

FISCAL NOTE
Requested by Legislative Council
04/13/2015

Amendment to: SB 2144

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed SB2144 contains the recommendations of the Governor's Task Force on Property Reform. For counties, 34 levies are combined, 20 repealed, 16 not changed. For cities, 40 levies are combined, 8 repealed, and 17 not changed. For townships, 17 levies are combined, 7 repealed, and 7 not changed.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

For counties, cities, townships, and other political subdivisions other than school districts, levies are combined into new categories and certain levies are repealed. For example, for counties, 16 separate levies are combined into a general fund category with a new limit of 60 mills. For cities, 26 separate levies are combined into a general fund category with a new limit of 105 mills. Consolidations of mill levies into new categories have no fiscal impact. The new limits proposed for certain levies will have no immediate fiscal impact to political subdivisions unless they would otherwise exceed the proposed limit. The mill levy changes take effect for taxable years beginning after December 31, 2014. For political subdivisions in excess of the proposed limit in taxable year 2015, a phase-in period allows the same number of mills to be levied in taxable year 2016. Beginning with taxable year 2017, the political subdivision is allowed to exceed the new limit by 75 percent of the previously levied excess mills. For taxable year 2018, the limit may be exceeded by 50 percent of the previously levied excess mills and for taxable year 2019, the limit may be exceeded by 25 percent. Local levies are affected by local budget needs and changes in taxable valuation. Because local budget decisions are not known and taxable valuation changes will vary by political subdivision, it is not possible to determine the potential fiscal impact. In addition, the proposed 4 year phase in period allows for any potential fiscal impact to be mitigated over the phase in period. The amendments to the bill do not change the proposed levy consolidations or limitations and have no fiscal impact.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Joe Morrisette

Agency: Tax Department

Telephone: 701-328-3033

Date Prepared: 04/13/2015

FISCAL NOTE
Requested by Legislative Council
02/17/2015

Amendment to: SB 2144

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Name: Joe Morrisette

Agency: Tax Department

Telephone: 701-328-3033

Date Prepared: 02/18/2015

FISCAL NOTE
Requested by Legislative Council
01/08/2015

Bill/Resolution No.: SB 2144

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

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Name: Joe Morrisette

Agency: Tax Department

Telephone: 701-328-3033

Date Prepared: 01/12/2015

2015 SENATE FINANCE AND TAXATION

SB 2144

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2144
1/21/2015
Job Number 22280

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alicia Grove

Explanation or reason for introduction of bill/resolution:

Relating to consolidation and revision of provisions governing property tax levy authority.

Attachments #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18

Chairman Cook called the hearing on SB2144 to order, and asked Senator Unruh, prime sponsor, to introduce the bill.

Senator Jessica Unruh, State Senator, District 33. (Attachment #1)

Rep. Jerry Kelsh, District 26. As we all know, property taxes: how to lower them, how to make them more transparent and how to reform them has been a big issue. Senator Dotzenrod and I were made aware of this bill and I am here to add my voice in support of the bill and the things they are trying to do.

Chairman Cook -- I want to echo Rep. Kelsh's comments. We all know what an issue property taxes have been in the last 2 or 3 sessions. It's a very contentious issue. I commend the governor for implementing the task force.

Ryan Rauschenberger, Office of State Tax Commissioner (Attachment #2)

Senator Triplett -- You said that the people at the table and in the tax reform process did an in-depth analysis showing which political subdivisions were using which mill levies and such, but then in the fiscal note which was prepared by Mr. Morrisette from your office, it says "because local budget decisions are not known and taxable values changes will vary by political subdivision, it is not possible to determine the potential fiscal impact. I'd like you to reconcile those 2 statements. There must be some sense of potential fiscal impact in a general sense, if not specific by county. Can you address that?"

Ryan Rauschenberger -- As mentioned, in the fiscal note it's difficult to determine what the political subdivisions will do. It's purely based on their budgets. It does not necessarily mean that it will have any budget impact immediately. There are some phase-in pieces of

language in this statute that will allow a phase-in of some of the caps but at this point it is difficult to determine, by each political subdivision, if it will have a direct impact in this biennium.

Jack Dalrymple, Governor of North Dakota

I served as the chairman of the task force for nearly 2 years. I am probably the one person that is familiar with all of discussion that went on in each of these small topics along the way. I think it is important that you understand some of the rational that went into some of these things. The devil is in the details and we are going to take on the devil directly this morning. Governor Dalrymple went through the Bill Summary for Property Tax Reform, beginning with Section 1 through Section 110. **(Attachments, 3,4,5,6,7,8) (meter 11:00 - 1:30:20).**

Chairman Cook -- That bill came out of the interim committee, this started in the House.

Governor Dalrymple -- There is a bill out there on this topic and that bill may govern in the end what policy you ultimately adopt on this but the task force did feel that there is a bit of a flaw in these additional 8 mills today can be assessed if a fire district has 25% of their electors petition or show up at a meeting and vote, by majority, to assess an additional 8 mills. The feeling was that isn't quite enough voter participation and so we are recommending that the additional 8 mills in the future be enacted by a mill ballot election.

Governor continues with Section 25.

Chairman Cook -- As we work through this, I'm sure that you and your staff will be available to answer questions. Questions for the governor?

Governor Dalrymple -- In summary, as a task force we believe that it is a major improvement in our property tax system. It does provide more clarity. More discipline, in many ways and a greater opportunity to compare taxing practices of comparable political subdivisions. We feel those are all very worthwhile.

Further testimony in support

Linda Svihovec, McKenzie County Auditor (Attachment #9)

Urge a do pass on SB2144

Michael Montplaisir, Cass County Auditor (Attachment #10)

Urge support of bill.

Mark Johnson, North Dakota Association of Counties

We want to go on record in support of SB2144. I need to emphasize that we have communicated this information thoroughly with county commissioners because they are the ones that ultimately have to make the decisions. There were a lot of compromises and it has become a milestone in terms of property tax reform.

Blake Crosby, Executive Director, North Dakota League of Cities (Attachment #11)

Asks a do pass on SB2144.

Larry Syverson, Chairman Township Survivors Roseville Township, Executive Secretary of North Dakota Townships Officers Association

NDTOA does support this goal of simplifying property tax.

James Kramer, Director, Dickinson Parks & Recreation and Past President of North Dakota Recreation and Parks Association. (Attachment #12)

Encourages a do pass on SB2144.

Jon Godfread, Greater North Dakota Chamber of Commerce (Attachment #13)

Urge support of SB2144.

Testimony opposed to SB2144?

Allen Klein, Chief of Bismarck Rural Fire Department (Attachment #14)

Testimony not specifically against the entire bill but the portion that would require rural fire districts that are operating on more than 5 mills to hold an election every 5 years to maintain their level of funding.

Senator Bekkedahl -- How many full-time fire fighters you are currently employed in your district?

Allen Klein -- We have 5. I am the 6th full-time employee of our district and I'm in the process of hiring 4 more. Ten full-time. What is your annual revenue and your annual expenditures?

Allen Klein -- Our annual budget, roughly, up until 2015, was about \$800,000.00. We did budget in 2015 an additional quarter million dollars for the addition of the 4 additional full-time fire fighters. So, we're a little over a million dollar.

Senator Bekkedahl -- You are expending all of your incoming revenue from the 13 mills?

Allen Klein -- Correct. We hadn't hit 13 mills until the 2015 budget cycle.

Senator Bekkedahl -- How many facilities do you operate, separate stations?

Allen Klein -- Two.

Senator Laffen -- Do you have any idea of the population that you serve in that geographic area?

Allen Klein -- Yes, the best information we can get is about 18,000.

Chairman Cook -- Do you think the voters would vote down the mill levy if they knew that you were going to lay off fire fighters?

Allen Klein -- I can't imagine someone voting for that.

Robert Knuth, Assistant Chief Minot Rural Fire Department (Attachment #15)

Chairman Cook -- Is your building paid off?

Robert Knuth -- Yes.

Senator Laffen -- I'm surprised to hear that rural fire departments have full-time staff. Does yours also work that way?

Robert Knuth -- We are a combination department. We have one full-time person who is the chief of our department. We had been working with our district board to put a plan together to hire two full-time personnel to act as inspectors to boost up our available fire fighters during the day.

Senator Bekkedahl -- If that goes through you would have three full-time. Is that what I'm hearing?

Robert Knuth -- Yes, if it goes through. We are still in the baby steps of that process right now.

Senator Bekkedahl -- And your annual budget is 8.9 mills, but what is that dollar amount?

Robert Knuth -- Roughly, last year we asked for \$300,000.00

Senator Bekkedahl -- You are operating out of one station or two?

Robert Knuth -- We are operating out of one. That is also, along with the two, we are requesting the board to purchase some land for a north station.

Senator Oehlke -- The amount of money that you receive from the insurance premiums that are paid. Do you have a number?

Robert Knuth -- Last year it was approximately \$89,000.00 we received. This year it has dropped due to annexation of the city of Minot. Ours decreased approximately \$4,000.00.

Merlin Leithold, North Dakota Weed Control Association, & Weed Officer in Grant County (Attachment #16)
Partial opposition to SB2144.

Neutral testimony?

Matthew Remyse, Vice President, Airport Association of North Dakota (Attachment #17)

Patrick Dame, Executive Director, Grand Forks Regional Airport Authority (Attachment #18)

We are not against the bill. We are testifying from a neutral standpoint.

Chairman Cook -- Don't you think Larimore would just levy the 4 mills then?

Patrick Dame -- We do understand that would be the potential that goes in there. Not all airports, federally, are funded the same. GFK is the 22nd busiest airport in the country. We make up 1/3 of the state's total take-offs and landings. Our funding, federally, is based on the number of passengers that come through our terminal. We do have a world premium flight school at GFK and they do generate the bulk of our operation. There is some discrepancies in how the federal funds roll into airports in the state.

Chairman Cook closed the hearing on SB2144.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2144
1/26/2015
Job # 22539

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature *ramonson*

Explanation or reason for introduction of bill/resolution:

Minutes:

Chairman Cook brought the committee to order for committee work on SB 2144. He sat on the task force and said they had some issues with the airport authorities. They have two issues - one is a bonding.

The reason the fire districts are in here is because first they surfaced in the interim committee. Then the interim committee incorporated what they did into the Governor's task force bill. Current law, fire districts can increase their mills with a petition signed by 25% of the residents of the fire district. Interim committee found that needed to be fixed so the suggestion was to mirror a like district that had a mail policy already.

(03:00) There was discussion on the current 5 mils and raising that mil level. Complaints that the higher mil does not come off after the need is gone generates the discussion as to whether or not they should go back and revisit the issue.

(05:45) Bonding was discussed and Sen. Unruh was asked to get information for the committee clarifying renewal votes and bonding beyond capacity

(07:15) Sen. Triplet referred to sections 12 - 14 (pages 10-12) on noxious weed control program. She was unclear as to why the word noxious was removed in some places and not others. Sen. Unruh will research this also.

(10:02) Sen. Cook said those were the three issues from testimony (1) fire districts (2) airport authorities, and (3) noxious weeds.

(10:14) Sen. Oehlke spoke about tax dollars from insurance premiums that are paid in the districts that they encompass.

(15:15) Sen. Triplett wanted to know what happened to a medical facility if the county stopped supporting it for some reason in terms of potential bonding issues and if it was an issue for anybody. Sen. Cook thought Rugby was the only hospital district. Sen. Bekkedahl cited examples of counties that levy taxes for hospital support but didn't know if that was under this section.

(16:50) Sen. Triplett referenced section 79 regarding Park Districts and the Governor's comments that park districts were a big challenge - each individual district has its own cap set in 2000 so it's very unfair. She questioned why it is unfair. Sen. Cook said they were at the table and were onboard for the bill.

Sen. Cook adjourned the committee meeting.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2144
2/11/2015
Job #23626

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work.

Minutes:

Chairman Cook opened the committee work on SB2144.

Senator Dotzenrod -- John Walstad is working on my amendments. Basically the amendments are fairly simple. SB2144 repeals chapter 11-37 which is the commerce authority, and so what I do is put that commerce authority back in and take that repealer out but repeal, in it's place, the authority to impose up to a 4 mills of property tax. The commerce authority would stay on the books, under these amendments, but it would lose their authority to impose any taxes on property. The reason that I did that is that it's got everything to do with SB2276, the natural gas. There are things in that chapter, 11-37, that refer to building infrastructure. As a matter of fact, they even refer to natural gas, by name, in that chapter. That chapter was only created in 2011. No one has used it. If we take away their right to impose taxes on property, I think it could be one of those things that allows communities to talk to each other, to get together to create this authority, to use that authority for the provision of the law that allow them to work together. Also, if you take away their 4 mill levy authority that doesn't take away from them the right to use general taxing authority that they have under other provisions to provide revenue that they might need to make this work. I mentioned it to the governor yesterday and his first reaction was he didn't want to see us get into using the 4 mill levy, which at that time I assumed would stay in there. He generally thought it wasn't a bad idea except for the property tax part. There has been some communication since I talked to the governor with some other folks that have gone in and visited with him about this. My most recent contact was with Shane Goettle. He indicated that there were some communication going to the governor on this.

Chairman Cook -- When you get your amendments, will you share them with Senator Unruh. She is drafting the amendments. It's her bill. She is working on some other amendments. We will try to coordinate everything.

Senator Oehlke -- Senator Dotzenrod on SB2054, do you feel that one of the reasons for this amendment, relative to the technicians, would be that it puts some requirements on the

technicians of how much training they have to have? My feeling in looking through the bill, as an assessor and I want somebody to get me some information I could have them go do that without this.

Senator Dotzenrod -- I suppose there would have to be a private arrangement between them on compensation and who is going to pay for it and where the money will come from and what their rates would be. Since it is referred to in the century code and these assessors have the status that we grant to them by recognizing them, they have a sense of legitimacy and empowerment. Part of the problem we have is that some of these local assessors have felt that their work is not subject to being challenged. Because of the way they are set up in the law, I don't think that eventuality was really thought out very well in the way that we set up the relationship between the local assessors and the county directors. These amendments try to make it clear that they are in law, they have the status of being recognized and there is a standard there of the 24 hours of training and the requirement that they get recertified and have to do some currency training.

Chairman Cook -- I think when it comes to the work of assessors, there is some gathering of the data but I don't think it is as much as we think it is. It's done one time and it forms the property card that's supposed to be on file in the county office. Unfortunately, we have assessors that should be gathering that data that are not even doing that. For every piece of property that is assessed tax there needs to be and should be a property card on that property on file in a county office.

Senator Triplett -- I think Sen Dotzenrod has really hit the nail on the head though that in some counties it's apparently presumed that the township assessors report to the county assessor and take direction from them. In others, those township assessors are very sure that they are the final answer. It causes a lot of conflict. I think this is a really nice way of solving that issue.

Chairman Cook -- We will come back to that as soon as we get Linda down here.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2144
2/11/2015
Job #23671

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alison Grove

Explanation or reason for introduction of bill/resolution:

Committee work.

Minutes:

Attachments #1, #2

Chairman Cook opened the committee work on SB2144.

Senator Dotzenrod -- (Attachment #1) If you look at the bill and you look at the amendments, there's no way to tell what this does because what we have in the bill, if you look on page 2, line 2, of the bill, you will see "and 11-37 are being deleted". I am asking with these amendments to take that deletion out which is the commerce authority chapter. We are asking that we add to the bill a deletion of section 13 & 14 of that chapter. They are inserted there, 11-37-13, 11-37-14. The only way to really tell, for the members of the committee, is we really ought to have, a copy of the chapter in front of us. (meter1:59-3:34)

Senator Bekkedahl -- Here's how I think it is being used today: you have a water authority, called the RTS Water Authority, which is Ray, Tioga and now Stanley, which this allowed them to form the group together with those 3 entities and they are now a member of WAS but they want to keep their billing association together. Is that what this is doing?

Senator Dotzenrod -- The information that you just provided there, Senator Bekkedahl is new information for me; however, I did visit with Rep. Skarpol earlier today. He is the person who introduced the commerce authority in 2011. It was introduced because of the water project they were envisioning to try to get to Tioga and Ray and some of these other communities together. He told me that this section, this chapter, has never been used. I think it got introduced because they wanted to have it available to use if they needed it.

Senator Bekkedahl -- Since it has never been used, does it imperil anything existing right now by it being removed?

Senator Dotzenrod -- I think if we removed it right now, it would not imperil any projects, to my knowledge. (meter5:39-6:48).

Senator Triplett -- I am wondering if Senator Dotzenrod's amendment was possibly drafted after Senator Unruh's because the ones related to page 86 don't track. Maybe there's an order in which we have to do this to make it work.

Chairman Cook -- Senator Unruh do you have his amendments incorporated into yours?

Senator Unruh -- No, I do not, but I do believe they were drafted after mine.

Chairman Cook -- Senator Dotzenrod, I want to make sure I understand this, you are removing chapter 11-37 from the repealer and you are adding sections 13 & 14, chapter 11-37 to the repealer. So you only want to repeal those two chapters? I want to point out that 11-37-8 the commerce authority may borrow money and issue bonds, including refunding bonds in the form and upon the term as it may be determined, payable out of any revenues of the commerce authority. Where are they going to get their revenues?

Senator Dotzenrod -- If you follow that down, all the way...(meter8:33-9:20)

Chairman Cook -- I'm reading down here as fast as I can.

Senator Dotzenrod -- You should see a word, political subdivisions...

Chairman Cook -- I see the word political subdivision and they are talking about if there is a deficiency, there still has to be a revenue source for the bonds and I don't see anywhere in here where the political subdivision must give approval to the bonds. It just says the commerce authority may do it. That is my other concern. And the other thing I see is a section, I can't believe it's in here, 11-37-10 sales and use tax incentives; the elected governing body of a participating political subdivision may offer sales and use tax exemptions from sales and use taxes the participating political subdivision has imposed for....

Senator Dotzenrod -- Don't they currently have the right to put on a sales tax in their county?

Chairman Cook -- They cannot exempt anything. Local sales tax base and state sales tax base must be the same. That should have been corrected.

Senator Dotzenrod -- I asked John Walstad when I sent him the email to do these amendments, to take a look because I thought 13 & 14 would cover it but I said there may be some need to find other parts of it. (meter10:50-11:14)

Chairman Cook -- I'd like you to set these aside. I'd like to take care of Senator Unruh's so we know what they are. We will get hers, if we can amended on and then we will hold this over until Monday and we can do some work on this one.

Senator Unruh -- I have both amendments and a Christmas tree bill.

Chairman Cook -- Senator Dotzenrod, then your next amendments that you bring can be to the bill as amended so that they will fit in.

Senator Unruh -- If everybody has a copy of the amendments you can go straight to what is called page 5 of Christmas tree (**Attachment #2**)

(meter15:28)

Chairman Cook --We aren't having vote by mail anymore?

Senator Unruh -- The vote by mail section did raise some concerns with rural fire districts as we heard in testimony. That has also been removed, if you flip the page over to 20 & 21. That new language that outlines that outlines that process. It is also my intention to move that over into 2056 to address that concern there.

(Senator Unruh continues going through the amendment.)

(meter17:30)

Chairman Cook -- And what is chapter 18-10-07.1 that is taken out of the repeal on page 1 of the amendments?

Senator Unruh -- That is the mail ballot election for voter levy approval for rural fire districts.

Senator Dotzenrod -- I am puzzled that the townships would want to go from a 10 year period to a 5 year period. The process they are going to use to get if they want to continue that excess authority, is that just a standard election process, or do they have a mail in ballot?

Chairman Cook -- They all get together in a township town hall.

Senator Dotzenrod -- Annual meeting. Then 5 years is fine.

