

**HOUSE BILL NO. 1353**

Introduced by

Representatives Koppelman, Toman, Kasper, Dressler, Steiner, Schatz, VanWinkle

Senators Powers, Walen

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; and to 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 levies by taxing districts without voter approval.**

8 1. a. Notwithstanding that a taxing district may have unused or excess levy authority  
9 under any other provision of law, this section supersedes and limits that authority.  
10 This section may not be interpreted as authority to increase any property tax levy  
11 authority otherwise provided by law and must be applied to limit any property tax  
12 levy authority to which a taxing district may otherwise be entitled. Property taxes  
13 levied in dollars by a taxing district may not exceed the amount the taxing district  
14 levied in dollars in the preceding taxable year by more than the consumer price  
15 index, but not to exceed three percent, except:

16 (1) When property and improvements to property which were not taxable in the  
17 preceding taxable year are taxable in the current year, the amount levied in  
18 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  
20 imposed against the additional taxable valuation attributable to that property  
21 at the mill rate applied to all property in the preceding taxable year.

22 (2) When a property tax exemption existed in the preceding taxable year which  
23 has been reduced or no longer exists for the current taxable year, the  
24 amount levied in dollars in the preceding taxable year by the taxing district

1 must be increased for purposes of this section to reflect the taxes that would  
2 have been imposed against the portion of the taxable valuation of the  
3 property which is no longer exempt at the mill rate applied to all property in  
4 the preceding taxable year.

5 (3) When property that was taxable in the preceding taxable year is not taxable  
6 for the current taxable year, the amount levied in dollars in the preceding  
7 taxable year by the taxing district must be reduced for purposes of this  
8 section by the amount of taxes that were imposed against the taxable  
9 valuation of that property in the preceding taxable year.

10 (4) When a temporary mill levy increase, excluding an increase under this  
11 section, authorized by the electors of the taxing district or mill levy  
12 imposition authority under state law existed in the preceding taxable year  
13 but is no longer applicable or has been reduced, the amount levied in  
14 dollars in the preceding taxable year by the taxing district must be adjusted  
15 to reflect the expired temporary mill levy increase and the eliminated or  
16 reduced mill levy under state law before the percentage increase allowable  
17 under this subsection is applied.

18 b. If the actual percentage increase in property taxes levied in dollars by a taxing  
19 district compared to the property taxes levied in the preceding taxable year is  
20 less than the percentage increase limitation under subdivision a, the taxing  
21 district may carry forward the excess percentage increase to any of the three  
22 succeeding taxable years up to a combined total of an amount equal to double  
23 the percentage increase limitation under subdivision a in any one taxable year.  
24 The taxing district may not accumulate unused excess percentage increases  
25 beyond the three taxable year period and the unused excess percentage  
26 increase must be used in the order it was accumulated. Excess percentage  
27 increases may not be used to increase the percentage increase limitation under  
28 subdivision a more than once.

29 2. The limitation on the total amount levied by a taxing district under subsection 1 does  
30 not apply to:

- 1           a. New or increased property tax levy authority that was not available to the taxing  
2           district in the preceding taxable year, including property tax levy authority  
3           provided by state law or approved by the electors of the taxing district.
- 4           b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of  
5           article X of the Constitution of North Dakota. Any tax levied for this purpose must  
6           be excluded from the mill rate applied under paragraphs 1 through 3 of  
7           subdivision a of subsection 1.
- 8           c. The one-mill levy for the state medical center authorized by section 10 of article X  
9           of the Constitution of North Dakota. Any tax levied for this purpose must be  
10          excluded from the mill rate applied under paragraphs 1 through 3 of subdivision a  
11          of subsection 1.
- 12          d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
13          authorized by section 57-15-26.8.
- 14          e. Taxes or special assessments levied to pay the principal and interest on any  
15          obligations of any political subdivision, including taxes levied for deficiencies in  
16          special assessment and improvement district funds and revenue bond and  
17          reserve funds.
- 18          f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
19          a special improvement project by general taxation.
- 20          g. Taxes levied under sections 40-24-10, 40-43-01, and 57-15-41, and chapter  
21          61-16.1.
- 22          3. A levy exceeding the percentage increase limitation under subsection 1 may be  
23          imposed upon approval of a ballot measure, stating the percentage of the proposed  
24          property tax levy increase percentage compared to the percentage limitation under  
25          subsection 1, by at least sixty percent of the qualified electors of the taxing district  
26          voting on the question at a statewide primary or general election. A levy exceeding the  
27          percentage increase limitation under subsection 1 may be approved by electors for not  
28          more than one taxable year at a time.
- 29          4. A city or county may not supersede or modify the application of this section under  
30          home rule authority.
- 31          5. For purposes of this section:

- 1           a. "Consumer price index" means the percentage change in the consumer price  
2           index for all urban consumers in the midwest region as determined by the United  
3           States department of labor, bureau of labor statistics, for the most recent year  
4           ending December thirty-first.
- 5           b. "Excess percentage increase" means the difference between the percentage  
6           increase limitation under subdivision a of subsection 1 for a taxable year and the  
7           actual percentage increase in property taxes levied in dollars by a taxing district  
8           in the taxable year compared to the preceding taxable year.
- 9           c. "Taxing district" means any political subdivision empowered to levy taxes.

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