

HOUSE BILL NO. 1380

Introduced by

Representatives Bellew, Dockter, Kasper, B. Koppelman, Paulson

Senators Clemens, O. Larsen

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 limitations on property tax levies by taxing districts without voter
3 approval; to amend and reenact subsection 4 of section 15.1-27-04.1 of the North Dakota
4 Century Code, relating to the determination of school district state aid payments; and to provide
5 an effective date.

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

7 **SECTION 1. AMENDMENT.** Subsection 4 of section 15.1-27-04.1 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 4. After determining the product in accordance with subsection 3, the superintendent of
10 public instruction shall:

11 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
12 school district, except the amount in dollars subtracted for purposes of this
13 subdivision may not exceed the previous year's amount in dollars subtracted for
14 purposes of this subdivision by more than ~~twelvethree~~ percent or the percentage
15 increase approved by sixty percent of the qualified electors of the school district
16 pursuant to subsection 3 of section 2 of this Act; and

17 b. Subtract an amount equal to seventy-five percent of all revenues listed in
18 paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred
19 percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of
20 subsection 1.

21 **SECTION 2.** A new section to chapter 57-15 of the North Dakota Century Code is created
22 and enacted as follows:

1 **Limitation on levies by taxing districts without voter approval.**

- 2 1. Notwithstanding that a taxing district may have unused or excess levy authority under
3 any other provision of law, this section supersedes and limits that authority. For
4 purposes of this section, "taxing district" means any political subdivision empowered to
5 levy taxes. This section may not be interpreted as authority to increase any property
6 tax levy authority otherwise provided by law and must be applied to limit any property
7 tax levy authority to which a taxing district may otherwise be entitled. Property taxes
8 levied in dollars by a taxing district may not exceed the amount the taxing district
9 levied in dollars in the preceding taxable year by more than three percent, except:
- 10 a. When property and improvements to property which were not taxable in the
11 preceding taxable year are taxable in the current year, the amount levied in
12 dollars in the preceding taxable year by the taxing district must be increased for
13 purposes of this section to reflect the taxes that would have been imposed
14 against the additional taxable valuation attributable to that property at the mill rate
15 applied to all property in the preceding taxable year.
- 16 b. When a property tax exemption existed in the preceding taxable year which has
17 been reduced or no longer exists for the current taxable year, the amount levied
18 in dollars in the preceding taxable year by the taxing district must be increased
19 for purposes of this section to reflect the taxes that would have been imposed
20 against the portion of the taxable valuation of the property which is no longer
21 exempt at the mill rate applied to all property in the preceding taxable year.
- 22 c. When property that was taxable in the preceding taxable year is not taxable for
23 the current taxable year, the amount levied in dollars in the preceding taxable
24 year by the taxing district must be reduced for purposes of this section by the
25 amount of taxes that were imposed against the taxable valuation of that property
26 in the preceding taxable year.
- 27 d. When a temporary mill levy increase, excluding an increase under this section,
28 authorized by the electors of the taxing district or mill levy imposition authority
29 under state law existed in the previous taxable year but is no longer applicable or
30 has been reduced, the amount levied in dollars in the previous taxable year by
31 the taxing district must be adjusted to reflect the expired temporary mill levy

- 1 increase and the eliminated or reduced mill levy under state law before the
2 percentage increase allowable under this subsection is applied.
- 3 2. The limitation on the total amount levied by a taxing district under subsection 1 does
4 not apply to:
- 5 a. New or increased property tax levy authority that was not available to the taxing
6 district in the preceding taxable year, including property tax levy authority
7 provided by state law or approved by the electors of the taxing district.
- 8 b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of
9 article X of the Constitution of North Dakota. Any tax levied for this purpose must
10 be excluded from the mill rate applied under subdivisions a through c of
11 subsection 1.
- 12 c. The one-mill levy for the state medical center authorized by section 10 of article X
13 of the Constitution of North Dakota. Any tax levied for this purpose must be
14 excluded from the mill rate applied under subdivisions a through c of
15 subsection 1.
- 16 d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,
17 authorized by section 57-15-26.8.
- 18 e. Taxes or special assessments levied to pay the principal and interest on any
19 obligations of any political subdivision, including taxes levied for deficiencies in
20 special assessment and improvement district funds and revenue bond and
21 reserve funds.
- 22 f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for
23 a special improvement project by general taxation.
- 24 g. Taxes levied under sections 40-24-10, 40-43-01, 57-15-41, and 61-21-52.
- 25 3. A levy exceeding the percentage increase limitation under subsection 1 may be
26 imposed upon approval of a ballot measure, stating the percentage of the proposed
27 property tax levy increase percentage compared to the percentage limitation under
28 subsection 1, by sixty percent of the qualified electors of the taxing district voting on
29 the question at a regular or special election of the taxing district. A levy exceeding the
30 percentage increase limitation under subsection 1 may be approved by electors for not
31 more than one taxable year at a time.

1 4. A city or county may not supersede or modify the application of the provisions of this
2 section under home rule authority.

3 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
4 December 31, 2019.