Senator Unruh -- It shouldn't increase any costs. It just allows them to make the decision more frequently. With that, I would move...

Chairman Cook -- No. We are going to wait until next Monday. We had, coming out of the interim, and this is an important issue we had in the interim, as far as mail order ballot and I thought that we had an interim bill. Can you tell me where that interim bill is yet? Is it alive in the House?

Senator Unruh -- Yes, it was changed. So they eliminated the mail ballot?

(Unidentified voice) You would have to get 50% of the voters in the district to petition.

Chairman Cook -- I want to talk to Hetland and find out what's happening. If possible, we should straighten out Senator Dotzenrod's amendments so we know what we are doing there and maybe we can get these put together into one set. We will talk about the ballot measure.

Chairman Cook closed the hearing.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB2144
2/16/2015
Job #23881

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alice Ghore

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Attachment #1, #2

Chairman Cook opened the committee work on SB2144

We are all going to be in and out this morning and afternoon. I want to go to 2144. You can hand your amendments out and we will wait until everybody's here before we pass that out.

Senator Dotzenrod -- I have some other amendments that we should consider for that bill.

Chairman Cook -- Let's go to yours first. I think I know what you want to do. You are amending the current section?

Senator Dotzenrod -- I'm not sure how this fits in here, on Section 23. **(Attachment #1)**

Senator Unruh -- The last line on the amendment says renumber accordingly. I'm wondering if that's not just where they are placed.

Chairman Cook -- So we can just look at two new sections?

Senator Unruh -- Yes.

Chairman Cook -- And you are trying to do what, Senator Dotzenrod?

Senator Dotzenrod -- The bill in its current form, repeals chapter 11-37 and really these amendments came as a result of a discussion with Shane Goettle about trying to keep 11-37 in law instead of repealing it. And then take out some of the things that may be considered issues with that chapter. The primary thing was to get the 4 mill levy authority out of there. If 11-37 came back, under the provisions of this amendment, it would be minus sections 13 & 14, which are the authority to levy mills. These amendments I have here came as a result of some negotiations between Senator Unruh and the tax department, or John Walstad, or Shane Goettle?

Senator Unruh -- Senator Dotzenrod had proposed to reinstate this option of having a commerce authority because it was originally taken out with 2144 in committee last week. I know he was working with Shane Goettle previous to that and so I approached Shane to see if I could work with him. I wasn't comfortable the way it was coming back into code previously so I thought if I sat down with him and Mr. Walstad that maybe we could come up with a version of this that I would be satisfied with. (meter5:28-8:36)

Senator Dotzenrod -- The information that I had about 2011 came from Shane Goettle, so I didn't do any research on it. He told me that and I repeated that to the committee. (meter 8:50-10:15). It seems a shame to repeal the chapter and then go back and try to come up with something that is very much like this and put it back in. We had the bill 2276. We didn't feel that we had the votes to pass 2276 so we put a study in its place. Not only are we killing 2276 but we are also going to take away one of the potential avenues to try to help solve the problem. It seems to me we are actually moving the football backwards, by removing something that has the potential to be helpful. I agreed with Shane Goettle, this is a tool that has been there for a while, if there are some worries about the taxing authority we could take that out and leave the rest of it there; and let it become part of the discussion in the interim committee and from there forward.

Chairman Cook -- Shane, you are a pretty popular guy. Senator Dotzenrod, a couple of comments, first off, 2144 is the governor's property tax reform bill. That's what I would like to see it stay. One of the best things in there, and I've read this whole chapter 37, and all I can say is I'm glad it was never used. I'm glad that it is being repealed. Again, this is a property tax bill and I think this is something that if it does have merit, it needs to find a different vehicle than 2144. Regarding the study that we put into it, I believe that is the right thing to do. We've got to start with the state perspective, as far as getting natural gas. It's a problem that we have to address. We've got to start looking state-wide, what the major suppliers can do, and after we figure out that solution, then we need to have some tools for local government, if needed. I would hope that we don't go down the road to adding this to the bill.

Senator Unruh, do you want to explain your amendment?

Senator Unruh -- Certainly. I apologize for not having a Christmas tree version this time around, but you could use your Christmas tree version from last time because they are very similar to the amendments that we chatted about last time. **(Attachment #2)** Those are the amendments.

Chairman Cook -- So as far as the rural fire districts, you have the election by mail ballot?

Senator Unruh -- Yes, the election by mail ballot is left in for rural fire districts. The way that it was previously.

Chairman Cook -- When we get 1056, we are going to have that discussion?

Senator Unruh -- Yes, we will have that discussion again with 1056.

Senator Unruh -- That is the confusing part of this whole ordeal: 1056 is a House bill that addresses very similar things, as SB2056. The rural fire districts portion of this bill is addressed in 1056. It will not be addressed in our 2056. That has passed. 1056 has passed the House. We will be seeing that over here. Both 1056 and 2056 are interim committee bills.

Chairman Cook -- Any questions on the amendments for 2144? We will come down after the floor session today and we will do the necessary motions to move 2144.

Senator Dotzenrod -- I think that, on these amendments that I offered, I believe that the governor's office has looked at these amendments and they are fine.

Chairman Cook -- Senator Dotzenrod, I've had conversations with the governor's office. We will just say, if the governor's office wants to influence what we do with these amendments, he is welcome to come down here and tell us.

Chairman Cook recessed the committee work on 2144 until after floor session in the afternoon.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2144
2/16/2015
Job #23921

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alicia Grove

Explanation or reason for introduction of bill/resolution:

Committee work.

Minutes:

Attachment #1, #2

Chairman Cook opened the committee work on SB2144.

We have 4 here. Senator Oehlke will be here as soon as he gets out of appropriations introducing his gaming tax bill. Senator Laffen had to go to the capitol grounds planning committee meeting. Here's Senator Oehlke. I'm not sure where Senator Triplett is, but let's go to 2144, Senator Unruh, you have some amendments.

Senator Unruh -- I had explained the amendments in their entirety this morning to the committee and we noticed that there was a bit of a shortfall with version 006 that was introduced to the committee this morning so 008 strikes the language from section 4 which will be introduced as an amendment to another bill. I could walk through all of the amendments again, but this is the same thing that we saw this morning, in addition to striking the language in section 4. **(Attachment #1)**

Chairman Cook -- So, there's nothing in 2144 dealing with airport authorities?

Senator Unruh -- There's still language dealing with airport authorities just no language dealing with the bonding regarding airport authorities. Section 5 and part of section 4 now address airport authorities.

Chairman Cook -- Do you want to move the amendments?

Senator Unruh -- I would move amendment 15.0509.01008 to SB2144.

Seconded by Senator Oehlke.

Chairman Cook -- Senator Dotzenrod, you had raised the question about getting a chapter back in here. I think its chapter 11-37. You can work on that with Mr. Walstad to find a place on 2276 that we've already passed out. That's where I would hope that it would go.

Senator Dotzenrod -- I could do that. Maybe there is a majority in the committee that wants to do what I proposed this morning, though. We should explore that just a bit, shouldn't we, or are we going to give up on that?

Chairman Cook -- I'd like to give up on that, but if you want to explore it, we've got time.

Senator Dotzenrod -- I'd like to see how the committee feels about doing this.

Chairman Cook -- Let's take care of the amendments that we have before us first.

Senator Dotzenrod -- One question: it says on page 19, line 16, after years, insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy", I haven't had time to fit that in, but what mill levy is that?

Senator Unruh -- That is under the fire protection part of the code. And I did pass out Christmas tree versions this time so you can see them in context.

Roll call vote on amendments 15.0509.01008. 5-0-2.

Chairman Cook -- Your amendments, Senator Dotzenrod, 01005. Go ahead and do your exploring.

Senator Dotzenrod -- I'm a little uncertain why 11-37 was repealed in 2144. It seems to be there are two possibilities, or maybe both.

Chairman Cook -- It was repealed because it has never been used.

Senator Dotzenrod -- I thought it was repealed because it had 4 mills in there.

Chairman Cook -- That too.

Senator Dotzenrod -- And that there was a desire in this bill to go through all the mills that are on the books and take those mills, consolidate them, group them together and ones that were unnecessary or not used, to get them out of there. I had assumed that if that mill levy authority hadn't been in there, this chapter probably would not have been repealed. It was repealed because it was 4 mills, my thinking. Isn't that why it got caught up in this?

Chairman Cook -- If it didn't have a mill levy, I don't think the chapter would have ever been written.

Senator Dotzenrod -- I don't know if we have authority, other authorities that exist, other taxing districts or political subdivisions that don't have mill levy authority.

Chairman Cook -- We looked at all the mill levy sections. We looked at how many are using them and we tried to consolidate them if we could and those that we couldn't consolidate we looked at to what degree they were being used or to what degree are they needed and necessary and those we repealed.

Senator Dotzenrod -- Because the thought on these amendments here is to leave that chapter in the century code and take the mill levy authority away. There are two ways to do that. You suggested an alternative way: just let the chapter be repealed and create a new commerce authority or call it utilities authority or some other name, but create that and just let the repeal go through. These amendments basically ask that we leave 11-37 on the books and take the mill levy authority away.

Chairman Cook -- Do you want to move them?

Senator Dotzenrod -- I can try that and see what happens. **(Attachment #2)** I move the amendments 15.0509.01005.

Senator Oehlke seconded.

Senator Dotzenrod -- The idea would be to have some structure, some platform, in the century code, that would allow the different subdivision that might be interested in natural gas financing or trying to promote its construction to have this be the authority under which that effort would take place.

Chairman Cook -- My suggestion was that if we can find a vehicle or a solution to help the natural gas issue that was in 2276 that you find another vehicle to do it and I would suggest 2276 is the perfect vehicle. I know that is out of the senate now so the work would have to be done in the House, but I think it is an issue that is a problem that everyone recognizes.

Senator Dotzenrod -- I'm sensing from my discussions with the chairman is that you are feeling that if we're going to do this, that the condition that this chapter is in, even with these amendments, isn't quite complete.

Chairman Cook -- You are being kind.

Senator Oehlke -- I don't know if there is an answer in the group around the table now but if this has been in existence and they've been able to do it and people have been wanting natural gas, why didn't somebody try to do it?

Senator Dotzenrod -- I think the answer to that is \$4 propane. The effort that's gone into this process was really triggered by \$4 propane. After that happened, there began to be some meetings, some people starting to say what can we do to see that places that need industrial or residential natural gas get together? (meter 9:50-10:35)

Chairman Cook -- The only place where you keep losing me is, if you look at a local effort, you want to find one that doesn't have any mill levy authority. If you want a local effort, I see a local expenditure of funds to do it. Where are they going to get the funds if they don't have a mill levy authority?

Senator Dotzenrod -- The amendments have, on the back page, up to 4 mills of the capital projects or improvements of the political subdivisions that are there.

Chairman Cook -- So they do still have a mill levy authority?

Senator Dotzenrod -- I think that the way the mill levy is structured is that if they can accept the guaranty and accept the money from the sponsoring political subdivisions.

Senator Bekkedahl -- In my looking over this, I think the most important part is on page 2, new section 9 of section 23, is the rights of exercising eminent domain and I can see where that would be important in these pipeline and projects that you are talking about.

Chairman Cook -- Eminent domain means you are buying the land at the price that a court determines you will pay for it. There, again, you are going to be expending money.

Senator Dotzenrod -- Eminent domain can really be a can of worms.

Chairman Cook -- But counties and cities have eminent domain power. I wouldn't want a commerce authority to have it.

Roll call vote on amendments 15.0509.01005. 1-4-2. Motion failed.

We have before us SB2144, as amended.

Senator Unruh moves a do pass on SB2144, as amended.

Seconded by Senator Oehlke

Roll call vote 5-0-2.

Carrier: Senator Unruh.

February 16, 2015

TV
2/16/15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 1, line 4, remove "subsection 8 of"

Page 1, line 5, remove "section 2-06-10,"

Page 4, remove lines 6 through 18

Page 5, line 11, remove the overstrike over "but"

Page 5, line 12, remove the overstrike over "~~this levy shall not apply to any city, township, or park district that already has an airport levy~~"

Page 5, line 12, remove "A"

Page 5, remove lines 13 through 19

Page 10, line 9, remove the overstrike over "noxious"

Page 10, line 11, after "control" insert "noxious"

Page 10, line 12, replace "grass" with "undesirable vegetation"

Page 19, line 14, after "electors" insert an underscored comma

Page 19, line 16, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy"

Page 62, line 10, replace "44.1-47-14" with "4.1-47-14"

Page 72, line 14, after the period insert "A township levy for roads approved by qualified electors of a township under this section before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval by electors of increased levy authority under this section may not be effective for more than five taxable years."

Page 73, line 28, replace "ten" with "five"

Page 73, line 31, replace "ten" with "five"

Page 87, line 13, replace "108" with "107"

Page 87, line 14, replace "109" with "108"

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 1, line 7, after the fourth comma insert "11-37-06, subsection 8 of section 11-37-08, sections"

Page 2, line 2, replace the first "chapters" with "chapter"

Page 2, line 2, remove "and 11-37"

Page 2, line 2, after "sections" insert "11-37-10, 11-37-13, 11-37-14,"

Page 18, after line 4, insert:

"SECTION 23. AMENDMENT. Section 11-37-06 of the North Dakota Century Code is amended and reenacted as follows:

11-37-06. Powers of political subdivisions in aid of a commerce authority.

A political subdivision creating or participating in a commerce authority may:

1. ~~Lend or donate money to the commerce authority.~~
2. Provide that all or a portion of the taxes or funds available to the political subdivision for economic development purposes be transferred or paid directly to the commerce authority.
- ~~3.2.~~ Cause water, sewer, drainage, or any other facilities that the political subdivision is authorized to provide to be furnished adjacent to or in connection with a project.
- ~~4.3.~~ Dedicate, sell, convey, or lease any of the political subdivision's interest in any property or grant easements, licenses, or any other rights or privileges therein to the commerce authority.
- ~~5.4.~~ Plan, dedicate, close, pave, install, grade, or regrade, to the extent allowed by title 24, streets, roadways, and walks from established streets or roads to a project.
- ~~6.5.~~ Aid and cooperate with the commerce authority in the planning, construction, or operation of a project.
- ~~7.6.~~ Enter agreements with the commerce authority regarding action to be taken by the political subdivision under this section.
- ~~8.7.~~ Establish the geographical boundaries of the commerce authority within or coextensive with the geographical boundaries of one or more of the participating political subdivisions.
- ~~9.8.~~ Establish the extent to which the financial incentives provided under this chapter will apply to the commerce authority.

Date: 2-16-15Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO 2144**

Senate Finance and Taxation Committee☐ SubcommitteeAmendment LC# or Description: 15.0509.01008

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____Motion Made By Sen. Unruh Seconded By Sen. Oehlke

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chairman Lonnie Laffen	AB		Senator Connie Triplett	AB	
Senator Brad Bekkedahl	✓				
Senator Dave Oehlke	✓				
Senator Jessica Unruh	✓				

Total (Yes) 5 No 0Absent 2Floor Assignment 0

If the vote is on an amendment, briefly indicate intent:

Date: 2-16-15Roll Call Vote #: 2

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2144**

Senate Finance and Taxation Committee☐ SubcommitteeAmendment LC# or Description: 15.0509.01005

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☒ Motion failed

Motion Made By Sen. Dotzenrod Seconded By Sen. Oehlke

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook		<input checked="" type="checkbox"/>	Senator Jim Dotzenrod	<input checked="" type="checkbox"/>	
Vice Chairman Lonnie Laffen	AB		Senator Connie Triplett	AB	
Senator Brad Bekkedahl		<input checked="" type="checkbox"/>			
Senator Dave Oehlke		<input checked="" type="checkbox"/>			
Senator Jessica Unruh		<input checked="" type="checkbox"/>			

Total (Yes) 1 No 4Absent 2

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-16-15Roll Call Vote #: 3

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO 2144**

Senate Finance and Taxation Committee☐ SubcommitteeAmendment LC# or Description: 15.0509.01008 Title .02000Recommendation: ☒ Adopt Amendment☒ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☒ As Amended☐ Rerefer to Appropriations☐ Place on Consent Calendar

Other Actions:

☐ Reconsider☐Motion Made By Sen Unruh Seconded By Sen. Oehlke

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	<input checked="" type="checkbox"/>		Senator Jim Dotzenrod	<input checked="" type="checkbox"/>	
Vice Chairman Lonnie Laffen	AB		Senator Connie Triplett	AB	
Senator Brad Bekkedahl	<input checked="" type="checkbox"/>				
Senator Dave Oehlke	<input checked="" type="checkbox"/>				
Senator Jessica Unruh	<input checked="" type="checkbox"/>				

Total (Yes) 5 No 0Absent 2Floor Assignment Sen. Unruh

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2144: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2144 was placed on the Sixth order on the calendar.

Page 1, line 4, remove "subsection 8 of"

Page 1, line 5, remove "section 2-06-10,"

Page 4, remove lines 6 through 18

Page 5, line 11, remove the overstrike over "but"

Page 5, line 12, remove the overstrike over "this levy shall not apply to any city, township, or park district that already has an airport levy"

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Page 10, line 12, replace "grass" with "undesirable vegetation"

Page 19, line 14, after "electors" insert an underscored comma

Page 19, line 16, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy"

Page 62, line 10, replace "44.1-47-14" with "4.1-47-14"

Page 72, line 14, after the period insert "A township levy for roads approved by qualified electors of a township under this section before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval by electors of increased levy authority under this section may not be effective for more than five taxable years."

Page 73, line 28, replace "ten" with "five"

Page 73, line 31, replace "ten" with "five"

Page 87, line 13, replace "108" with "107"

Page 87, line 14, replace "109" with "108"

Renumber accordingly

2015 HOUSE FINANCE AND TAXATION

SB 2144

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2144
3/17/2015
24986

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to consolidation and revision of provisions governing property tax levy authority; relating to consolidation and revision of provisions governing property tax levy authority of counties, cities, park districts, soil conservation districts, and various boards and commissions; relating to consolidation, revisions, and elimination of obsolete provisions relating to property tax levy.

Minutes:

Attachments #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

Chairman Headland: Opened hearing.

Senator Unruh: Introduced bill. Distributed testimony. See attachment #1. (Ended testimony at 4:50)

Representative Jerry Kelsh: We all know that transparency lowering property tax, reforming property tax, and making it more understandable has been the buzz word for the last two or three sessions. I'm here to lend my support and ask that you give positive consideration to SB 2144.

Ryan Rauschenberger, Tax Commissioner: Distributed testimony. See attachment #2. (Ended testimony at 7:27)

Representative Steiner: What will happen if mills to cents pass both and we have mills to cents plus this bill? Is there a conflict or will they ride together?

Ryan Rauschenberger: At this point I think we would have a major change on at least the face of the property tax bills when you go from mills to cents. In going from mills to cents on the property tax statement we would have to make that uniform across all 53 counties as we have with mills. I don't think they are necessarily in conflict but at this point we have not considered the conflicts between the two.

