly, relating to school district excess mill levies;"

On page 1 of the engrossed bill, delete lines 9 through 28 and insert in lieu thereof the following:

"Protection of taxpayers and taxing districts. Each taxing district, with the exception of school districts, may levy the amount in dollars as certified in the budget by the governing body, the percentage increase as allowed under subsection 2 more than the amount levied in dollars in the prior year, or the amount levied in dollars in the prior year plus an amount equal to the sum determined by application of any mill levies authorized by law but not levied in the taxing district for the prior year plus any mill levies specifically authorized by the electors of that taxing district but not levied for the prior year in that taxing district, whichever is less, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts provided in this section.
2. A taxing district may elect to levy six percent more in 1983 than the amount levied in dollars in 1982 and may elect to levy six percent more in 1984 than the amount levied in dollars in 1983. The governing body of the taxing district must specifically approve by resolution the levy of the additional percentage and any increase of four percent or more for 1983 or 1984 must be approved by sixty percent of the governing body. Before adding the increase, the dollar amount levied in the prior year which is used as a base amount shall be:

- a. Reduced by an amount equal to the sum determined by the application of the mill levies for that taxing district to the final taxable valuation of any property which is removed from the assessment rolls of that taxing district after the prior year but was included in the assessment for the prior year.
 - b. Increased by an amount equal to the sum determined by the application of the mill levies for that taxing district to the taxable valuation of any taxable property which was not taxable in the prior year or was omitted from the assessment rolls for that year but which is included in the assessment for the current year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
3. A taxing district may levy an amount in dollars equal to the amount levied in the prior year reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district plus an amount equal to the sum determined by the application of any mill levies authorized by law but not levied by the governing body of the taxing district for the prior year and any mill levies specifically authorized by the electors of that taxing district but not levied for the prior year to the taxable valuation of the taxable property in that taxing district. A taxing district electing to increase its levy under this subsection may not add the percentage increase permitted by this section to the amount levied pursuant to this subsection.
4. 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 after the effective date of this Act, but the percentage increase over the prior year's levies authorized by this section shall not be applied to any increase authorized by this subsection."

On page 2 of the engrossed bill, delete lines 1 through 18

On page 2 of the engrossed bill, underscore lines 19 through 29

On page 2 of the engrossed bill, line 30, underscore the word "to", delete the words "the Fargo", underscore the word "school", and delete the words "district or to any school district in" and insert in lieu thereof the word "districts."

On page 2 of the engrossed bill, delete lines 31 and 32

On page 2 of the engrossed bill, underscore lines 33 and 34

On page 3 of the engrossed bill, underscore lines 1 and 2

On page 3 of the engrossed bill, after line 2, insert the following new sections:

"SECTION 2. A new subsection to section 17 of Senate Bill No. 2047, as approved by the forty-eighth legislative assembly, is hereby created and enacted to read as follows:

Any increase in the levy for the purposes provided for in this section which exceeds an amount in mills equal to two-thirds or more of the difference between the amount levied for those purposes the prior year and the maximum levy permitted under this section must be approved by sixty percent of the members of the school board by resolution.

SECTION 3. A new subsection to section 18 of Senate Bill No. 2047, as approved by the forty-eighth legislative assembly, is hereby created and enacted to read as follows:

Any increase in the levy for the purposes provided for in this section which exceeds an amount in mills equal to two-thirds or more of the difference between the amount levied for these purposes the prior year and the maximum levy permitted without electorate approval pursuant to section 57-15-14 must be approved by sixty percent of the members of the school board by resolution.

SECTION 4. AMENDMENT. Section 57-15-14 of the North Dakota Century Code as amended by Senate Bill No. 2047, as approved by the forty-eighth legislative assembly, is hereby amended and reenacted to read as follows:

57-15-14. Tax levy limitations in school districts. The Subject to the provisions of subsection 3, the aggregate amount levied each year for the purposes listed in section 18 of this Act by any school district, except the Fargo school district, shall not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of seventy mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:

- a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the electors voting upon the question at any regular or special school district election.
 - b. There shall be no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand according to the last federal decennial census, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the electors voting upon the question at any regular or special school election.
 3. Any school district may increase its levy for the purposes listed in section 18 of Senate Bill No. 2047, as approved by the forty-eighth legislative assembly, by at least six percent in 1983 from the amount levied in dollars in 1982 and six percent more in 1984 from the amount levied in dollars in 1983. In addition, any school district whose electorate has approved a specified levy for prior years and which district did not levy up to the authorized level of that specified levy, may levy the difference between the levy authorized and the amount levied the preceding year for that purpose in addition to the maximum levy allowable under section 57-15-14 as amended by Senate Bill No. 2047, as approved by the forty-eighth legislative assembly.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district shall be submitted to the electorate at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census shall be required. However, not fewer than twenty-five signatures shall be required unless the district has fewer than twenty-five electors, in which case the petition shall be

signed by not less than twenty-five percent of the electors of the district. In those districts with fewer than twenty-five electors, the number of electors in the district shall be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority shall not affect the tax levy in the calendar year in which the election is held. The election shall be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy."

And renumber the lines, subsections, sections, and pages accordingly