

HOUSE BILL NO. 1365

Introduced by

Representatives Kunkel, Maragos, R. Kelsch

1 A BILL for an Act to amend and reenact sections 57-15-01.1 and 57-15-14 of the North Dakota
2 Century Code, relating to school district tax levies; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 57-15-01.1 of the 1995 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **57-15-01.1. (Effective for first ~~four~~ two taxable years beginning after**
7 **December 31, 1994 1996) Protection of taxpayers and taxing districts.** Each taxing district
8 may levy the lesser of the amount in dollars as certified in the budget of the governing body, or
9 the amount in dollars as allowed in this section, subject to the following:

- 10 1. No taxing district may levy more taxes expressed in dollars than the amounts
11 allowed by this section.
- 12 2. For purposes of this section:
 - 13 a. "Base year" means the taxing district's taxable year with the highest amount
14 levied in dollars in property taxes of the three taxable years immediately
15 preceding the budget year; and
 - 16 b. "Budget year" means the taxing district's year for which the levy is being
17 determined under this section.
- 18 3. A taxing district may elect to levy two percent more in taxable year 1995 and two
19 percent more in taxable year 1996 than the amount levied in dollars in the base
20 year and for taxable years 1997 and 1998 may elect to levy the amount levied in
21 dollars in the base year. Any levy under this section must be specifically approved
22 by a resolution approved by the governing body of the taxing district. Before
23 determining the levy limitation under this section, the dollar amount levied in the
24 base year must be:

- 1 a. Reduced by an amount equal to the sum determined by application of the
2 base year's mill rate for that taxing district to the final base year taxable
3 valuation of any property that is not included in the assessment for the budget
4 year but was included in the assessment for the base year. However, no
5 reduction may be made under this section due to the exemption of the
6 personal property of railroads by enactment of House Bill No. 1396 by the
7 fifty-fourth legislative assembly.
- 8 b. Increased by an amount equal to the sum determined by the application of the
9 base year's mill rate for that taxing district to the final budget year taxable
10 valuation of any property that was not included in the assessment for the base
11 year but which is included in the assessment for the budget year.
- 12 c. Reduced to reflect expired temporary mill levy increases authorized by the
13 electors of the taxing district.
- 14 4. A taxing district may levy an amount in dollars equal to the amount levied in any of
15 the previous three years reduced to reflect expired temporary mill levy increases
16 authorized by the electors of the taxing district and increased by an amount equal
17 to the sum determined by the application of any unused mill levy authority from that
18 year, which was authorized by law or by the electors of that taxing district but not
19 levied for that year, to the budget year taxable valuation of the taxable property in
20 that taxing district. A taxing district electing to increase its levy under this
21 subsection may not add any amount permitted by subsection 3 to the amount
22 levied under this subsection.
- 23 5. In addition to any other levy limitation factor under this section, a taxing district may
24 increase its levy in dollars to reflect new or increased mill levies authorized by the
25 legislative assembly or authorized by the electors of the taxing district.
- 26 6. Under this section a taxing district may supersede any applicable mill levy
27 limitations otherwise provided by law, or a taxing district may levy up to the mill
28 levy limitations otherwise provided by law without reference to this section, but the
29 provisions of this section do not apply to the following:
30 a. Any irrepealable tax to pay bonded indebtedness levied pursuant to
31 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.

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. The limitation on the amount that may be levied by a taxing district under this section does not apply to school districts.~~

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.

- 1 3. A taxing district may elect to levy the amount levied in dollars in the base year.
2 Any levy under this section must be specifically approved by a resolution approved
3 by the governing body of the taxing district. Before determining the levy limitation
4 under this section, the dollar amount levied in the base year must be:
 - 5 a. Reduced by an amount equal to the sum determined by application of the
6 base year's calculated mill rate for that taxing district to the final base year
7 taxable valuation of any taxable and exempt property that is not included in
8 the taxing district for the budget year but was included in the taxing district for
9 the base year.
 - 10 b. Increased by an amount equal to the sum determined by the application of the
11 base year's calculated mill rate for that taxing district to the final budget year
12 taxable valuation of any taxable or exempt property that was not included in
13 the taxing district for the base year but which is included in the taxing district
14 for the budget year.
 - 15 c. Reduced to reflect expired temporary mill levy increases authorized by the
16 electors of the taxing district.
- 17 4. A taxing district may levy an amount in dollars equal to the amount levied in any of
18 the previous three years reduced to reflect expired temporary mill levy increases
19 authorized by the electors of the taxing district and increased by an amount equal
20 to the sum determined by the application of any unused mill levy authority from that
21 year, which was authorized by law or by the electors of that taxing district but not
22 levied for that year, to the budget year taxable valuation of the taxable property in
23 that taxing district. A taxing district electing to increase its levy under this
24 subsection may not add any amount permitted by subsection 3 to the amount
25 levied under this subsection.
- 26 5. In addition to any other levy limitation factor under this section, a taxing district may
27 increase its levy in dollars to reflect new or increased mill levies authorized by the
28 legislative assembly or authorized by the electors of the taxing district.
- 29 6. Under this section a taxing district may supersede any applicable mill levy
30 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 not apply to the following:

- a. Any irrevocable 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.

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. The limitation on the amount that may be levied by a taxing district under this section does not apply to school districts.~~
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.

SECTION 2. AMENDMENT. Section 57-15-14 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-15-14. Tax levy limitations in school districts.

1. ~~The~~ Except as provided in this section, the aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may 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 one two hundred eighty-five mills on the dollar of the taxable valuation of the district; except that. Except as provided in this section, any school district levying two hundred mills may levy an additional five percent of the amount in dollars which the school district levied for the prior school year.

4. 2. 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 qualified electors voting upon the question at any regular or special school district election.

b. There is 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 qualified electors voting at any regular or special election upon such question.

~~2-~~ 3. In any school district having a total population of less than four thousand, 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 qualified electors voting upon the question at any regular or special school election.

~~3-~~ 4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state foundation aid payments provided in sections 15-40.1-06 through 15-40.1-08 because of the deduction required in subsection 3 of section 15-40.1-06, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of ~~one~~ two hundred ~~eighty-five~~ mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in subsection 3 of section 15-40.1-06 to the increased assessed valuation of the school district in a one-year period.

5. The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the

1 filing with the school board of a petition containing the signatures of qualified
2 electors of the district equal in number to twenty percent of the number of persons
3 enumerated in the school census for that district for the most recent year such
4 census was taken, unless such census is greater than four thousand in which case
5 only fifteen percent of the number of persons enumerated in the school census is
6 required. However, not fewer than twenty-five signatures are required unless the
7 district has fewer than twenty-five qualified electors, in which case the petition must
8 be signed by not less than twenty-five percent of the qualified electors of the
9 district. In those districts with fewer than twenty-five qualified electors, the number
10 of qualified electors in the district must be determined by the county superintendent
11 for such county in which such school is located. However, the approval of
12 discontinuing either such authority does not affect the tax levy in the calendar year
13 in which the election is held. The election must be held in the same manner and
14 subject to the same conditions as provided in this section for the first election upon
15 the question of authorizing the mill levy.