Governor Dalrymple: Distributed testimony. See attachment #3, 4, 5, 6, and 7. I know it's highly unusual for a governor to come in and be the explainer of a bill but in this situation as the chairman of the task force on property tax reform I am probably the one

person who has heard every argument on all sides, have been to every meeting, and been part of every discussion. I think I am the only one that can give you the full background on anything that you're wondering about. I appreciate the opportunity. The task force on property tax reform was put together because in spite of all the excellent property tax relief you provided we still were aware that our old system is basically a hodge podge of things put together over about a 50 year span. Many of the levy authorities we have in place are duplicative and many are not in use at all. There really has never been a comprehensive effort made to make sense out of the entire thing. We have over 200 property tax levying authorities on the books today. Many of them are not necessary. Everyone has agreed that making it a more streamlined system, making it more transparent and making it possible to make better comparisons between political subdivisions is an important goal regardless of how you may feel about the actual tax levels themselves. The members of the task force included myself, chairman of the respective tax committees of the house and senate at that time; Representative Belter and Senator Cook, two county auditors; Mike Montplaisir from Cass County and Linda Svihovec from McKenzie County who are probably two of the highest regarded county auditors in the state if not the two highly regarded, Loren DeWitz representing agricultural taxpayers, Blaine DesLauriers from Minot representing the home owner taxpayer, Hal Gershman from Grand Forks representing the business taxpayer, tax commissioner, and among the nonvoting members representing the various political subdivisions were Jon Godfread, Mark Johnson for counties, Blake Crosby for cities, James Kramer for parks, and Bill Wocken for city of Bismarck. All of these individuals were very knowledgeable of taxes in general but property taxes specifically. I think the value of having a group like this work for a year and a half on one subject is that those are the people who know the system and understand its strengths and weaknesses. Governor Dalrymple began to go through the attached Bill Summary.

Chairman Headland: (at 49:00) One of the concerns they expressed to the committee when we had the hearing was the cost of a mail ballot.

Governor Dalrymple: That is certainly a consideration. Governor continued with his testimony. Distributed additional testimony. See attachment #7.

Representative Mitskog: (at 1:08:30) In section 47 of the libraries, the amount of mills seems pretty low. Was that amount of mills based on averages in what cities were currently levying?

Governor Dalrymple: I believe this is the existing levy authority for libraries for mills. The fact that the total cannot be over four mills has been the norm. If the library needs more money I assume they are using some general fund authority to supplement that. I would have to look into to it to see but if they are using the library levy four mills is the statutory maximum. If the city got their first there may not be any room left for the county and that's never been changed. If the county got their first then they get the four mills. It's not a perfect policy. We would be happy to look at Wahpeton to see what specifically is going on there.

Governor Dalrymple: Governor continued with testimony.

Representative Steiner: (1:12:00) Can you explain how the voting works? Are they voting on the entire budget and each mill separately?

Governor Dalrymple: In the case of counties, there are a number of mill levies that are not consolidated. The statutory authority remains the same. In many of these paragraphs the anniversary is not seen in the bill whether it's the senior mill match or the veterans' service officer or the emergency operations levy and those types of things. In other cases where something is specifically in the bill it may require a renewal vote. That is usually the case when there's been some other alteration in the policy. We would have to break it down for you in total and show you the list of ones that require an anniversary vote versus those that do not. Governor continued with his testimony. Ended testimony 1:30:57.

Chairman Headland: There's a lot of information to absorb here and we appreciate you going through it so thoroughly.

Governor Dalrymple: My office and others are at your disposal to answer detailed questions you may have about a particular levy or anything else that's in the bill. I hope that we will be called on for that information.

Chairman Headland: Would that be Kayla as the contact?

Governor Dalrymple: Kayla is the lead person in my office. You know the people with the associations and they have good information as well.

Chairman Headland: Kayla, I may want your phone number.

Representative Froseth: Any mill levies that have been voted on and go past this date of December 2014, are they null and void or will they have to come under the provisions of these new chapters? If there was a mill levy increase approved by the voters two years ago is that null and void as of December 31?

Governor Dalrymple: No. It's very important that everybody understands that votes prior to December 31, 2014 may remain in effect for up to ten years. That's a long period of time. The political subdivision may very well decide they want to change it but that privilege is there. The task force felt pretty strongly that the main principle is to have some anniversary vote sometime in the future. There's really no rush to do that. These are levies put on by the voters and they are sacred. The idea is that at some point in time they may be revisited and that has an impact on the decision of the commission or the city council of whether or not they would submit that to a vote ten years from now because they will have to decide whether they can justify putting that question on the ballot again ten years from now.

Chairman Headland: Thank you governor. We will take testimony in support.

Linda Svihovec, McKenzie County Auditor: Distributed testimony. See attachment #8. Ended testimony at 1:37:58

Mike Montplaisir, auditor of Cass County: Distributed testimony. See attachment #9. Ended testimony at 1:41:21

Chairman Headland: Are you still living within 75 mills in Cass County?

Mike Montplaisir: Yes we are. Our levy right now is about 62-65, somewhere in there. We have an incredible valuation which allows us to do that.

Mark Johnson, North Dakota Association of Counties: Distributed testimony. See attachment #10. 1:43:45

Representative Froseth: Assuming this bill will pass and be signed by the governor; I see a lot of work for the Association of Counties and the League of Cities in informing the county auditors, county commissioners, and city councils in the updates. I see a lot of revision to our city ordinance code book. The counties and cities have a lot of work to do to get that information out. Are you planning ahead to get that done?

Mark Johnson: We've already begun to do some of that. The governor took the time to meet with the all of the cities individually and with all the auditors at their annual conferences to go through all of this. They are well aware of what is being proposed. They are in support of it. I believe they will do their due diligence to try and make this all fit.

Chairman Headland: Is this going to be able to work with your existing software or will it take significant upgrades?

Mark Johnson: I think the existing software providers or companies that provide the software have had discussions already and they feel they can accommodate some of the consolidations and eliminations of mill levy authorities then the blending of all of it together. There will need to be some work done.

Representative Mitskog: Has there been feedback from those counties that lie outside the norm? Is it a valuation that seems to put them in those outlying categories?

Mark Johnson: In the smallest counties there are some valuation issues because it's a declining valuation. In Adams County it's a matter of not good management. They are a city/county government and are unique to the rest of the state. They were the first county to take the city and county and blend it all together into one government. I don't think they've gone back and revisited how that should have been worked out. We've had conversations with them and they've indicated to us that they are going to do a revaluation of the properties and see where they fall. The other two counties will be able to fall into line.

Blake Crosby, North Dakota League of Cities: Distributed testimony. See attachment #11.

Representative Mitskog: When you looked at those cities that were outside the norm did you find any characteristics such as spending habits, valuations or anything that was common among those outlying cities that put them so far outside the averages?

Blake Crosby: It was valuation. We have some very small cities that contract with county for some of their basic services like snow removal. The particular city I am familiar with has a mill levy of 490 but one mill is worth only \$2.38. We looked at all of that. I believe that was the situation where we were talking about some very small cities.

Bill Wocken, City Administrator for the City of Bismarck: Distributed testimony. See attachment #12.

Larry Syverson, North Dakota Township Officers Association: Distributed testimony. See attachment #13. Ended testimony at 1:57:15

Chairman Headland: Is there further testimony in support? Is there any opposition? Seeing none we will close the hearing on SB 2144.

Written testimony submitted during the hearing but they did not testify; North Dakota Weed Control Association (attachment #14), Greater North Dakota Chamber (attachment #15), North Dakota Recreation and Park Association (attachment #16), and Garrison Diversion Conservancy District (attachment #17).

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2144
3/25/2015
25411

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Mary Brucher

Explanation or reason for introduction of bill/resolution:

A bill relating to consolidation and revision of provisions governing property tax levy authority; relating to consolidation and revision of provisions governing property tax levy authority of counties, cities, park districts, soil conservation districts, and various boards and commissions; relating to consolidation, revisions, and elimination of obsolete provisions relating to property tax levy.

Minutes:

Attachment #1

Chairman Headland: Referred to amendment 15.0509.02001. See attachment #1.

Emily Thompson, Legislative Council: Explained the amendments.

Chairman Headland: Has the senate acted on 1056?

Emily Thompson: Not that I'm aware of. I believe there were some amendments that were going to look at addressing a ten year grandfather clause also. Emily continued reviewing the amendment. There was language in that same fire district levy and it discussed voter approval by a mail ballot election that was overstruck. The following section was the new section of law outlining how a mail ballot election for voter approved excess fire levy would have been conducted that was removed. HB 1056 is also looking at changing moving away from a mail ballot election. Current law says you have to take a petition and have signatures of 20% of the electors of that fire district to improve an increased levy authority. That levy authority extends indefinitely which was one of the issues flagged by the property tax taskforce and the interim taxation committee to address some kind of deadline on these excess levy authorities and not to just let that continue out indefinitely. One of the options was this mail ballot election which was placed in this bill but upon discussion and testimony from many of the different fire districts there was some concern of whether or not that would be burdensome so this mail ballot election was removed from this bill as it is assumed it will be addressed in 1056. Now in 1056 they are looking at possibly doing a vote at the fire districts annual meeting.

Representative Steiner: Could we be assured that if they're going to be voting at their fire district meeting they are expecting 50% of the taxpayers coming in to approve this levy?

Emily Thompson: There have been multiple ideas. Now we have the 20% petition, 50% approval has been considered and also a majority vote at an annual meeting.

Chairman Headland: We will more than likely end up in a conference committee over that so it doesn't need to be addressed in this bill.

Emily Thompson: Continued reviewing the amendment. Senate bill 2206 is relating to the Department of Human Services assuming certain costs of the social service programs that are currently assumed by the county now through property tax. If the Department of Human Services would take over those county human service costs that would be the condition on which the maximum would no longer be 20 mills. Should that go through it would be 20 mills until something would happen to change that such as the Department of Human Services assuming those costs for the county social services.

Representative Mitskog: On page 42 section 55 line 24 it has to do with planning commissions and says, "The expenditures of the planning commission, exclusive of gifts..." What do they mean by gifts?

Emily Thompson: I'm not familiar with what gifts that would entail so I will check on this and get back to you.

Representative Froseth: I would think they could receive gifts of parcels of lots or land within city or county limits that would be subject to zoning requirements and such.

Representative Klein: Made a motion to adopt the amendment 15.0509.02001.

Representative Haak: Seconded.

Voice vote: Motion carried.

Representative Steiner: Made a motion for a do pass as amended.

Representative Klein: Seconded.

Roll call vote: 14 yes 0 no 0 absent

Motion carried.

Chairman Headland will carry this bill.

3/25/15

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2144

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", and section 18-10-07.1"

Page 1, line 4, remove "2-06-14,"

Page 1, line 5, remove "2-06-15,"

Page 4, remove lines 6 through 30

Page 9, line 25, overstrike "certify to" and insert immediately thereafter "request from"

Page 9, line 26, after "commissioners" insert "the levy of"

Page 15, line 13, overstrike "certificate and"

Page 15, line 13, after "statement" insert "and levy request"

Page 18, line 29, replace "five" with "ten"

Page 18, line 30, remove ". Upon"

Page 18, remove line 31

Page 19, line 1, remove "conducted as provided in section 18-10-07.1"

Page 19, remove lines 21 through 31

Page 20, remove lines 1 through 30

Page 21, remove lines 1 and 2

Page 62, line 20, after "exceeding" insert "the lesser of"

Page 62, line 20, after "mills" insert "or the limitation as determined under section 11-23-01"

Page 86, line 27, replace "107" with "104"

Page 86, line 28, replace "108" with "105"

Renumber accordingly

Date: 3-25-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2144

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0509.02001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Klein Seconded By Rep. Haak

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote = Motion carries.

Date: 3-25-15
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2144

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations

☐ Place on Consent Calendar

Other Actions: ☐ Reconsider

☐ _____

Motion Made By Rep. Steiner Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK	✓	
VICE CHAIRMAN OWENS	✓		REP STRINDEN	✓	
REP DOCKTER	✓		REP MITSKOG	✓	
REP TOMAN	✓		REP SCHNEIDER	✓	
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD	✓				
REP KLEIN	✓				
REP KADING	✓				
REP TROTTIER	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Headland

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2144, as engrossed: Finance and Taxation Committee (Rep. Headland, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2144
was placed on the Sixth order on the calendar.

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", and section 18-10-07.1"

Page 1, line 4, remove "2-06-14,"

Page 1, line 5, remove "2-06-15,"

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Page 62, line 20, after "mills" insert "or the limitation as determined under section 11-23-01"

Page 86, line 27, replace "107" with "104"

Page 86, line 28, replace "108" with "105"

Renumber accordingly

2015 TESTIMONY

SB 2144

#1
1-21-15

Testimony for Senate Bill 2144
Senator Jessica Unruh, District 33

Senate Bill 2144 comes to you as a result of work completed by the Governor's Task Force on Property Tax Reform, which was represented by property taxpayers and authorities from local tax jurisdictions. This task force was charged with evaluating the system of assessing and collecting taxes by locally elected officials. All 200 mill levies authorized by all political subdivisions, other than school districts, were researched and analyzed to understand the process and use of levies to assess and collect property taxes for funding of local government services.

While I was not a member of this task force, I followed the tax force's work closely while serving as a member of the interim Taxation committee and as vice-chair of the Advisory Commission on Intergovernmental Relations, where other aspects of the property tax system were studied extensively. In addition to my studies during the interim, I also serve as a supervisor on the Mercer County Soil Conservation District Board. This exposure to local government has allowed me to see first-hand some of the reforms that are needed within our system. There are many layers of funding to our local governments, and this complicated nature proves it very difficult to get a true financial picture.

Senate Bill 2144 simplifies, consolidates, and creates transparency to our property tax system. It repeals 40 levies, some being created before statehood that have not been used in decades. It creates transparency through anniversary votes of the people to ensure taxpayers understand and support the dollars they are spending.

Other major features of the bill include fewer separate levies and funds by consolidating 50 levies, creating more flexibility and facilitating the prioritization of spending. Mill levy limits are proposed to improve discipline. Timelines and processes are clarified that are used by local political subdivisions to assess and finalize property valuations and develop operating budgets.

Lastly, this bill will lead to a more transparent system that is easier for the tax payer to understand. Major categories of spending have been identified for the political subdivisions so the taxpayer can see how much of their tax bill is being dedicated for specific uses such as the general fund, roads and bridges, human services and capital

1.2
1-21-15

projects. This allows for a meaningful comparison between political subdivisions, like cities of similar size, or two similar counties with a common border.

Extensive dialogue and input was sought throughout this process from stakeholder groups such as the Association of Counties, League of Cities, Township Officers Association, Parks, County Auditors and the business community, most of whom you will hear from today. For almost two years, the Task Force wrestled with the input, analyzing each political subdivision's current and historical levies and, as a result, created the legislation before you, which was unanimously approved by the Task Force. More detailed information regarding the ins and outs of the bill will be presented to you in further testimony this morning. I appreciate your consideration.



#2

SB 2144 Testimony
SENATE FINANCE AND TAXATION COMMITTEE
SENATOR COOK, CHAIRMAN
January 21, 2015
Prepared by Ryan Rauschenberger, Tax Commissioner

Chairman Cook, members of the committee, for the record my name is Ryan Rauschenberger with the Office of State Tax Commissioner.

I am a member of the Task Force on Property Tax reform. I am here today in support of SB 2144. Over the course of many monthly meetings during the interim the Task force analyzed all 200 mill levies in statute relating to cities, counties, townships, park districts and other political subdivisions. The analysis led to opportunities for consolidating a number of mill levies and eliminating unnecessary mill levies. To my knowledge this is the first time a comprehensive analysis of all of the authorized mill levies has been performed.

I would like to recognize the Tax Department staff for all of their work with the task force. The task force sifted through countless spreadsheets prepared by our office showing which political subdivisions were utilizing certain mill levies, the level of those levies and the statutory limitations of the levies. With 53 counties, 357 cities and 1400 townships this was no small task. This in depth analysis helped guide the committee in deciding which mill levies were no longer necessary, which levies could be consolidated, appropriate new caps for the consolidated levies and which levies were working well under current statute.

Joe Morrisette, Deputy Tax Commissioner, provided much of this analysis. Joe also researched various mill levies and how they interacted with each other under current law. I would like to take this opportunity to offer our services to this committee when considering this bill.

Mr. Chairman, this bill is a product of taxpayers, local government officials, legislators and executive branch members working together to simplify the property tax code and provide more transparency to taxpayers.

Mr. Chairman, I would be happy to answer any questions from the committee.

SB 2144 #3
1-21-15

BILL SUMMARY FOR PROPERTY TAX REFORM TASK FORCE

SECTION 1 (2-02-07): Clarifies that airport authorities may expend not only revenues from an airport levy in the political subdivision but also revenues from general fund levy authority made available by the political subdivision.

SECTION 2 (2-06-01): Clarifies that the term “municipality” means any county, city, or township in the state for the purposes of the Airport Authority Act.

SECTION 3 (2-06-07): States the general powers of an airport authority, noting that the ability of an airport authority to certify the amount of tax to be levied by their governing bodies is subject to limitations found in 2-06-15, which is being revised by this bill.

SECTION 4 (2-06-10): Clarifies that airports for cities of more than 10,000 may make principal and interest payments on airport bonds not only from revenues raised by its general fund levy authority but also from a special unlimited deficiency levy on all taxable property.

SECTION 5 (2-06-14): Clarifies that any county, city, or township has the discretion to levy a tax certified by the airport authority and may commit by vote to a bond issue.

SECTION 6 (2-06-15): Provides that a municipality may levy for support of an airport at a rate not exceeding four mills for counties (54-15-06.7), four mills for cities (57-15-10), and four mills for townships (57-15-20.2). Property within a township that is levying at least one half of one mill for an airport that is within or not more than six miles outside that township’s boundaries is not subject to a county levy. If a township is levying less than one half mill, the total of the township and county levies may not exceed four mills. A county levy may not apply to property within a city that is levying for an airport that is the official airport or is located in or within ten miles of the city’s boundaries.

SECTION 7 (4-02-26): Provides for the aid of county fairs through the county general fund levy authority if approved by the board of county commissioners. It discontinues any special levy authority for this purpose. The county must establish a “county fair fund.” The county may purchase or lease up to 240 acres and construct buildings for a county fair. The county fair association must submit an annual financial report to the board and provide an estimate of the supplemental funds needed to conduct the county fair for the ensuing year. The board of county commissioners may provide funding not exceeding the estimate contained

in the association's report. The authority of this section may be used to fund a multi-county fair.

SECTION 8 (4-02-27.3): Makes this section of code regarding disposition of county fair property compatible with the revised levy authority in 4-02-26. If the county fails to hold a fair for five consecutive years, the board shall transfer any funds in the county fair fund to the county general fund.

SECTION 9 (4-08-15): Counties may levy up to two mills for extension work and upon approval of a majority of the electors, the board may levy an additional two mills for a period not exceeding ten years. Existing supplemental mill levies remain in effect for the time authorized by the electors or for ten taxable years, whichever is less. The board may appropriate funds out of the county general fund for any unanticipated deficiencies.

SECTION 10 (4-22-26): The supervisors of a soil conservation district may levy under general fund levy authority up to two and one half mills for the operating expenses of the district. No additional levy authority is allowed. However, an additional levy authority authorized by the electors of a district before January 1, 2015 may remain in effect for the time authorized or for ten years, whichever is less.

SECTION 11 (4-33-11): A county may provide funding from its general fund levy authority or its weed control levy authority for pest (weed) control. Counties shall designate a county pest coordinator to coordinate county, township, and private funds with state and federal programs. When state funds are involved, the county pest coordinator shall submit control plans to the agriculture commissioner for approval.

SECTION 12 (4.1-47-14): A county may authorize a levy up to four mills under 57-15-06.7 to control noxious weeds and other weeds as needed on property other than that within a city which has a weed control program. The moneys are to be placed in the county weed control fund and used for the operating expenses of the county weed control program under the oversight of the county weed board. Funding to combat noxious weeds and funding to combat all other weeds have been combined under this bill.

SECTION 13 (4.1-47-16): In order to participate in the landowner assistance program for noxious weed control, a city or a county must provide funding for noxious weed control from its general fund authority or its weed control levy authority equal to the revenue raised by a levy of three mills. No additional taxing authority is allowed.

