

SENATE BILL NO. 2378

Introduced by

Senator Weber

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 taxing district budgets without voter approval; and to
3 provide an effective date.

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

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

7 **Limitation on taxing district budgets without voter approval.**

8 1. Notwithstanding that a taxing district may have unused or excess levy authority under
9 any other provision of law, this section supersedes and limits that authority. This
10 section may not be interpreted as authority to increase any property tax levy authority
11 otherwise provided by law and must be applied to limit the growth of a taxing district's
12 budget. The governing body of a taxing district may not exceed the final budget of that
13 taxing district in the preceding taxable year by more than the consumer price index,
14 subject to the following:

15 a. When property and improvements to property which were not taxable in the
16 preceding taxable year are taxable in the current taxable year, the final budget of
17 the taxing district in the previous taxable year must be increased for purposes of
18 this section to reflect the taxes that would have been imposed against the
19 additional taxable valuation attributable to that property at the mill rate applied to
20 all property in the preceding taxable year.

21 b. When a property tax exemption existed in the preceding taxable year which has
22 been reduced or no longer exists for the current taxable year, the final budget of
23 the taxing district in the preceding taxable year must be increased for purposes of
24 this section to reflect the taxes that would have been imposed against the portion

- 1 of the taxable valuation of the property which is no longer exempt at the mill rate
2 applied to all property in the preceding taxable year.
- 3 c. When property that was taxable in the preceding taxable year is not taxable for
4 the current taxable year, the final budget of the taxing district in the preceding
5 taxable year must be reduced for purposes of this section by the amount of taxes
6 that were imposed against the taxable valuation of that property in the preceding
7 taxable year.
- 8 d. When a temporary mill levy increase, excluding an increase under this section,
9 authorized by the electors of the taxing district or mill levy imposition authority
10 under state law existed in the previous taxable year but is no longer applicable or
11 has been reduced, the final budget of the taxing district in the previous year for
12 purposes of this section must be adjusted to reflect the expired temporary mill
13 levy increase and the eliminated or reduced mill levy under state law before the
14 percentage increase allowable under this subsection is applied.
- 15 2. A taxing district budget exceeding the percentage increase limitation under
16 subsection 1 may be adopted by the taxing district upon approval of a ballot measure,
17 stating the proposed budget increase percentage compared to the percentage
18 limitation under subsection 1, by at least two-thirds of the qualified electors of the
19 taxing district voting on the question at a statewide primary or general election. A
20 budget exceeding the percentage increase limitation under subsection 1 may be
21 approved by electors for not more than one taxable year at a time.
- 22 3. For purposes of this section:
- 23 a. "Consumer price index" means the percentage change in the consumer price
24 index for all urban consumers in the midwest region as determined by the United
25 States department of labor, bureau of labor statistics, for the most recent year
26 ending December thirty-first.
- 27 b. "Taxing district" means any political subdivision empowered to levy taxes.
- 28 4. A city or county may not supersede or modify the application of the provisions of this
29 section under home rule authority.

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