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Sixty-ninth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2378

Introduced by

Senator Weber

A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to limitations on taxing district budgets without voter approval; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-15 of the North Dakota Century Code is created and enacted as follows:

Limitation on taxing district budgets without voter approval.

1. Notwithstanding that a taxing district may have unused or excess levy authority under any other provision of law, this section supersedes and limits that authority. This section may not be interpreted as authority to increase any property tax levy authority otherwise provided by law and must be applied to limit the growth of a taxing district's budget. The governing body of a taxing district may not exceed the final budget of that taxing district in the preceding taxable year by more than the consumer price index, subject to the following:
   a. When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current taxable year, the final budget of the taxing district in the previous taxable year must be increased for purposes of this section to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year.
   b. When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the final budget of the taxing district in the preceding taxable year must be increased for purposes of this section to reflect the taxes that would have been imposed against the portion

of the taxable valuation of the property which is no longer exempt at the mill rate applied to all property in the preceding taxable year.

c. When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the final budget of the taxing district in the preceding taxable year must be reduced for purposes of this section by the amount of taxes that were imposed against the taxable valuation of that property in the preceding taxable year.

d. When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the previous taxable year but is no longer applicable or has been reduced, the final budget of the taxing district in the previous year for purposes of this section must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied.

2. A taxing district budget exceeding the percentage increase limitation under subsection 1 may be adopted by the taxing district upon approval of a ballot measure, stating the proposed budget increase percentage compared to the percentage limitation under subsection 1, by at least two-thirds of the qualified electors of the taxing district voting on the question at a statewide primary or general election. A budget exceeding the percentage increase limitation under subsection 1 may be approved by electors for not more than one taxable year at a time.

3. For purposes of this section:

a. "Consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.

b. "Taxing district" means any political subdivision empowered to levy taxes.

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

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2024.