SECTION 14 (4.1-47-25): A city may provide funding for a city noxious weed control program from its general fund. A specific mill levy for this purpose is discontinued.

SECTION 15 (11-11-14): Adds six additional authorities to the section that lists the 15 general powers of a county commission that were previously authorized by separate mill levy authorities. A county may expend funds under its general fund authority for: eradication of gophers and other pests; communications infrastructure for countywide benefit; enhancement of automation and telecommunications resources for countywide benefit; fire protection measures; constructing and maintaining county buildings. The county may also require the provision of all financial information from other boards necessary for the county's annual budget and levy decisions.

SECTION 16 (11-11-53): A county may expend up to \$5,000 out of the county general fund for historical work and in addition may assess a levy of one quarter mill. Upon approval of 60 percent of the electors a county may levy up to an additional three quarters of a mill for historical work. Additional voter-approved levy authority may remain in effect for the time period authorized or for ten years, whichever is less. After January 1, 2015 voter-approved levies may not be effective for more than ten taxable years.

SECTION 17 (11-11-65): Counties may expend funds for the benefit of handicapped persons including funds received from state, federal or private sources, or under new language, from revenues derived from general fund levy sources.

SECTION 18 (11-11.1-01): A county may contract with an industrial development organization for the functions of a job development authority using their existing levy authority.

SECTION 19 (11-11.1-04): A county may levy four mills for a job development authority or JDA contract services including a designated portion for the promotion of tourism.

SECTION 20 (11-28-06): A county may fund a county parks and recreation area from revenues derived from the county general fund levy. Funds may be used for programs recommended by the board of county park commissioners including recreational activities under the control of a city or city park district. A separate levy for this purpose is discontinued. A county may levy taxes under 57-15-0.6 for capital improvements in a county supported park, acquiring real estate for a park, or constructing and equipping facilities. The question of whether the levy should be discontinued must be submitted to the voters upon petition of 25% of the electors.

SECTION 21 (11-28.3-03): Establishes that the ten mill limitation on a rural ambulance service levy is contained in 11-28.3-09.

SECTION 22 (11-28.3-09): A county auditor may levy a tax on property in a rural ambulance district at the mill rate approved by a vote of the electors but in no event exceeding ten mills. A rural ambulance service district may be dissolved under the procedure in section 11-28.3-13.

SECTION 23 (18-06-10): The electors of a township may authorize the board at the annual meeting to expend funds for fire protection from the general fund levy. A separate levy of one mill for this purpose is discontinued. Any funds remaining from the old levy may be transferred to the general fund. A voter approved levy authorized before January 1, 2015 remains in effect but not for a period exceeding ten years.

SECTION 24 (18-10-07): The board of directors of a fire protection district may levy a tax not exceeding five mills on the property in the district. Additional levies authorized by the electors before January 1, 2015 remain in effect for the time period authorized but not exceeding five taxable years. The electors of the district may increase the tax rate up to a maximum of thirteen mills at a mail ballot election for a period not exceeding ten taxable years.

SECTION 25 (18-10-07.1): The board of a fire protection district may hold a mail ballot election for an excess levy up to eight mills in excess of board authority of five mills. The procedures for the mail ballot election are contained in this new section.

SECTION 26 (18-11-10): A city shall fund from revenues derived from the general fund levy authority an amount for the firefighters relief fund equal to eight percent of the current annual salary of a first-class firefighter for each active member. A specific tax for this purpose is discontinued.

SECTION 27 (21-03-06): Includes, in the section of allowable county expenditures for capital projects, authority to purchase real estate and construct buildings for a county fair.

SECTION 28 (21-03-07 SUBS 3, 5, 6): Removes references to federal aid highways and obsolete section numbers.

SECTION 29 (23-06-30): Each county shall maintain abandoned cemeteries in the county using revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 30 (23-18-01): A county with the approval of a majority of electors may fund a county hospital association for creation or operation of a nonsectarian hospital. The tax levy may be eight mills for a period of five years, or in the alternative, five mills for a period of ten years. After January 1, 2015 reauthorization is allowable only for associations already in existence.

SECTION 31 (23-30-01): Includes clinics within the list of medical facilities that a hospital district is designed to support. Previously listed institutions included hospitals, intermediate health care facilities, and nursing homes.

SECTION 32 (23-30-07): Counties may levy a tax for the operation of a hospital district (up to eight mills for five years, or five mills for ten years) with a majority vote of electors. Prior votes are honored for ten years. There is a ten year limit on future levy authorizations.

SECTION 33 (24-05-01): Every county shall periodically prepare a proposed program of construction on the county road system including bridges, total mileage, and priorities. The county commission may levy a tax up to ten mills for county roads and bridges. When authorized by a majority of the county electors the board may levy up to ten additional mills for county roads and bridges. This levy or levies may be discontinued by the board or upon a majority vote of the electors prompted by a petition of five percent of the electors. 20 percent of the proceeds of this additional levy collected within any city must be turned over to the city for their streets and highways. This language replaces four separate road and bridge levies for various purposes.

When authorized by a majority of the county electors the board may levy up to ten additional mills which are not subject to sharing with the cities located in the county. This levy may also be discontinued by board or voter action.

Additional levy authority approved by electors before January 1, 2015 remains in effect for the time period authorized but not exceeding ten taxable years. New levy authorities may not be effective for more than ten years.

Every county shall maintain a county road and bridge fund. Any unexpended balances at the end of the fiscal year in a special road fund or a reserve road and bridge fund must be transferred to the county road and bridge fund.

SECTION 34 (24-05-02): The county road and bridge fund may be expended for road machinery, maintenance and construction of the county road system.

SECTION 35 (24-05-05): Amend to county road "and bridge" fund.

SECTION 36 (24-05-16): The county road system must be specific roads designated by the county commissioners. The director of the Department of Transportation must be informed of the system and notified immediately of any changes. Specific references to total mileage and county allocations are deleted.

SECTION 37 (24-08-07): A municipality may issue bonds to construct a bridge. If debt limits might be exceeded, then the municipality may provide funding from revenues derived from its general fund levy authority.

SECTION 38 (32-12.1-08): A political subdivision may include in its general fund levy authority funding for insurance purposes. Any unobligated balance in an insurance reserve fund must be transferred to the political subdivision's general fund by December 31, 2015. The general fund may be used for insurance, payment of claims, judgments against the political subdivision, or costs incurred in defense of claims.

SECTION 39 (32-12.1-11): A political subdivision may levy a tax for the payment of a judgment based on 57-15-28.1 which is five mills maximum or ten mills maximum if liability insurance is carried with coverage up to \$250,000 per person and \$500,000 per occurrence. Funds may be used for judgments, compromise of judgments, and debt service on bonds or loans necessary for payment, including obligations to the state or an agency of the state.

SECTION 40 (40-05-09.2): A city may contract for fire protection services with funding from revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 41 (40-05-19): A city may provide funding from its general fund for the construction and operation of animal shelters. A separate levy for this purpose is discontinued. Prior votes are honored.

SECTION 42 (40-05-20): A city or park district may use general funds as well as other funds for programs and activities for handicapped persons.

SECTION 43 (40-26-08): Under current law, a municipality shall levy a tax on all taxable property for any deficiency in funds required to service special improvement bonds. This new section now applies to all deficiencies in special improvement funds including sewer and water, sidewalk, curbing, and boulevard funds.

SECTION 44 (40-28-05): Removes deficiencies language from section on "sewer and water connections assessment fund."

SECTION 45 (40-29-14): Removes deficiencies language from section on "sidewalk special fund."

SECTION 46 (40-31-08): Removes deficiencies language from section on "curbing special fund."

SECTION 47 (40-37-03): A city may provide funds to a city band from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 48 (40-38-02): A county levying for a library must reduce its levy in a city so that the total levy in that city does not exceed four mills.

SECTION 49 (40-38.1-02): Corrects subsection number for municipal arts councils.

SECTION 50 (40-43-01): A municipality may levy a tax for payment of a judgment or settlement of a claim in accordance with the limits of 57-15-28.1 which is five mills or ten mills if liability insurance is carried with coverage up to \$250,000 per person and \$500,000 per occurrence.

SECTION 51 (40-45-01): A city may fund a police pension fund from its general fund levy authority if it has a population of more than 5,000 residents and an organized and paid police department or if it has a police retirement system based on actuarial tables. A separate levy for this purpose is discontinued.

SECTION 52 (40-45-27): Consolidates provisions for discontinuance of city employee pension plans and city police pension plans.

SECTION 53 (40-46-02): A city may maintain a city employees' pension fund from revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 54 (40-46-26): Outlines procedures for discontinuance of police pension plans and city employee pension plans.

SECTION 55 (40-46-26): A city may pay its share of social security with funds derived from revenues from its general fund taxing authority. A special levy for this purpose is discontinued.

SECTION 56 (40-48-07): A municipality (county, city, or township) may support a planning commission with revenues derived from its general fund levy authority. Two specific levies for this purpose are discontinued.

SECTION 57 (40-49-22): A park district may provide funds for its employee pension fund from revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 58 (40-55-08): A city may establish a public recreation system with voter approval and may provide funding from its general fund levy authority in an amount not exceeding the revenue derived from 2 ½ mills. A school district or park district may provide funding for the establishment, maintenance, and conduct of a public recreation system from revenues derived from its general fund levy authority.

SECTION 59 (40-55-09): A city may, upon approval of the voters, levy an additional six mills for the purpose of a public recreation system. Any prior voter approved levy remains in effect. After January 1, 2015 a voter approved levy may not be effective for more than 10 taxable years.

SECTION 60 (40-57.2-04): A city or county may provide funding from revenues derived from its general fund levy authority for career and technical education and on-the-job training. A specific voter approved levy for this purpose is discontinued.

SECTION 61 (40-57.4-04): A city may contract with an industrial development organization to carry out the purposes of a job development authority and use the funds from the job development authority tax levy for that purpose. The maximum levy remains at four mills.

SECTION 62 (40-58-07): A city may levy a tax for urban renewal but only within the limitations of the capital improvements levy under section 57-15-38.

SECTION 63 (40-58-15): Same as section 62.

SECTION 64 (40-59-01): A city may provide from revenues derived from its general fund levy authority for the maintenance of an armory or memorial hall. A specific levy authority for this purpose is discontinued. The requirement for voter approval is also removed.

SECTION 65 (40-60-02): A city may provide funds to construct parking facilities with revenues derived from its general fund levy authority, the levy of special assessments, or the issuance of bonds. A separate tax levy for this purpose is discontinued.

SECTION 66 (40-61-03.1): Municipal parking authorities may cooperate with cities to finance projects with revenues derived from its general fund authority, the levy of special assessments, or through the issuance of municipal bonds. A separate tax levy for this purpose is discontinued.

SECTION 67 (40-61-10): Clarifies that any debt guarantee by a municipal parking authority is supported by revenues from the general fund levy and the special assessment levy.

SECTION 68 (50-03-01): A county may levy a tax for human services programs up to a maximum of 20 mills under section 50-06.2-05.

SECTION 69 (50-03-06): If a county has levied 20 mills for human services and, due to extraordinary human services program demands, finds that the revenue raised from 20 mills will be insufficient to meet the needs for human services for that year, that county may apply to the department of human services for a grant to cover the shortfall in funds caused by the extraordinary demand. For the purposes of this section, extraordinary demand shall be considered expanded caseloads due to proximity to an Indian reservation or proximity to the state hospital.

SECTION 70 (50-06.2-05): A county shall pay the costs of administration and provision of human services required by state and federal law or regulation as a condition for the receipt of federal funds for county programs. A county may levy a tax for human services programs up to a maximum of 20 mills. This section also removes the authority to levy over 20 mills under NDCC 50-03.

SECTION 71 (57-15-01.1): Clarifies the definition of “base year” which now includes park districts. It is the taxable year with the highest amount levied in dollars of the three years immediately preceding the budget year.

SECTION 72 (57-15-06): A county may levy property taxes for general fund purposes at a tax rate not exceeding sixty mills per dollar of taxable valuation. A county that levied more than 60 mills for taxable year 2015, combining the number of mills levied for general fund purposes plus the number of mills levied for purposes consolidated into the general fund levy by this act, may levy for taxable year 2016 the same number of mills that was levied in 2015. For taxable years 2017-2020, the county must reduce the number of mills levied in excess of 60 mills by one-fourth at a minimum for each of the four taxable years. This section, also deletes the required levy of 1 ¼ mills for patients in charitable institutions in the state. The county general fund levy limitation applies to all property taxes for general county purposes unless a specific exception is provided by statute.

SECTION 73 (57-15-06.4): A county may levy two mills for the payment of a county veterans’ service officer.

SECTION 74 (57-15-06.6): A county may levy a tax not exceeding ten mills for capital projects. When authorized by a majority of the electors at a primary or general election, the county may levy an additional ten mills for capital projects. Voter-approved levy authority in excess of ten mills authorized by electors in the county before January 1, 2015 remains in effect through taxable year 2024 or for the time period authorized by the electors, whichever is less. Capital projects include corrections centers, real estate for parks, recreational facilities, real estate sites for county buildings including county fairs, county buildings, and leasing costs for any of the capital projects listed. Prior voter approved levies in excess of 10 mills remains in effect. After January 1, 2015 increased voter approved levies may not be effective for more than 10 taxable years.

SECTION 75 (57-15-06.7): Additional statutory levies not included in the general fund levy limitation for counties in section 57-15-06 include:

- 1) For support of an airport a county may levy four mills under section 2-06-15.
- 2) For support of extension work a county commission may levy two mills and an additional two mills with voter approval under section 4-08-15.
- 3) For support of historical works a county commission may levy ¼ mill and an additional ¾ mill with approval of 60% of the electors under section 11-11-53.

- 4) For support of a county hospital association a county may levy eight mills for five years, or five mills for ten years, upon approval of the electors in the county under section 23-18-01.
- 5) For support of county roads and bridges a county may levy ten mills. Upon approval of the voters the county may levy up to 20 additional mills as provided in section 24-05-01.
- 6) For support of a public library a county may levy four mills under section 40-38-02.
- 7) For support of a county veterans' service officer a county may levy two mills under section 57-15-06.4.
- 8) For support of capital projects a county may levy ten mills. Upon approval of the voters a county may levy an additional ten mills under section 57-15-06.6.
- 9) For emergency purposes a county may levy two mills for a population over 30,000, four mills for a population of 5,000 to 30,000, and six mills for a population less than 5,000.
- 10) For emergency medical service a county may levy ten mills under section 57-15-10.
- 11) For weed control a county may levy four mills under section 4.1-47-14.
- 12) For senior citizen programs and activities a county may levy two mills under section 57-15-56.
- 13) For principal and interest on bonds issued a county may levy as many mills as are required to service the bonds.
- 14) For support of a job development authority a county may levy four mills under section 11-11.1-04. If any city in the county is levying a tax for support of a job development authority, the county must reduce its levy so the total levy in the city does not exceed four mills.
- 15) For support of human services a county may levy 20 mills under section 50-06.2-05.
- 16) A levy for an extraordinary expenditure approved by the voters before January 1, 2015 may continue for the term approved or for ten years, whichever is less. Otherwise this special levy authority is discontinued.
- 17) Levies approved under section 57-15-59, leases for facilities, may continue for the duration of the lease.

SECTION 76 (57-15-08): The total amount levied for city general fund purposes may not exceed an amount produced by a levy of 105 mills. A city that levied more than 105 mills for taxable year 2015, combining the number of mills levied for general fund purposes plus the number of mills levied for purposes consolidated into the general fund levy by this Act, may levy for taxable year 2016 the same number of mills that was levied in 2015. For taxable years 2017-2020, the city must reduce the number of mills levied in excess of 105 mills by one-fourth at a minimum for each of the four taxable years.

SECTION 77 (57-15-10): Additional statutory levies not included in the general fund levy limitation for cities in section 57-15-08 include:

- 1) Taxes levied for a proportion of the cost of a special improvement project.
- 2) Taxes levied to pay a deficiency in a special improvement project.
- 3) Taxes levied to pay interest on a bonded debt, or the principal of such debt at maturity.
- 4) For support of public library services a city may levy four mills under section 40-38-02.
- 5) Taxes levied on property of an agricultural fair association, a nonprofit club, or an organization of college students for the property's share of the cost of fire protection services.
- 6) For support of a municipal arts council a city may levy five mills under section 40-38.1-02.
- 7) For airport purposes a city may levy four mills under section 2-06-15.
- 8) For capital improvements a city may levy ten mills upon approval of a majority of the electors under section 57-15-38. Upon approval of 60 percent or more of the electors a city may levy an additional ten mills for capital improvements under section 57-15-38.
- 9) For emergency purposes a city may levy 2 ½ mills under section 57-15-48.
- 10) For public transportation a city may levy five mills under section 57-15-55.
- 11) For senior citizen programs and activities a city may levy two mills under section 57-15-56.
- 12) For a job development authority a city may levy four mills under section 40-57.4-04.
- 13) For a public recreation system a city may levy six mills upon approval of the electors under section 40-55-09.
- 14) For maintenance of city-owned cemeteries a city may levy two mills under section 57-15-27.1.
- 15) Taxes levied for retirement of bonds issued before January 1, 2015 under section 40-57-19 or 40-57-19.1 may continue to be levied in the amount required for annual payments until the bonds are retired.
- 16) Taxes levied under section 57-15-59 before January 1, 2015 for lease payments may continue to be levied for the duration of the lease. Leasing will be authorized in the future as a capital improvement under section 57-15-06.6.

SECTION 78 (57-15-10.1): A city or county may provide funds for advertising from revenues derived from the city or county general fund levy. A specific mill levy for this purpose is discontinued.

SECTION 79 (57-15-12): A park district may levy for general fund purposes a tax not exceeding the highest amount in dollars the park district levied for the three taxable years immediately preceding the current year, plus 12 percent, up to a maximum levy of 38 mills, or, in the alternative, a park district may levy the same number of mills it levied in 2014. This replaces old language which based the general fund levy limitation on the number of mills levied by the park district in taxable year 2000. For taxable year 2016, the highest dollar amount for the three previous taxable years is calculated by taking the amount levied for general fund purposes and adding the amount levied for each year for employee pension contributions, old-age and survivors' insurance, and forestry purposes. A park district that levied more than 38 mills for taxable year 2015 for general fund purposes plus the number of mills levied for purposes consolidated into the general fund by this fact may levy for general fund purposes for taxable year 2016 the same number of mills levied for 2015. For each taxable year 2017 through 2020 the park district must reduce the number of mills over 38 mills by one-fourth at a minimum. A park district may increase its general fund levy to any number of mills up to a maximum levy of 38 mills upon approval of a majority of the electors at a regular or special election. After January 1, 2015 approval or reauthorization by electors of voter-approved levy authority may not be effective for more than ten taxable years.

SECTION 80 (57-15-12.1): A city or park district may provide revenues derived from its general fund revenue authority for forestry purposes. A special tax levy for this purpose is discontinued.

SECTION 81 (57-15-12.3): A board of park commissioners may levy five mills for acquiring land and building facilities for public parks.

SECTION 82 (57-15-19.4): The electors of a township at the annual meeting may levy five mills for the purpose of cooperating with the county in constructing and maintaining roads and bridges that are part of the county road system and located within the township. Notice of the question of the approval of this levy must be included in the notice of the annual meeting. If funds from this levy are not expended on the county road system in the township, they may be expended on other roads in the township or for any other township purpose.

SECTION 83 (57-15-19.5): The electors of an organized township may authorize the township to provide funding from its general fund revenue authority for the purpose of

hiring law enforcement personnel. In providing for law enforcement services the township may cooperate with other political subdivisions under the provisions of chapter 54-40.

SECTION 84 (57-15-19.6): The budget of each township approved at the annual meeting may provide funding from revenues derived from the general fund revenue authority for the purpose of mowing or snow removal. The requirement of notice of the question at the annual meeting is discontinued.

SECTION 85 (57-15-20): The general fund levy in a township may not exceed 18 mills. Upon approval of a majority of the electors of the township voting on the question, the levy may be increased by an additional 18 mills. The increased levy may be made only if notice of the question of the approval of such levy has been included with notice of the annual meeting. An extra levy up to 18 mills approved by electors of a township before January 1, 2015 may continue to be imposed for the period of time approved by the electors or for ten taxable years, whichever is less. After January 1, 2015 approval by electors of increased levy authority may not be effective for more than ten taxable years.

SECTION 86 (57-15-20.2): The tax levy limitations in section 57-15-20 do not apply to the following mill levies:

- 1) For roads and bridges that are part of the county road system a township may levy five mills under section 57-15-19.4.
- 2) For airport purposes a township may levy four mills under section 2-06-15.
- 3) Tax levies for township special assessment districts under chapter 58-18.

SECTION 87 (57-15-22.2): A board of an organized township or a board of county commissioners governing an unorganized township may provide funds from revenues derived from the general fund levy authority for a legal contingency fund.

SECTION 88 (57-15-27.1): A city may levy a tax of two mills for cemeteries owned by the city. An organized township may provide funding from revenues derived from its general fund revenue authority for cemeteries maintained by the township. A separate levy for township cemeteries is discontinued.

SECTION 89 (57-15-28): A county may levy a tax for emergency purposes not exceeding the limitation in subsection 9 of section 57-15-06.7 (2-6 mills depending on county population). Removes use of the emergency fund for payment of judgments.

SECTION 90 (57-15-28.1): A political subdivision, except a school district, may levy five mills for payment of a judgment under section 32-12.1-11. If the political subdivision carries liability insurance to a minimum level of \$250,000 per person and \$500,000 per occurrence, it may levy up to ten mills for settlement of a claim. All other dedicated mill levies for judgments are discontinued.

SECTION 91 (57-15-30.1): Provides new language stating that upon the dissolution of a civil township, the board of county commissioners shall attach the township to an assessment district of the county. In addition to other levies under law, the board of county commissioners is required to levy on the taxable property in the township an amount to discharge the debts of the township. Any excess money after these debts are paid is to be transferred for road and bridge purposes in that territory.

SECTION 92 (57-15-38): A city may levy ten mills for capital improvements upon approval of a majority of electors in the city. The city may levy an additional ten mills for capital improvements with approval of 60% of the electors under section 57-15-10. Any levy for capital improvements approved before January 1, 2015 remains effective for the term approved by the electors or for ten taxable years, whichever is less. After January 1, 2015 approval of increased levy authority for capital improvements may not be effective for more than ten taxable years. New language clarifies what kinds of capital improvements are covered by this section.

SECTION 93 (57-15-42): A city may provide funding from revenues derived from its capital improvements fund levy for a fire department building, improvements, and equipment acquisition under section 57-15-38. A separate levy for this purpose is discontinued. A levy approved by the city before January 1, 2015 remains effective for the period of time approved by the electors or, if no time period was specified, for a period not exceeding ten years.

SECTION 94 (57-15-48): A city may levy 2 ½ mills with a 2/3 vote of the council for emergencies including snow removal and natural disasters.

SECTION 95 (57-15-50): A county may levy ten mills for emergency medical services upon approval of a majority of the electors. Property within a rural ambulance district or rural fire protection district that provides emergency medical service is exempt from the county levy.

SECTION 96 (57-15-51): A city may provide funding from revenues derived from its general fund levy authority for city emergency medical services. A separate levy for this purpose is

discontinued. If a county is levying for EMS, any city subsidizing city emergency medical services is exempt from the county tax levy.

SECTION 97 (57-15-22.2): Any organized township may provide funding from revenues derived from its general fund levy authority for township emergency medical services. A separate levy for this purpose is discontinued. The township may cooperate with other townships, a city, county, or rural ambulance district in providing EMS.

SECTION 98 (57-15-53): A city may provide funding from revenues derived from the capital improvements fund levy under section 57-15-38 for the purpose of building and structurally maintaining police stations and correctional facilities. A separate levy for this purpose is discontinued. Any such levy approved before January 1, 2015, remains in effect for the period of time approved by the electors or, if no time period was specified in the proposal, for a period not exceeding ten taxable years.

SECTION 99 (57-15-55): A city, upon approval of a majority of electors, may levy five mills for a public transportation system including a contract with another party.

SECTION 100 (57-15-56 SUB. 1): A county may levy two mills for senior citizen programs. If no levy is made by the county, any city in the county may levy up to two mills.

SECTION 101 (57-20-23): Each county is responsible to the state for the full amount of taxes levied for state purposes. Deletes a provision for additional levies to cover debts to the state but clarifies that the general fund levy must be used to cure a default within three years.

SECTION 102 (57-47-04): A county shall provide funding from revenues derived from its general fund levy authority to repay any loan under the terms entered into by agreement with a creditor. If a county has other unobligated revenue sources such as sales tax or oil production tax, it may use such funds to repay loans or to serve as collateral for a loan. If a county has borrowed for acquisition of road equipment, it may use funds from the road and bridge levy for that purpose.

SECTION 103 (58-03-07 SUB. 16): Deletes the required fund and authorizes expenditures for eradication of pests.

SECTION 104 (57-17-02): A township may provide funds for a park from revenues derived from its general fund spending authority. A separate levy for this purpose is discontinued.

SECTION 105 (61-04.1-26): A weather modification authority may request annually that the board of county commissioners provide funding from revenues derived from its general fund levy for weather modification services in all or a portion of the county. A separate levy for this purpose is discontinued.

SECTION 106 (61-24-02): Clarifies that any new county wishing to join the Garrison Conservancy District is not authorized to levy a special tax for that purpose.

SECTION 107: Any political subdivision that has a special fund discontinued by this act must satisfy any obligations, transfer the remaining balance to the general fund, and close out the special fund by the end of the fiscal year.

SECTION 108: Repeals various sections and chapters for which the need was eliminated by this act.

SECTION 109: Repeals Chapter 23-18 relating to county hospital associations.

SECTION 110: This act is effective for taxable years beginning after December 31, 2014.

TASK FORCE PROPOSAL COUNTY MILL LEVIES

SB 2144
4
1-21-15

LEVY NO.	DESCRIPTION	VOTER APPROVAL REQUIRED	MAX. LEVY	AVG. WHERE IN USE	NO. OF COUNTIES USING	REFORM FEATURES
COUNTY MILL LEVIES – GENERAL OPERATIONS						
1201*	General Fund	No	23.00	22.08	51	<ul style="list-style-type: none"> - Consolidation of 14 Levies - Maximum of 60 Mills with County Commission Approval - No Voter Approval Required - Allows Combined Previous Levies through 12/31/16 - May Levy to Sustain Spending Level
1208*	Corrections Centers	No	10.00	5.23	43	
1211	OASIS	No	30.00	10.19	50	
1218a	County Fair	No	1.00	2.21	33	
1218b	County Fair	No	1.50	-	-	
1218c	County Fair	Yes	0.50	-	-	
1224	Advertising	No	0.50	0.25	23	
1226	Loan Repayment	No	3.00	2.32	18	
1229	Weather Mod.	No	7.00	0.85	5	
1232	Abandoned Cemeteries	No	0.10	0.09	9	
1235	Insurance Reserve Fund	No	5.00	1.55	39	
1244	Planning	Yes	3.00	0.50	1	
1261	Health Insurance	No	8.00	5.07	38	
1267	Parks & Recreation	No	1.00	0.97	37	
1267	Parks & Recreation	Yes	No Limit	3.20	4	
TOTAL			93.60	54.51		
COUNTY MILL LEVIES – CAPITAL CONSTRUCTION						
1208*	Corrections	No	10.00	5.23	43	<ul style="list-style-type: none"> - 10 Mills County Commission Authority - Up to 10 Additional Mills with Majority Voter Approval
1241	Fair Land	Yes	2.00	0.63	4	
1263	Lease for Court	No	10.00	6.36	1	
1269	Parks and Recreation Buildings	Yes	3.00	2.18	3	
TOTAL			33.00	18.25		
COUNTY MILL LEVIES – ROAD FUNDS						
1204*	Road and Bridge Levy	Yes 60%	5.00	4.17	44	<ul style="list-style-type: none"> - 10 Mills County Commission Authority - Up to 20 Additional Mills with Majority Voter Approval - Grandfather Prior Votes - 10 Year Anniversary Vote
1212	Farm to Market Federal Aid	Yes. Maj.	None	10.94	46	
1226	County Loan – Equipment	No	3.00	2.32	18	
1233	Additional Road and Bridge	Yes 60%	5.00	5.10	13	
TOTAL			13.00	22.53		
COUNTY MILL LEVIES – WEED CONTROL						
1243	Plant Pest Control	Yes	1.00	0	0	<ul style="list-style-type: none"> - 4 Mills, Board Action
1257	Weed and Grass Control	Yes	2.00	3.00	1	
1258*	Noxious Weed Control	No	4.00	2.59	51	
TOTAL			7.00	5.59		
COUNTY MILL LEVIES – HUMAN SERVICES						
1203	Human Services	No	No Limit	4.17	6	<ul style="list-style-type: none"> - 20 Mills County Commission Authority - Change Emergency Levy to a State Grant Program
1220*	Human Services	No	20.00	16.56	47	
1222	Emergency Human Services	No	No Limit	4.71	9	
TOTAL			20.00	25.44		
COUNTY MILL LEVIES – OTHER CONSOLIDATIONS						
1236*	Judgments	No	1.00	0	0	<ul style="list-style-type: none"> - 5 Mills Board Authority - 10 Mills w/ Insurance - Coverage: \$250,000 Person; \$500,000 Incident - Consolidate 1245 w/1236
1245	Injury Judgments	No	5.00	0	0	
1250	Compromise of Judgment	No	No Limit	0	0	
SUB TOTAL			6.00	0		

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* = Retained Levy Number

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1214*	Extension Service	Yes	2.00	1.88	46	- 2 Mills County Commission
1215	Extension Service	Yes	2.00	1.89	3	Authorized
SUB TOTAL			4.00	3.77		- 2 Mills Majority Vote
						Approval
						- 4 Mill Limit

1225*	Airport Authority	No	4.00	1.64	25
1230	Municipal or Regional Airport	No	4.00	-	0
SUB TOTAL			8.00	1.64	

COUNTY MILL LEVIES - NOT CONSOLIDATED, AUTHORITY CONT. Avg.

1210	Emergency		2.11	34
1213	Veterans Service Officer		0.73	47
1216	Historical Society		0.26	45
1217	Health District		2.92	46
1219	Job Development Authority		2.21	34
1221	Senior Mill Match		1.16	51
1227	Special Assessments on County Prop.		0.22	5
1228	EMS		4.48	25
1231	Bond Prin. & Int., Bldgs, Bridges, Hwys		2.34	8
1237	County Clinic Association		8.00	0
1239	County Hospital Association		8.00	1
1259	Unorganized Road and Bridge	in Twsp.	16.22	188
1260	Library		2.49	31
1264	Water Resource District		2.82	55
1265	Joint WRD		1.91	19
1266	Vector Control District		1.00	6
2001	County Hospital Districts			3
TOTAL			33.16	

COUNTY MILL LEVIES - REPEAL

- 1202 Patients in State Institution
- 1205 Extraordinary Outlay
- 1206 Multi-County Fair
- 1207 Firebreak Fund
- 1209 Excess Levy
- 1223 County Welfare
- 1234 Not in use
- 1238 Nursing Home Authority
- 1240 Not in Use
- 1242 Surveys and Work Training
- 1246 Not in use: Television UHF Booster Station
- 1247 Not in Use: Railroad Purposes
- 1248 Not in Use: Default of State Taxes
- 1249 Not in Use: Fire Protection
- 1251 Not in Use: Int. & Prin. Payments on Bonds Issued to Pay Compromise on Judgment for Injury Claims
- 1252 Not in Use: Joining Garrison Diversion Conservancy District
- 1253 Not in Use: Extermination of Gophers and Other Pests
- 1254 Not in Use: Payment of Debts of Dissolved Townships
- 1256 Not in Use
- 1262 Handicapped Programs
- 1268 Joint County Park
- 1270 Port Authority
- 1271 Commerce Authority

* = Retained Levy Number

8B2144 #5
1-21-15

TASK FORCE PROPOSAL TOWNSHIP MILL LEVIES

LEVY NO.	DESCRIPTION	MAX. LEVY	AVG. WHERE IN USE	NO. OF TOWNSHIPS USING	REFORM FEATURES
TOWNSHIP MILL LEVIES – GENERAL OPERATIONS					
1501*	General Fund	18.00	17.82	1,311	– Overall 38 Mill Cap – Consolidate 13 Levies into General Fund – 18 Mills by Township Board – 18 Additional Mills by Voters – Grandfather Prior Votes – 10 Year Renewal on Voter Levies
1503	Excess General	18.00	10.07	60	
1505	Cemetery	2.00	0.99	17	
1506	Recreation Center	2.50	0.57	3	
1507	Park	2.00	1.47	6	
1508	Mowing or Snow Removal	3.00	2.36	105	
1509	Legal Contingency	10.00	0	1	
1519	Fire Protection	1.00	0.87	28	
1520	OASIS and S.S.	30.00	-	0	
1522	Emergency Medical Services	10.00	-	0	
1525	Insurance Reserve Fund	5.00	0.37	5	
1530	Law Enforcement Services	5.00	0.00	0	
1534	Maint. Township Cemeteries	.25	-	0	
TOTAL		106.75	34.52		
TOWNSHIP MILL LEVIES – OTHER CONSOLIDATIONS					
1514	Judgments	Unlimited	-	0	Consolidate into 1526
1526*	Judgment for Injury Claim	5.00	-	0	Combine w/1514, 1527,1529
1527	Compromise of Judgment	Unlimited	-	0	Consolidate into 1526
1529	Payments on Bonds to Pay Claim	Unlimited	-	0	Consolidate into 1526
TOWNSHIP MILL LEVIES – NOT CONSOLIDATED, AUTHORITY CONTINUED					
1510	County Road System	5.00	4.20	41	
1515	Special Assessments	-	-	0	
1516	Bond Int. & Prin. for Roads	Unlimited	10.83	9	
1517	Municipal Regional Airport Authority	-	-	0	
1518	Airport	4.00	0.60	31	
1528	Rural Drain Cleaning (Water Dist.)	\$4.00/Acre		0	
1531	Payment Township Debt to County	Unlimited	12.11	11	

TOWNSHIP MILL LEVIES - REPEAL

- 1511 Not in Use: Police in Unincorporated Village
- 1521 Not in Use: Debt Payments – Dissolved Township
- 1523 Not in Use: Railroad Purposes
- 1524 Not in Use: Plant Pest Control – Now Limited to Cos.
- 1532 Not in Use: Gopher Extermination
- 1535 Not in Use: Port Authority
- 1536 Not in Use: Commerce Authority

TASK FORCE PROPOSAL CITY MILL LEVIES

SB2144 #6
1-21-15

LEVY NO.	DESCRIPTION	MAX. LEVY	AVG. WHERE IN USE	NO. OF CITIES USING	REFORM FEATURES
CITY MILL LEVIES – GENERAL OPERATIONS					
1601	General Fund	50.00	59.21	337	– Consolidation of 24 Levies – Maximum of 105 Mills – Used by 338 of 357 Cities
1605	OASIS	30.00	8.02	191	
1615	Advertising	1.00	.93	105	
1616	Planning	1.00	.95	28	– Benefits for Cities: · Increased Flexibility and Efficiency · Existing Hold Harmless based on Spending · 5 Year Phase in to New Limit
1617	Comp. Study	1.00	.25	2	
1618	Public Recreation System	2.50	0	0	
1627	Band	1.00	.13	7	
1628	Armory	2.00	3.61	9	
1629	Ambulance	10.00	1.32	5	– Benefits for Taxpayers: · Simplification – Fewer Separate Levies and Funds · Transparency – Easier to Understand · Lower Overall Limit on City General Fund Levy
1631	Insurance Reserve Fund	5.00	2.28	112	
1635	Forestry	2.00	2.17	59	
1636	Weed Control	4.00	0.24	7	
1639	Pension	5.00	4.68	53	
1642	Firemen's Fund	1.87	1.87	1	– Grandfather Prior Votes up to 105 Mills – Excludes Home Rule Cities with Mill Levy Vote – Allows New Home Rule Charters – Allows Combined Previous Levies through 12/31/16
1644	Police Pension	3.00	3.05	3	
1645	Police Pension	1.00	0	0	
1651	Municipal Parking Facility	0.00	0	0	– After 2016, 4 Year Phase-Down if over 105 Mills
1652	Municipal Parking Authority	0.00	0	0	
1653	Municipal or Reg'l Airport Deficiency	0.00	0	0	
1654	Economic, Ind. & Planning Surveys	1.00	0	0	
1655	Bridge Constr. Exceeding Bonding	0.00	0	0	
1656	Contracting for Fire Protection	15.00	5.45	3	– Consolidation of 7 Levies – None Above 20 Mills in 2012 – Grandfather Prior Levies for 10 Years
1662	Animal Shelter	0.50	0.50	2	
1664	Programs for Handicapped	0.50	1	1	
TOTAL		137.37	95.66		
CITY MILL LEVIES – CAPITAL IMPROVEMENTS					
1619	Public Building Urban Renewal	5.00	3.49	43	– New Limit of 20 Mills · 10 Mills Majority Vote · Add'l 10 Mills w/ 60% Voter Approval · 10 Year Anniversary on all Votes
1620	Urban Renewal	5.00	5.48	5	
1624	Main Levy - Construction	5.00	3.13	7	
1625	Fire Building - Construction	5.00	7.33	32	– Consolidation of 7 Levies – None Above 20 Mills in 2012 – Grandfather Prior Levies for 10 Years
1626	Fire Station	5.00	7.73	8	
1643	Police Station and Jail	2.00	1.97	2	
1665	Lease: Court, Corrections, Law Enf.	10.00	6.35	3	
TOTAL		37.00	35.48		

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CITY MILL LEVIES – DEFICIENCIES

1609	Special Improvements	<i>23.56 avg.</i>	4.07	26
1610	Sewer and Water	<i>22.71 avg.</i>	5.41	4
1611	Sidewalk	<i>0.61 avg.</i>	0.61	1
1612	Curbing	<i>No Limit</i>	0.00	0
TOTAL MILLS IF LIMITED		46.88	10.09	

- Continue Unlimited Levy Authority
- Consolidation of 4 Levies

CITY MILL LEVIES – OTHER CONSOLIDATIONS

1632	Judgments - Injury Claims	<i>5.00</i>	5.00	0
1633	Compromise of Judgments	<i>No Limit</i>	0.00	0
1647	Judgments	<i>5.00</i>	5.00	1
SUB TOTAL		10.00	10.00	

- Combine into 1647
- Combine into 1647
- 1647 - Retain

1640	Discontinuance of Pension Plan	<i>No Limit</i>	0.00	0
1646	Discontinuance of Police Pension Plan	<i>No Limit</i>	0.00	0
SUB TOTAL		10.00	10.00	

- Combine w/1646
- Combine into 1640

CITY MILL LEVIES – NOT CONSOLIDATED, AUTHORITY CONTINUED

1604	Emergency – Disaster, Snow	2.5	1.59	105
1606	Airport	4.0	2.92	75
1607	City-Wide Levy-Portion of Spec. Assess.	<i>17.01</i>	2.24	46
1608	Specials on City Property	<i>25.74</i>	3.03	32
1613	Library	4.0	7.73	73
1614	Cemetery	2.0	1.92	67
1618	Public Recreation System	6.00	4.18	30
1621	Bonds – Principal and Interest	<i>22.52</i>	5.07	10
1623	Bonds – Special Assessment Warrants	<i>0.99</i>	0.99	1
1630	Senior Programs	2.00	0	0
1634	Bonds for Judgments-Princ. & Int.	<i>0.00</i>	0	0
1638	Aid for Public Transportation	5.0	3.56	30
1649	Cost of Condemned Property	<i>No Limit</i>	0	0
1658	Municipal Arts Council	5.0	4.41	1
1661	Exempt Property Share of Fire Levy	<i>30.32</i>	30.32	2
1663	Job Development Authority	4.0	3.07	26
1699	Tax Increments	<i>No Limit</i>	0	27
TOTAL		131.08	71.03	

- Authority Continued
- Amendments to Airport Section

CITY MILL LEVIES - REPEAL

1603	Excess Levy
1622	GO Bonds for Industrial Development
1634	Principal and Interest on Bonds for Judgment
1637	Not in Use
1641	Organized Firemen's Relief Plan
1648	Not in Use: Transportation of Public School Students
1650	Not in Use
1657	Plant Pest Control
1659	Railroad Purposes
1666	Port Authority
1667	Commerce Authority

SR2194 #6.3
1-21-15

TASK FORCE PROPOSAL CITY PARK DISTRICT MILL LEVIES

SB 2144 #7
1-21-15

LEVY No.	DESCRIPTION	MAXIMUM LEVY	AVG. WHERE IN USE	NO. OF DISTRICTS USING	REFORM FEATURES
PARK DISTRICT MILL LEVIES – GENERAL OPERATIONS					
1701*	General Fund	35.00	19.53	231	– 38 Mill Cap, 12% Spending Limit
1709	Annual Employee Pension Contribution	No Limit	1.27	14	– Consolidate 4 Levies into General Fund
1710	OASIS, SS and Retirement	30.00	2.14	76	– Discontinue Individual Park District Mill Caps
1717	Forestry	3.00	1.41	5	– May Continue Highest Spending Level
TOTAL		68.00	24.35		
PARK DISTRICT MILL LEVIES – OTHER CONSOLIDATIONS					
1714*	Judgment for Injury Claim	5.00	0.00	0	– 5 Mills Board Authority
1715	Compromise of Judgment		0.00	0	– 10 Mills w/Insurance
					– Coverage: \$250,000/Person; \$500,000/Incident
					– Consolidate 1715 and 1716 into 1714
PARK DISTRICT MILL LEVIES – NOT CONSOLIDATED, AUTHORITY CONTINUED					
1704	Bond Planning & Zoning Park Development	No Limit	3.24	3	
1705	Special Assessment on Park Property	No Limit	5.72	43	
1719	Parks and Recreation Facilities	5.00	4.66	80	
TOTAL		5.00	13.62		

PARK DISTRICT MILL LEVIES - REPEAL

- 1711 Not in Use: Railroad purposes
- 1715 Not in Use: Compromise of Judgment for Injury Claim
- 1716 Interest on Bonds to Pay Judgment

* = Retained Levy Number

County Levies - General Operations
2013 Tax Year

#8
SB2144
1-21-15

	1201	1208	1211	1218	1224	1226	1229	1232	1235	1244	1261	1267	Grand Total
Adams	32.11	9.73	27.61						5.00		8.00		82.45
Barnes	18.50	8.50	3.00	2.50					0.50			1.00	34.00
Benson	16.61	2.73	9.23	0.18					1.28		4.20	0.27	34.50
Billings	10.53		12.09										22.62
Bottineau	9.41		11.18	1.00	0.50				1.71		3.05	0.99	27.84
Bowman	5.25	3.52	2.00	1.50			2.93					1.00	16.20
Burke	9.86		12.07						2.46		6.90		31.29
Burleigh	22.75	1.00	1.10		0.18				0.38		3.20	2.00	30.61
Cass	27.34											0.35	27.69
Cavalier	23.00		15.16						2.70		4.00		44.86
Dickey	18.89	1.40	19.38	1.50		1.15			1.86		5.86	1.00	51.04
Divide	11.57	1.25	1.67	0.79	0.08				2.09		3.48	0.33	21.26
Dunn	1.00	4.18	14.52	1.00					0.38				21.08
Eddy	30.31	1.00	20.75	1.00		3.00		0.07	4.74	0.50	8.00	0.10	69.47
Emmons	25.92	4.84	16.41		0.18	3.00		0.10	1.99		8.00	1.00	61.44
Foster	19.48	1.00	12.00	1.50				0.10	2.25		8.00	0.50	44.83
Golden Valley	16.02	1.00	8.85	2.50		2.00						0.85	31.22
Grand Forks	17.81	10.00	13.26	0.44	0.11				1.46		8.00		51.08
Grant	21.01	0.50	21.28	0.66		3.00			5.00		8.00		59.45
Griggs	14.01	10.00	23.84	0.75					1.00				49.60
Hettinger	23.40	5.30	8.02	1.37	0.27				2.40		5.67	0.92	47.35
Kidder	23.00	2.48	10.00	1.00	0.21	3.00			3.00		8.00	0.29	50.98
Lamoure	19.00	0.55	14.65			2.00			2.45		8.00	1.00	47.65
Logan	24.32	2.30	15.05	0.12	0.25	3.00		0.05	3.41		8.00		56.50
McHenry	19.92	6.15	10.33						0.21		4.87	0.01	41.49
McIntosh	7.97		17.42	0.25		2.51			2.89		8.00		39.04
McKenzie				0.10			0.44					0.68	1.22
McLean	7.11		4.66	1.04									12.81
Mercer	18.96	4.00	9.00	1.00							6.79		39.75
Morton	29.82	4.54	18.50	0.86	0.05			0.10				1.00	54.87
Mountrail	6.31		9.91	0.85			0.74						17.81
Nelson	20.45	2.27	19.48		0.50	0.54			2.76		8.00	3.00	57.00
Oliver	15.00	3.22	16.45			3.00			3.22		8.00	1.00	49.89
Pembina	17.75	3.07	11.23	1.50	0.18	2.00			1.38		5.09		42.20
Pierce	12.04	7.75	6.32						0.14		3.00	0.26	29.51
Ramsey	16.23	6.94	7.01	1.00		3.00		0.10			8.00	0.15	42.43
Ransom	16.17	0.66	16.25	2.30	0.15				2.48		7.47	0.19	45.67
Renville	3.74	1.50	17.46		0.20						4.99	1.00	28.89
Richland	62.25											1.00	63.25
Rolette	4.99	10.00	6.88		0.44				2.50			1.00	25.81
Sargent	16.78	6.07	10.04	1.00	0.34				1.75		6.59	1.00	43.57
Sheridan	14.46	6.85	15.17		0.22				2.67		7.93	0.50	47.80
Sioux	18.35		7.22						5.00		17.01		47.58
Slope	10.00	1.38	2.22	0.57					1.14				15.31
Stark	23.00	10.00	9.00	0.50	0.50				1.00		4.00	1.00	49.00
Steele	23.00	1.12	9.72						2.92		6.73	1.00	44.49
Stutsman	16.22	10.00	18.80	0.50	0.04						4.00	1.21	50.77
Towner	15.70	1.98	12.94		0.35	2.11			3.49		5.63	0.79	42.99
Trail	1.33	5.30	18.31			3.00		0.10	1.67		6.38	0.46	36.55
Walsh	12.00	10.00	12.00	1.00	0.50	1.00			1.25		8.00	2.00	47.75
Ward	14.31	5.42	1.21	1.64	0.38		0.50		0.55		1.77	1.01	26.79
Wells	23.00	1.84	13.53	1.50					3.04		8.00		50.91
Williams	2.59	1.00	8.41		0.10		1.00					1.00	14.10
No. of Counties	52	42	50	32	22	16	5	7	39	1	38	36	53
Average levy	17.13	4.34	12.05	1.04	0.26	2.33	1.12	0.09	2.21	0.50	6.54	0.86	40.08

**County Levies - Road Funds
2013 Tax Year**

#8.2
SB 214A
1-21-15

	1204	1212	1226	1233	Grand Total
Adams	0.25	16.00			16.25
Barnes	0.50	15.00			15.50
Benson		21.19		5.00	26.19
Billings	12.00				12.00
Bottineau	0.25	10.00		5.00	15.25
Bowman	5.00				5.00
Burke	0.22	10.00			10.22
Burleigh	0.25				0.25
Cass	10.25				10.25
Cavalier	7.10	13.00		4.50	24.60
Dickey	4.11	10.00	1.15		15.26
Divide		12.57			12.57
Dunn	5.34	10.00			15.34
Eddy	5.00	15.00	3.00		23.00
Emmons	0.25	5.74	3.00		8.99
Foster		10.50		1.84	12.34
Golden Valley	10.45		2.00		12.45
Grand Forks	0.25	5.67			5.92
Grant	4.74	5.73	3.00		13.47
Griggs	4.00	20.00		5.00	29.00
Hettinger	0.23	7.41		5.00	12.64
Kidder		5.75	3.00	5.00	13.75
Lamoure	4.00	15.00	2.00		21.00
Logan		5.38	3.00		8.38
McHenry	3.08	10.00		2.00	15.08
McIntosh	4.83	12.31	2.51		19.65
McKenzie	10.06				10.06
McLean	0.25	10.00			10.25
Mercer		11.21			11.21
Morton	0.25	5.00			5.25
Mountrail	0.25	10.00			10.25
Nelson	4.98	16.00	0.54	5.25	26.77
Oliver	0.25	10.00	3.00		13.25
Pembina	5.25	10.00	2.00		17.25
Pierce	1.28	10.00			11.28
Ramsey	1.84	20.00	3.00		24.84
Ransom	5.00	10.00			15.00
Renville	0.75	9.98			10.73
Richland	8.00	15.00			23.00
Rolette	0.20	10.32			10.52
Sargent	5.25	15.00			20.25
Sheridan	3.00	12.00			15.00
Sioux		5.78			5.78
Stark	1.50	10.00			11.50
Steele	6.15	9.42		4.97	20.54
Stutsman	6.78	5.00			11.78
Towner		10.01	2.11	13.84	25.96
Traill	15.74	15.00	3.00	5.00	38.74
Walsh	6.36	25.00	1.00	5.00	37.36
Ward	0.25	10.00			10.25
Wells	9.90	4.00			13.90
Williams	3.70	15.00			18.70
No. of Counties	44	46	16	13	52
Average levy	4.07	11.30	2.33	5.18	15.46

**County Levies - Human Services
2013 Tax Year**

#8.3
\$B 2144
1-21-15

	1203	1220	1222	Total Mills
Adams		20.00	18.25	38.25
Barnes		16.00		16.00
Benson		6.34		6.34
Billings		7.89		7.89
Bottineau		15.18		15.18
Bowman		9.24		9.24
Burke		9.36		9.36
Burleigh		15.82		15.82
Cass		19.50		19.50
Cavalier		16.84		16.84
Dickey		12.50		12.50
Divide		8.63		8.63
Dunn	3.22			3.22
Eddy		20.00		20.00
Emmons		5.29		5.29
Foster		20.00		20.00
Golden Valley		17.71		17.71
Grand Forks		21.66		21.66
Grant		13.29	0.23	13.52
Griggs		16.70		16.70
Hettinger		15.75		15.75
Kidder		15.00		15.00
Lamoure		10.89		10.89
Logan		15.03		15.03
McHenry		13.21		13.21
McIntosh		16.91		16.91
McLean		7.54		7.54
Mercer		8.02		8.02
Morton		18.50	2.00	20.50
Mountrail		9.80		9.80
Nelson		14.95		14.95
Oliver		19.48		19.48
Pembina		10.19		10.19
Pierce		20.00		20.00
Ramsey		20.00	4.00	24.00
Ransom		10.11		10.11
Renville	6.99			6.99
Richland		15.00		15.00
Rolette		19.94	7.98	27.92
Sargent		10.93		10.93
Sheridan	11.98			11.98
Sioux		13.01	13.96	26.97
Slope		3.21		3.21
Stark	16.65			16.65
Steele		10.26		10.26
Stutsman		20.00	1.64	21.64
Towner		11.87		11.87
Trail		19.94		19.94
Walsh		20.00		20.00
Ward	16.24			16.24
Wells		20.00	4.96	24.96
Williams		20.00	0.23	20.23
Total	5	47	9	52
Average	11.02	14.50	5.92	15.19

**County Levies - Capital Construction
2013 Tax Year**

#8.4
JB2144
1-21-15

	1208	1241	1263	1269	Grand Total
Adams	9.73	0.91			10.64
Barnes	8.50				8.50
Benson	2.73				2.73
Bottineau		0.50			0.50
Bowman	3.52				3.52
Burke		0.99			0.99
Burleigh	1.00				1.00
Dickey	1.40				1.40
Divide	1.25			1.88	3.13
Dunn	4.18				4.18
Eddy	1.00				1.00
Emmons	4.84				4.84
Foster	1.00				1.00
Golden Valley	1.00				1.00
Grand Forks	10.00		5.87		15.87
Grant	0.50				0.50
Griggs	10.00		10.00		20.00
Hettinger	5.30				5.30
Kidder	2.48				2.48
Lamoure	0.55				0.55
Logan	2.30				2.30
McHenry	6.15				6.15
Mercer	4.00				4.00
Morton	4.54			2.33	6.87
Nelson	2.27				2.27
Oliver	3.22	1.01			4.23
Pembina	3.07				3.07
Pierce	7.75				7.75
Ramsey	6.94				6.94
Ransom	0.66				0.66
Renville	1.50			3.00	4.50
Rolette	10.00				10.00
Sargent	6.07				6.07
Sheridan	6.85				6.85
Sioux		1.39			1.39
Slope	1.38				1.38
Stark	10.00				10.00
Steele	1.12				1.12
Stutsman	10.00				10.00
Towner	1.98				1.98
Traill	5.30				5.30
Walsh	10.00				10.00
Ward	5.42				5.42
Wells	1.84				1.84
Williams	1.00	0.24			1.24
No. of Counties	42	6	2	3	45
Average levy	4.34	0.84	7.94	2.40	4.68

**County Levies - Weed Control
2013 Tax Year**

#8.5
SB2144
1-21-15

	1257	1258	Grand Total
Adams		3.45	3.45
Barnes		3.00	3.00
Benson		2.88	2.88
Billings		3.38	3.38
Bottineau		3.15	3.15
Bowman		3.00	3.00
Burke		3.45	3.45
Burleigh		2.43	2.43
Cass		1.80	1.80
Cavalier		3.00	3.00
Dickey		3.00	3.00
Divide		0.62	0.62
Dunn		3.07	3.07
Eddy		3.00	3.00
Emmons		2.78	2.78
Foster		4.00	4.00
Golden Valley		5.00	5.00
Grand Forks		3.75	3.75
Grant		3.07	3.07
Griggs		1.00	1.00
Hettinger		4.58	4.58
Kidder		4.00	4.00
Lamoure		3.00	3.00
Logan		3.78	3.78
McHenry		4.80	4.80
McIntosh		3.00	3.00
McKenzie		3.00	3.00
McLean		0.78	0.78
Mercer		3.98	3.98
Morton	3.00		3.00
Mountrail		3.00	3.00
Nelson		3.00	3.00
Oliver		4.00	4.00
Pembina		3.00	3.00
Pierce		3.00	3.00
Ramsey		1.00	1.00
Ransom		3.00	3.00
Renville		1.00	1.00
Richland		2.00	2.00
Rolette		3.00	3.00
Sargent		3.00	3.00
Sheridan		4.00	4.00
Sioux		4.00	4.00
Slope		3.00	3.00
Stark		4.00	4.00
Steele		2.28	2.28
Stutsman		3.50	3.50
Towner		3.00	3.00
Traill		0.91	0.91
Walsh		3.00	3.00
Ward		0.69	0.69
Wells		3.01	3.01
Williams		3.00	3.00
No. of Counties	1	52	53
Average levy	3.00	2.95	2.95

Testimony to the
Senate Finance and Taxation Committee
January 21, 2015
By Linda Svihovec, McKenzie County Auditor

#9
SB 2144
1-21-15

RE: SB2144 – Governor's Property Tax Reform Bill

Good Morning Chairman Cook and members of the Senate Finance and Tax Committee. For the record, my name is Linda Svihovec and I am the Auditor for McKenzie County. I also served as a representative for rural political subdivisions on the Governor's Task Force for Property Tax Reform. SB2144 is a result of a year of work by this group of private and public sector individuals under the direction of Governor Dalrymple. When the Governor contacted me about serving on the committee, I enthusiastically agreed because after 25 years of property tax administration, I felt there was a lot of room for improvement in the way of housekeeping and consistency in North Dakota property tax levies, which would ultimately make the calculation and administration of property taxes easier, and provide more clarity and transparency in the property tax system for North Dakota citizens and the legislature.

SB2144 addresses the concerns I have regarding several levies that are available to political subdivisions that are currently either not used at all, or are used to supplement either general government services or roads. These "extra" levies can make it difficult to compare the taxing level of one county or city to another, and also make it difficult to understand what a political subdivision is truly spending on large ticket local government items such as general government services, social service programs, streets and roads.

The task force spent a lot of time discussing what the appropriate number of maximum mills should be for all levies that were consolidated in order for them to be right sized. It was important to us that the new maximums created some flexibility for counties and cities that currently does not exist, and also that it did not reduce the number of mills currently levied by the majority of counties and cities. Thanks to an incredible amount of research and statistics provided by the Tax Department, we were able to determine that there were a few outliers that would be allowed a five year phase-in to bring their levies down to the maximum, and that in most cases, a reassessment of their property values would take care of the mill levy overages.

SB2144 offers flexibility and transparency to the tax levy authority provided to cities, counties and townships. It also streamlines the administration process for county auditors when calculating levies and property taxes. Mr. Chairman and committee members, I urge a DO PASS recommendation on SB2144.

Testimony to the Senate Finance and Taxation Committee

January 21, 2015

Senate Bill 2144

Michael Montplaisir, Cass County Auditor

Good morning Chairman Cook and Members of the Senate Finance and Taxation Committee my name is Michael Montplaisir, I am the Auditor of Cass County and honored to be a member of the Governor's Task Force that has worked on this consolidation of mill levies over the past year. I have worked either as an auditor auditing local governments, or as the chief financial officer of a county for over 35 years. I have and still work with local governments as they prepare their budgets that result in the levying of property taxes.

This is the most comprehensive review and consolidation of mill levies that has ever been undertaken by the Legislature. The Governor spearheading this process along with the chairmen of tax committees of both the Senate and the House shows the commitment by these leaders to simplifying the property tax system. I was amazed at the depth of knowledge these leaders had of the property tax process. You seldom find that depth of knowledge, on the details of system, outside of the people who work with it on a daily basis.

How did we get to this point? Over the years every time a new funding problem arose for local government, instead of adjusting the general levy, a new levy was added. This gave the feeling of control of those additional funds in that they could only be used for a specific purpose. If a levy type, for instance for social security, was added to one local government, it was added for all local governments. This leads to a fragmented accounting and reporting system that tracks costs by levy instead of by function or department.

In 1994 Cass County voters approved a Home Rule Charter where a single mill levy limit was approved. Following that, in Cass County we consolidated our levies to more functional levels, General Fund, Social Services Fund, County Road and Bridge Fund, Senior Citizens (for levy match purposes), and Emergency. Later we added a debt service levy to pay the bonds issued for the courthouse addition.

The only other levies we use are for appointed boards such as the Water Resource, Vector Control, and Weed Control districts. Besides reducing the number of levies that we used, it lead to a system that made accounting for costs of each department easier. No longer did we have to use several different levies to finance the governmental operations of the county. As an example, we were able to bring all the costs of running the County Auditor's Office under the departmental accounting for the General Fund. In the past, salaries and supply costs were paid by the General Fund, employee benefits costs such as health insurance and social security were paid by other levies. This consolidation of levies can result in more uniform accounting and reporting of costs by local governments, leading to better understanding of local government costs.

I would like to thank the Governor and fellow task force members for the serious study they have done over the past year and urge support of SB 2144 that is the result of that study.

Thank You

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1-21-15

January 21, 2015

Senate Finance and Taxation Committee

SB 2144

CHAIRMAN COOK AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State.

I want to thank the Governor for inviting the North Dakota League of Cities to have a seat on the task force and for his leadership role in guiding the process to a reasonable conclusion. I believe it was an incredible learning experience for all of us on the task force. Thanks also to the staff from the Tax Commissioner's office who answered all my questions and provided all the data that I requested. Special thanks to Bill Wocken, Bismarck City Administrator, whose guidance and answers were invaluable as we worked our way through process.

The League was a member of the task force from its inception and used the many meetings as opportunities to speak on behalf of all cities regardless of size or taxable valuation. The bill before you, SB 2144, will increase public transparency and allow city government to operate more efficiently as they provide the services demanded by their residents.

On behalf of the North Dakota League of Cities, I ask for a Do Pass on SB 2144.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.



Testimony of James Kramer

North Dakota Recreation & Park Association

To Senate Finance & Taxation Committee

In Support of SB 2144

Wednesday, January 21, 2015

Chairman Cook and Members of the Committee, my name is James Kramer. I am director of Dickinson Parks and Recreation and also a past president of the North Dakota Recreation & Park Association (NDRPA). NDRPA represents more than 600 members across the state, including park board commissioners and park district staff, and works to advance parks and recreation for an enhanced quality of life in North Dakota.

I represented park districts on the Governor's Task Force on Property Tax Reform, and I would like to express NDRPA's support for Senate Bill 2144.

Over the past year, the Governor and his staff made every possible effort to allow for participation of NDRPA and its member park districts during the drafting of this bill. From surveys to face-to-face meetings, we were able to have a voice in this entire process. This bill simplifies, consolidates, and eliminates property tax levies. It also creates consistency among political subdivisions and an improved foundation for all taxing entities moving forward.

NDRPA encourages a do pass recommendation on SB 2144. Thank you.

Testimony of Jon Godfread
Greater North Dakota Chamber of Commerce
SB 2144
January 21, 2015

Mr. Chairman and members of the committee, my name is Jon Godfread. I am the Vice President of Government Affairs at the Greater North Dakota Chamber, the champions for business in North Dakota. GNDC is working on behalf of our more than 1,100 members, to build the strongest business environment in North Dakota. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we support SB 2144.

The GNDC was honored to be a part of the Governors Property Tax Task Force, and thus was a part of all the discussions surrounding this bill. The recommendations put forth in this bill are really an attempt to simplify and clean up the property tax code. The task force went line by line through the tax code and reviewed every aspect of property taxation, outside of school levies. The result of those months and months of work is SB 2144.

What we at the chamber like the most about this bill is not only the simplification, clean up and repeal of unused or litter used tax levies. We support the consolidation of mill levies; this bill brings consistency to the property tax code. What is taxed for in Grand Forks County should be similar to what is taxed in Burleigh County. For the first time, we will be comparing apples to apples across our state, and no longer will local governments have an over flowing gopher control fund, while zeroing out their snow removal budgets. This provides more flexibility to local governments and more clarity to the taxpayer.

SB 2144 adds clarity, transparency and consistency to local budgets. It was developed with the input of all major stake holder groups, many of which are here today. The task for did good work; we were thorough, and exhaustive. Because of all the input we received and all the discussions we had along the way we strongly support SB 2144 and a centerpiece for property tax reform.

Thank you for allowing me to testify, we would support a DO PASS recommendation on SB 22144. I would now be happy to attempt to answer any questions.

#14
1-21-15

January 21, 2015

Senate Finance and Taxation Committee hearing SB 2144

Chairman Cook and committee members. My name is Allan Klein and I am the Chief of the Bismarck Rural Fire Department. I am here today to give testimony against SB 2144 or more specifically the changes in the bill that would require Rural Fire Districts that are operating at more than 5 mills to hold an election every 5 years to maintain their level of funding.

Allow me to give you a brief history of the Bismarck Rural Fire Department. We were formed in 1954 with several Townships joining the district. In later years additional Townships joined and today we have all or parts of 13 townships in our fire district. The area served covers outside the city limits of Bismarck and encompasses about 450 square miles. The estimated population of our district is 18,000 and includes one of the fastest growing cities in North Dakota, Lincoln. Our Board consists of 1 director and 1 alternate from each Township who are elected by the eligible voters present at the Annual Meeting each March. The year I was hired for this job we responded to 185 emergency calls for 2005. In 2014 we responded to 381 emergency calls. That is more than a 100% increase in calls in 10 years.

As you would expect, when your call load increases at a rate that exceeds 100% in 10 years, something has to change in the way you operate.

Our Board of Directors, who has been very proactive, saw this coming in the late 90's and petitioned the electorate of our fire district and received their approval to spend up to the 13 mill level if needed to

14.2
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improve the services provided to them by the Bismarck Rural Fire Department. Since that time several things have happened to see service improve along with the need. First, two full time firefighters were hired to maintain the station during the work day. In 2005 I was hired to manage and oversee the growth of the fire department. In 2007 we hired 3 more full time firefighters and extended the hours we had personnel on duty. In 2014 the Board of Directors again saw a need to expand and voted to hire 4 more full time firefighters which will enable us to have 24 hour coverage to allow for a quicker response for the first due unit at any emergency we are dispatched to.

Senate Bill 2144 if signed into law in its current form would end any proactive planning by our fire department or any other department that is currently receiving over 5 mills of funding. The uncertainty of continued funding will prohibit these districts from hiring additional personal or updating equipment with the likelihood of not getting approval from the electorate every 5 years.

In the case of BRFD, if we would lose our 13 mils of funding and went to 5 mills, it would mean that we would have to lay off most if not all of our full time firefighters. We would then go back to the days when we operated as a volunteer department. I am not putting down the volunteer firefighters; in fact we still rely heavily on them. In most cases, our volunteers are trained as well as the full time firefighters. They are a very valuable asset to our fire department and we could not operate without them. We would still respond to all calls that we are dispatched to; we would just have a much longer response time because the responders will have to come from their homes or jobs.

14.3
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I strongly urge you to consider the needs of the departments in North Dakota who have taken the initiative to obtain the approval of their electorate to proactively plan for the future. I ask that you strike the requirement to reauthorize after 5 years and then every 10 years after from this bill.

Thank you for allowing me to speak to you today.

Thank you.

Allan Klein, Chief

Bismarck Rural Fire Department

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1-21-15

SECTION 24. AMENDMENT. Section 18-10-07

Robert Knuth, Assistant Chief
Minot Rural Fire Department

Mr. Chairman and members of the Committee, my name is Rob Knuth and I am the Assistant Chief of the Minot Rural Fire Department. I would like to comment on Senate Bill 2144. Specifically Section 24, an Amendment to section 18-10-07 of the Century Code relating to levy authority for Fire District Boards. In my opinion, the proposed amendment would place undue financial burden on Rural Fire Districts.

The Minot Rural Fire Protection District is responsible for fire protection, prevention, suppression and rescue operations in an area covering over 275 square miles and consisting of 8 townships. Our Board of Directors consists of one representative elected during our annual meeting from each township. During our annual meeting the Board develops the fire protection plan and identifies the level of services the Fire Department is expected to provide. After which the officers of the Fire Department develop a budget to cover operating costs to meet the expected level and ensure vital emergency services are provided in our district. The budget is then presented to the district board for their consideration and approval. Once approved the budget is presented to the county auditor who determines the mill levy needed to meet our budget based on the taxable valuation of our district. In 1985 the maximum mill levy was raised to 13 mills due to a proposed new station. The maximum has remained at 13 ever since. This has allowed our department to not only meet our response requirements, but also has allowed us to project future needs as well as be able to budget for replacement gear, equipment, and apparatus. In 2014 the mill levy required to meet our budget was 8.9. If our max mill levy was maxed out at 5 mills we would not have been able to provide the essential services we needed to.

This amendment would require Fire Protection Districts and departments who are funded by a mill levy to conduct a mail ballot election to request any additional mills above 5. Following the amendments instructions on how we need to conduct these mail ballot elections it would cost the Minot Rural Fire Protection District approximately \$7000.00 in postage, advertisement, and cost of printing.

I understand and agree that people have a right to have a voice when being taxed; however as you can see Fire Protection Districts are represented by their township elected officials and their budget request is approved by those elected officials each year already. If this bill passes as is we would run the risk of fire departments having to make cost cutting decisions such as not replacing out dated personal protective gear, self-contained breathing apparatus which could possibly place our first responders in danger, or possibly not conduct training in favor of paying for utilities and fuel for our vehicles to operate and it will make it extremely difficult to forecast for future needs.

I thank you for your time and consideration and would be more than happy to answer any questions you may have. Thank You.



NORTH DAKOTA WEED CONTROL ASSOCIATION

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Testimony of Merlin Leithold, lobbyist # 239

SB 2144

Senate Finance & Taxation Committee

January 21, 2015, 9:00 am.

#16

Good Morning Chairman Cook, and members of the Senate Finance & Taxation Committee. For the record, my name is Merlin Leithold. I am with the ND Weed Control Association. I am also a weed officer in Grant County.

I am before you this morning in opposition to certain parts of SB 2144. On page 10 of the bill, lines 9 - 12, which reference the noxious weed program in century code, the bill over strikes the word noxious in line 9. I can see where using it throughout the code can be redundant. We have no problem with that. SB 2144 also adds language in lines 9 - 12. Most of that language I understand as well, but on line 12, the bill adds the word grass, and I quote, "or grass along county or township roads in the county." I would ask that you amend this portion of the bill, and strike out the word grass. I have no problem with that line with the word grass removed.

Weed boards in the state deal with noxious and invasive weeds. We are constantly dealing with threats of new weeds. Yes, some weeds are considered grasses, like Downy Broome. (Cheat grass)

#16.2
1-21-15

By leaving grass in the language, it could be detrimental to some weed board budgets in the state. It may not be an immediate concern, but in years to come, it could very well be. When changing language in the century code, we all want to make sure it is correctly worded. Our concerns are that by leaving grass where it is, weed boards could either inherit the fall road shoulder clipping for counties, or could become the budgets for shoulder clipping, shoulder burn downs and more. County weed boards in North Dakota cannot afford this.

Another concern we have with this bill, comes on line 27 and line 28, also on page 10. The bill over strikes the language pertaining to the ability for weed boards to receive in excess of the four mill limit, as is stated currently in century code.

As of 2013, there were four counties receiving more than the four mill requirement. They were Dickey, Golden Valley, Hettinger and McHenry.

I would like to see SB 2144 amended, leaving that particular line left in. Common language voiced here at the legislature, either by you legislators or by folks like myself, is local control. That line speaks local control. County commissioners have the ability, in the budgeting process, to determine how much their weed board will receive in tax dollars each year. I feel we should leave it up to them to decide. If they are asking for this to be changed in state code, they are not doing their job on the local level. Every county is different, every weed board is different. I ask that you leave it to the local weed boards and county commissions to levy as they see fit.

Again, I ask that you see it in your powers to amend SB 2144. Thank you.

I would be happy to answer any questions you may have.



Airport Association of North Dakota

Timothy J. Thorsen- President Matthew Remyse - Vice President

Lori Jury - Sec. / Treasurer

3561 Sheyenne Circle, Valley City, North Dakota 58072
(701) 845-1558

January 21, 2015

Re: Testimony to Senate Finance and Taxation Committee (SB 2144)

Chairman Cook and committee members:

Thank you for the opportunity to present testimony on SB 2144. I am Matthew Remyse, Vice President of the Airport Association of North Dakota (AAND). AAND is an organization of North Dakota's airports. We exist to promote aviation in North Dakota. AAND has among its members 77 of 89 North Dakota airports, including all eight commercial service airports. We would like to bring to your attention concerns that AAND has in regarding Senate Bill 2144

AAND certainly appreciates the extensive work that has gone into SB 2144. No doubt, there were countless hours that went into the bill before you today and many of the decisions made by the Governor's Property Tax Task Force were likely difficult ones to make.

That being said, and for some of the same reasons we shared with your committee at last week's hearing on SB 2056, we also have the same concerns about the changes made in Section 5 of SB 2144. Because the concerns were presented to this committee a week ago I will not reread them but they are outlined in my testimony handout for further review.

- AAND is concerned that these changes will undermine efforts to foster a healthy state airport system. The state currently provides for support to the state airport system capped at 4 mills uniformly for airport authorities across the state. Proposed changes can have the effect of undermining the uniform support for the state airport system where local officials may choose not to fund an airport, degrading the system of airports in the state in those areas.
- Local governmental subdivisions have great control of their local airports now without making changes to existing law. The Airport Authorities Act was created in 1959 to allow the government subdivision in control of each airport throughout North Dakota to create an airport authority to foster growth and improvement of the airport. The controlling government subdivision appoints the authority board members as they see fit. The controlling government subdivision has the ability to replace authority board members from time to time or even dissolve an airport authority and retake control if they are not satisfied with the operation of the airport authority they created.

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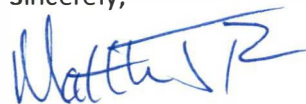
- 84 out of 89 public use airports throughout North Dakota currently have an airport authority and would be significantly affected by this change. The proposed change will be burdensome. It will add an additional approval (two approvals, county and city, for regional airport authorities) to use each authority mill levy . Authorities currently can certify up to 4 mills.
- Airport Authorities whom are unable to certify their mill levy would be unable to pledge such tax revenue for future borrowings which would inhibit their ability to take out a loan or revenue bond to help pay for much needed infrastructure projects. Airports need to have the ability to bond or take out a bank loan to cover the local share of the project and 10% of the federal government's share until the project is complete. The costs of construction throughout the state are at an all-time high which makes it critically important that an airport authority can plan accordingly for infrastructure improvements.
- A financial local match for airport infrastructure projects is required by both the state and federal government. For large projects costing millions of dollars, the local share can be a large burden on an airport and in some cases, the availability of local funding may be the difference of whether or not a federal or state grant can be received by the community.

Without taking a position, AAND would like to bring to the committee's attention how language in SB 2144 impacts how townships levy mills for airports. It appears the way Section 6 reads now would allow townships levying at least one half of one mill for an airport within six miles of the township's border to opt out of a full county mill. Essentially, each year a township could decide which airport to levy mills for based on how many mills an airport sets for that year. AAND is not sure this is what was intended. Based on our research this could affect ten different counties.

Another minor redundancy is that city supported airports are being addressed in Section 6 of SBm2144, which is part of the Airport Authority Act. The four mill levy limit amount for city supported airports is already addressed in 57-15-10 & 57-15-36.

Thank you for your attention this morning. Please know that AAND stands ready and willing to work with your committee to address our concerns in SB 2144. I'd be happy to answer your questions.

Sincerely,



Matthew Remyse
Vice President



SB 2144 #18
1-21-15

Good morning Mr. Chairman and members of the committee. My name is Patrick Dame and I am the Executive Director of the Grand Forks Regional Airport Authority. GFK is an Airport Authority created by both the City of Grand Forks and Grand Forks County.

SB2015 has very good intentions, however, we feel there is room to provide additional consistency.

GFK has a City and a County mill levy to support our capital development needs. Section 2-06-15 allow for both Cities and townships to opt out for airports in their area. In an effort to provide for consistent taxation, those cities and townships, which choose to opt out for other airports, would be subject to the remaining mill levies of the county. The current language read "Property within a township that is levying a tax under this section of at least one - half of one mill is not subject to a county levy under this section." If a city or township decides they don't need all four mills the remaining mills should go to the Counties designed airport.

I would further encourage the Committee to consider how the state funds the eight (8) Commercial Service Airports within this bill. We are regional transportation hubs who serve large geographic areas. The eight (8) commercial service airports should be a regional funding responsibility and not just the responsibility of the nearest City and/or County.

Thank you for your consideration.

February 11, 2015

1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 2, line 2, replace the first "chapters" with "chapter"

Page 2, line 2, remove "and 11-37"

Page 2, line 2, after "sections" insert "11-37-13, 11-37-14,"

Page 86, line 20, replace the first "chapters" with "chapter"

Page 86, line 20, remove "and 11-37"

Page 86, line 20, after "sections" insert "11-37-13, 11-37-14,"

Renumber accordingly

Sixty-fourth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2144

#2.
2.11.15

Introduced by

Senators Unruh, Cook, Dotzenrod

Representatives Belter, Headland, Kelsh

1 A BILL for an Act to create and enact six new subsections to section 11-11-14, and subsection 4
2 of section 11-11.1-01, ~~and section 18-10-07.1~~ of the North Dakota Century Code, relating to
3 consolidation and revision of provisions governing property tax levy authority; to amend and
4 reenact section 2-02-07, subsection 9 of section 2-06-01, section 2-06-07, subsection 8 of
5 section 2-06-10, sections 2-06-14, 2-06-15, 4-02-26, 4-02-27.3, and 4-08-15, subsection 17 of
6 section 4-22-26, sections 4-33-11, 4.1-47-14, 4.1-47-16, 4.1-47-25, 11-11-53, 11-11-65,
7 11-11.1-04, 11-28-06, 11-28.3-03, 11-28.3-09, 18-06-10, 18-10-07, 18-11-10, subsection 1 of
8 section 21-03-06, subsections 3, 5, and 6 of section 21-03-07, sections 23-06-30, 23-18-01,
9 23-30-01, 23-30-07, 24-05-01, 24-05-02, 24-05-05, 24-05-16, 24-08-07, 32-12.1-08, 32-12.1-11,
10 40-05-09.2, 40-05-19, 40-05-20, 40-26-08, 40-28-05, 40-29-14, 40-31-08, and 40-37-03,
11 subsections 1 and 3 of section 40-38-02, sections 40-38.1-02, 40-43-01, 40-45-01, 40-45-27,
12 40-46-02, 40-46-25, 40-46-26, 40-48-07, 40-49-22, 40-55-08, 40-55-09, 40-57.2-04, and
13 40-57.4-04, subsection 8 of section 40-58-07, subsection 2 of section 40-58-15, section
14 40-59-01, subsection 2 of section 40-60-02, subsection 3 of section 40-61-03.1, sections
15 40-61-10, 50-03-01, 50-03-06, 50-06.2-05, 57-15-01.1, 57-15-06, 57-15-06.4, 57-15-06.6,
16 57-15-06.7, 57-15-08, 57-15-10, 57-15-10.1, 57-15-12, 57-15-12.1, 57-15-12.3, 57-15-19.4,
17 57-15-19.5, 57-15-19.6, 57-15-20, 57-15-20.2, 57-15-22.2, 57-15-27.1, 57-15-28, 57-15-28.1,
18 57-15-30.1, 57-15-38, 57-15-42, 57-15-48, 57-15-50, 57-15-51, 57-15-51.1, 57-15-53, and
19 57-15-55, subsection 1 of section 57-15-56, sections 57-20-23 and 57-47-04, subsection 16 of
20 section 58-03-07, and sections 58-17-02, 61-04.1-26, and 61-24-02 of the North Dakota
21 Century Code, relating to consolidation and revision of provisions governing property tax levy
22 authority of counties, cities, park districts, soil conservation districts, and various boards and
23 commissions; to repeal sections 4-02-27, 4-02-27.1, 4-02-27.2, 4-02-35, 4-02-37, and
24 4-08-15.1, chapter 4-16, sections 11-11-18, 11-11-20, 11-11-21, 11-11-22, 11-11-23, 11-11-24,
25 11-11-25, 11-11-45, 11-11-46, 11-11-47, 11-11-59, 11-11-60, 11-11-61, 11-11.1-06, 11-28-12,

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2-11-15

1 required under section 2-06-10, the airport authority or the municipality may by resolution
2 covenant and agree that the total amount of such taxes then authorized by law, or such portion
3 thereof as may be specified by the resolution, will be certified, levied, and deposited annually
4 until the bonds and interest are fully paid.

5 **SECTION 6. AMENDMENT.** Section 2-06-15 of the North Dakota Century Code is amended
6 and reenacted as follows:

7 **2-06-15. ~~County tax~~ Tax levy by county, city, or township for airport or airport**
8 **authority purposes.**

9 ~~In counties supporting airports or airport authorities, a~~ county, city, or township supporting
10 an airport or airport authority may levy a tax not exceeding the limitation in subsection 1 of
11 ~~section 57-15-06.7 may be made for such~~ four mills for airport or airport authority purposes, but
12 this levy shall not apply to any city, township, or park district that already has an airport levy. A
13 township may levy under this section only for support of an airport or airport authority located
14 within, or not more than six miles outside, that township's boundaries. Property within a
15 township that is levying a tax under this section of at least one-half of one mill is not subject to a
16 county levy under this section. A county levy under this section does not apply to property within
17 a city that is levying a tax under this section for support of an airport that is the official airport for
18 that city or has at least one hard-surfaced runway and is located within, or not more than ten
19 miles outside, that city's boundaries.

20 **SECTION 7. AMENDMENT.** Section 4-02-26 of the North Dakota Century Code is amended
21 and reenacted as follows:

22 **4-02-26. County fairs - Association - ~~Aiding~~ County funding.**

23 A county fair association may be organized in any county ~~having taxable property of a~~
24 ~~taxable valuation of not less than seven hundred fifty thousand dollars.~~ The executive officers
25 and directors must be residents of the county. The association may ~~apply~~ make written
26 application to the board of county commissioners of the county for a grant to aid in the erection
27 of suitable buildings and other improvements to accommodate its patrons and exhibits; and to
28 pay premiums and expenses that may be awarded on ~~such~~ fair exhibits ~~at any fair.~~ An
29 application ~~for the grant must be in writing and must state the incorporation of the association,~~
30 the names and places of residence of all its executive officers, and the ownership of real
31 property in the county sufficient in area for the purpose of its fair ~~and of the value of at least two~~

1 coordinator shall submit county and township control plans to the agriculture
2 commissioner for approval.

3 **SECTION 12. AMENDMENT.** Section 4.1-47-14 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **4.1-47-14. County noxious weed control program - Payment of expenses - Mill levy**
6 **authorization.**

7 1. The board of county commissioners may pay the expenses of a county noxious weed
8 control program authorized under this chapter from the county general fund, the
9 noxious weed control fund, or both. In addition to the other program expenditures
10 authorized in this chapter, the board of county commissioners may expend funds from
11 the levy authorized under subsection 11 of section 57-15-06.7 to control noxious
12 weeds or grassundesirable vegetation along county or township roads in the county.

13 2. a. The county weed board may annually certify to the board of county
14 commissioners a tax, not to exceed ~~two mills on the taxable valuation of all~~
15 ~~property in the county, other than that which~~ the levy limitation in subsection 11 of
16 section 57-15-06.7, but any tax levied under this section does not apply to
17 property that lies within the boundaries of a city having a noxious weed control
18 program under this chapter.

19 b. ~~In addition to the levy authorized in subdivision a, the board of county~~
20 ~~commissioners may levy an amount not to exceed two mills per dollar on the~~
21 ~~taxable valuation of all property in the county, other than that which lies within the~~
22 ~~boundaries of a city having a noxious weed control program under this chapter.~~

23 c. The board of county commissioners ~~shall~~ may levy the taxes authorized by this
24 subsection and shall place those moneys in a separate fund designated as the
25 ~~noxious weed control fund, which is~~ may be used to pay the expenses of a county
26 ~~noxious weed control program~~ authorized under this section.

27 d. ~~The tax may be levied in excess of the mill levy limit prescribed by law for general~~
28 ~~purposes.~~

29 3. For purposes of this section, the expenses of a county noxious weed control program
30 include compensation for and the reimbursement of expenses incurred by the county
31 weed board, the county weed control officer, and other employees of the board, and

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1 to the actual annual operating budget, but the total of the annual operating budget and the
2 annual ten percent emergency medical services sinking fund shall not exceed the
3 approved amount of revenue that would be generated by application of the maximum mill levy
4 approved by the electors.

5 **SECTION 23. AMENDMENT.** Section 18-06-10 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **18-06-10. Township may contract for prevention and extinguishment of fires.**

8 The electors of each township at the annual township meeting may authorize and empower
9 the board of township supervisors to levy, ~~not exceeding the limitation in subsection 1 of section~~
10 ~~57-15-20.2, and fund from revenues derived from the general fund levy authority of the township~~
11 and provide by contract or otherwise for the prevention of, protection from, and extinguishment
12 of fires within the townships in such manner as the board of supervisors deems
13 advisable township.

14 When so authorized, the supervisors may enter into a five-year contract and levy, ~~not~~
15 ~~exceeding the limitation in subsection 1 of section 57-15-20.2,~~ for the payment of the services
16 obtained under ~~such~~ the contract. ~~Such~~ The contract may be renewed or renegotiated for
17 another five-year period upon authorization by the electors of the township at the annual
18 meeting.

19 A voter-approved levy under this section authorized by electors of a township before
20 January 1, 2015, remains in effect under the provisions of this section at the time the levy was
21 authorized but not exceeding ten taxable years. Upon expiration of any mill levy under this
22 section authorized by electors of a township before January 1, 2015, the governing body of the
23 township or county may, by resolution, transfer any unobligated balance in the fund in which the
24 levy proceeds were deposited to the general fund of the township.

25 **SECTION 24. AMENDMENT.** Section 18-10-07 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **18-10-07. Fire protection policy to be determined - Tax levy limit ~~--Voter-approved levy~~**
28 **authority.**

29 The board of directors shall determine a general fire protection policy for the district and
30 shall annually estimate the probable expense for carrying out the contemplated program. The
31 annual estimate of probable expense may include an amount determined by the board of

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1 directors to be necessary to be carried over to a future year for purchase of firefighting
2 equipment, ambulances, or other emergency vehicles. The estimate must be certified by the
3 president and secretary to the proper county auditor or county auditors, on or before June
4 thirtieth of each year, who shall levy a tax upon the taxable property within the district for the
5 maintenance of the fire protection district for the fiscal year as provided by law. The tax may not
6 exceed the limitation in section 57-15-26.3. No signature on the petition may be considered
7 valid if made more than ninety days prior to receipt of the petition a tax rate of five mills per
8 dollar of the taxable valuation of property in the district. ~~Voter approved levy authority~~
9 ~~authorized by the board of directors and the electors, except upon resolution adopted by the~~
10 ~~board of directors after receipt of a petition by not less than twenty percent of the qualified~~
11 ~~electors residing within the district, the levy may be made in an amount not exceeding thirteen~~
12 ~~mills. An increased levy authorized by the petition process before January 1, 2015, remains in~~
13 ~~effect under the provisions of law at the time the levy was authorized for the time period~~
14 ~~authorized by the electors but not exceeding five taxable years or the period of time necessary~~
15 ~~for repayment of indebtedness incurred which was intended to be repaid from the increased~~
16 ~~levy. Upon approval or reauthorization by a majority of electors of the district voting in a mail~~
17 ~~ballot election conducted as provided in this section 18-10-07.1, the tax may be increased to a~~
18 ~~tax rate not exceeding thirteen mills per dollar of the taxable valuation of property in the district~~
19 ~~for a period not exceeding ten taxable years.~~

20 The tax must be:

- 21 1. Collected as other taxes are collected in the county.
- 22 2. Turned over to the secretary-treasurer of the rural fire protection district, who shall
23 have a surety bond in the amount of at least five thousand dollars.
- 24 3. Placed to the credit of the rural fire protection district so authorizing the same by its
25 secretary-treasurer in a state or national bank, except amounts to be carried over to a
26 future year for purchase of firefighting equipment, ambulances, or other emergency
27 vehicles may be invested to earn the maximum return available.
- 28 4. Paid out upon warrants drawn upon the fund by authority of the board of directors of
29 the district, bearing the signature of the secretary-treasurer and the countersignature
30 of the president of the rural fire protection district.

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1 The amount of tax levy may not exceed the amount of funds required to defray the expenses of
2 the district for a period of one year as embraced in the annual estimate of expense, including
3 the amount of principal and interest upon the indebtedness of the district for the ensuing year
4 and including any amount determined by the board of directors to be necessary to be carried
5 over to a future year for purchase of firefighting equipment, ambulances, or other emergency
6 vehicles.

7 **SECTION 25.** ~~Section 18-10-07.1 of the North Dakota Century Code is created and enacted~~
8 ~~as follows:~~

9 ~~**18-10-07.1. Mail ballot election for voter-approved levy approval.**~~

10 ~~—The board of directors of a fire protection district may hold an election by mail ballot for~~
11 ~~consideration of approval of a voter-approved levy under section 18-10-07. If the board of~~
12 ~~directors holds an election by mail ballot, the board must appoint an election board of five~~
13 ~~electors residing in the district to oversee the conduct and determine the result of the election.~~
14 ~~The members of the election board shall choose a chairman from their number.~~

15 ~~—The secretary of the board of directors shall cause publication of a notice of the mail ballot~~
16 ~~election in the newspaper or newspapers of general circulation where the district is located and~~
17 ~~in the official newspaper of each county in which the district is located. The newspaper~~
18 ~~publication must occur at least twenty-five days before and not more than thirty-five days before~~
19 ~~a mail ballot election. The notice must specify the amount of the mill levy authority to be voted~~
20 ~~upon, that the election is to be held by mail ballot, that no polling places will be open for the~~
21 ~~election, and the name and address of the secretary of the board of directors to whom requests~~
22 ~~may be made to receive a mail ballot.~~

23 ~~—At least fifteen days before a mail ballot election in a fire protection district, the secretary~~
24 ~~shall prepare and have printed an official ballot. The ballot must be headed "Official Ballot" and~~
25 ~~state the question "Do you approve a voter-approved additional levy of _____ mills for~~
26 ~~the _____ Fire Protection District?" and provide boxes for the elector to mark a yes or~~
27 ~~no vote and a line designated as being for the elector's signature.~~

28 ~~—On the fifteenth day before the election, the secretary of the board of directors shall mail an~~
29 ~~official mail ballot with a return identification envelope and instructions sufficient to describe the~~
30 ~~voting process to each elector known by the secretary to be residing in the district. The voting~~
31 ~~instructions must contain a statement informing the elector that the elector must sign the mail~~

~~ballot to make it valid and that the elector is entitled to complete the mail ballot in secrecy. The secretary shall mail the ballot by first class mail, addressed to the last known address of the elector and placed in an envelope that is prominently marked "Do Not Forward". The return identification envelope must include an affidavit for the elector to certify that the ballot submitted represents the elector's vote. An elector may obtain a replacement ballot if a mail ballot is destroyed, spoiled, lost, or not received by the elector by signing a sworn statement that the ballot was destroyed, spoiled, lost, or not received and delivering the statement to the secretary of the district no later than four p.m. on the day before the election. An elector voting by mail ballot shall either deliver the mail ballot to the secretary of the district before five p.m. on the day of the election or mail the ballot, which must be postmarked no later than the day of the election.~~

~~Immediately after five p.m. on the day of the election, the election board publicly shall open and canvass the ballots cast and shall declare the preliminary result of the canvass, pending receipt of any ballots postmarked no later than the day of the election. A mail ballot may be counted only if the ballot is returned in the return identification envelope and is signed by the elector. The chairman of the election board shall wrap securely all lists, tally sheets, oaths and affirmations, and other documents relating to the progress of the election and shall deliver the same to the secretary of the board of directors of the district.~~

SECTION 25. AMENDMENT. Section 18-11-10 of the North Dakota Century Code is amended and reenacted as follows:

18-11-10. Additional city levy Firefighters relief fund contributions.

At the time the tax levies for the support of the city are made the governing body of anyA city that has adopted a plan under this chapter shall also levy a tax on all taxable property within the city fund from revenues derived from its general fund levy authority a sufficient in amount for firefighters relief association contributions to equal a minimum of eight percent of the current annual salary of a first-class firefighter as last determined and approved by the governing body of the city, for each active member of the fire department relief association at the time the levy is made. This tax must be levied notwithstanding the city maximum annual tax levy for all purposes as limited by statute. This tax is in addition to the tax levy as so limited.

SECTION 26. AMENDMENT. Subsection 1 of section 21-03-06 of the North Dakota Century Code is amended and reenacted as follows:

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1 vote to discontinue the levy, it may not again be levied without a majority vote of the qualified
2 electors voting on the question at a later regular election on the question of relevying the tax,
3 which question may be submitted upon petition as above provided or by decision of the
4 governing board.

5 **SECTION 81. AMENDMENT.** Section 57-15-19.4 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-15-19.4. Township levy for roads.**

8 1. The electors of each township at the annual meeting may levy a tax not to exceed the
9 limitation in subsection 3 of section 57-15-20.2 for the purpose of cooperating with the
10 county in constructing and maintaining ~~federal-aid farm-to-market roads and bridges~~
11 that are part of the county road system and located within the township. This tax levy
12 may be made only if notice of the question of the approval of such levy has been
13 included with or upon the notice of the annual meeting provided for in section
14 58-04-01. A township levy for roads approved by qualified electors of a township under
15 this section before January 1, 2015, may continue to be imposed for five taxable years
16 or the period of time for which it was approved by the electors, whichever is less,
17 under the provisions of law in effect at the time it was approved. After January 1, 2015,
18 approval by electors of increased levy authority under this section may not be effective
19 for more than five taxable years.

20 2. ~~If no federal-aid farm-to-market roads are built within ten years of the date the first mill~~
21 ~~levy pursuant to funds from a levy under subsection 1 was made~~ are not expended for
22 purposes of cooperating with the county in constructing and maintaining roads and
23 bridges that are part of the county road system and located within the township, the
24 board of township supervisors may by resolution authorize the expenditure of all such
25 funds collected and accumulated and the earnings thereon for the construction,
26 improvement, or maintenance of other roads or for any other township purpose.

27 **SECTION 82. AMENDMENT.** Section 57-15-19.5 of the North Dakota Century Code is
28 amended and reenacted as follows:

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1 amount produced by a levy of eighteen mills on the dollar of the taxable valuation of property in
2 the township. The increased levy under this section may be made only if notice of the question
3 of the approval of such levy has been included with or upon the notice of the annual meeting
4 provided for in section 58-04-01. An excess levy approved by electors of a township under
5 chapter 57-17 before January 1, 2015, may continue to be imposed for ~~ten~~five taxable years or
6 the period of time for which it was approved by the electors, whichever is less, under the
7 provisions of law in effect at the time it was approved. After January 1, 2015, approval by
8 electors of increased levy authority under this section may not be effective for more than ~~ten~~five
9 taxable years.

10 **SECTION 85. AMENDMENT.** Section 57-15-20.2 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **57-15-20.2. Exceptions to tax levy limitations in townships.**

13 The tax levy limitations specified in section 57-15-20 do not apply to the following mill
14 levies, which are expressed in mills per dollar of taxable valuation of property in the township:

- 15 1. ~~A township levying a tax for prevention and extinguishment of fires in accordance with~~
16 ~~section 18-06-10 may levy a tax not exceeding one mill.~~
- 17 2. ~~A township levying a tax to establish a recreation system according to section~~
18 ~~40-55-08 may levy a tax not exceeding two and five-tenths mills, except that a~~
19 ~~township may levy an amount not exceeding eight and five-tenths mills if the~~
20 ~~provisions of section 40-55-09 are met.~~
- 21 3. A township levying a tax for the purpose of cooperating with the county in constructing
22 and maintaining federal-aid farm-to-market roads and bridges that are part of the
23 county road system and located within the township in accordance with section
24 57-15-19.4 may levy a tax not exceeding five mills.
- 25 4. A township levying a tax for law enforcement in accordance with section 57-15-19.5
26 may levy a tax not exceeding five mills.
- 27 5. A township levying a tax for mowing or snow removal in accordance with section
28 57-15-19.6 may levy a tax not exceeding three mills.
- 29 5.1. A township levying a tax for a legal contingency fund in accordance with section
30 57-15-22.2 may levy a tax not exceeding ten mills for not to exceed five years.

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1 ~~the district, which levy is in addition to the amount that may otherwise be legally levied for~~
2 ~~county purposes.~~

3 **SECTION 106. TRANSITION.** The treasurer of each county, city, township, or other political
4 subdivision maintaining a special fund for which levy authority is eliminated by this Act, by the
5 end of the fiscal year for which deposit of revenue from levy authority is terminated by this Act,
6 shall satisfy any obligations of that fund, transfer the remaining balance to the general fund of
7 the political subdivision, and close out the special fund.

8 **SECTION 107. REPEAL.** Sections 4-02-27, 4-02-27.1, 4-02-27.2, 4-02-35, 4-02-37,
9 4-08-15.1, chapter 4-16, sections 11-11-18, 11-11-20, 11-11-21, 11-11-22, 11-11-23, 11-11-24,
10 11-11-25, 11-11-45, 11-11-46, 11-11-47, 11-11-59, 11-11-60, 11-11-61, 11-11.1-06, 11-28-12,
11 11-28-13, 11-28-14, 11-28-15, 11-28-16, 11-28-17, 11-28-18, 11-28-19, 11-28-20, 11-28-21, and
12 11-28-22, chapters 11-36 and 11-37, sections 18-06-11, 18-07-01, and 18-10-14, chapters
13 23-18.1 and 23-18.2, sections 32-12.1-12, 32-12.1-14, 40-05-09.1, 40-43-02, 40-43-03,
14 40-43-04, 40-45-02, 40-57-19, and 40-57-19.1, chapters 49-17.2 and 52-09, sections
15 57-15-06.3, 57-15-06.5, 57-15-06.8, 57-15-06.9, 57-15-06.10, 57-15-12.2, 57-15-20.3,
16 57-15-20.4, 57-15-26.3, 57-15-26.5, 57-15-27.2, 57-15-36, 57-15-37.1, 57-15-43, 57-15-44,
17 57-15-54, 57-15-55.1, 57-15-57, 57-15-59, 57-15-60, and 57-15-62, chapter 57-17, section
18 58-02-30, and chapter 58-15 of the North Dakota Century Code are repealed.

19 **SECTION 108. REPEAL.** Chapter 23-18 of the North Dakota Century Code is repealed.

20 **SECTION 109. EFFECTIVE DATE.** Sections 1 through ~~408~~107 of this Act are effective for
21 taxable years beginning after December 31, 2014. Section ~~409~~108 of this Act is effective July 1,
22 2017.

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 1, line 7, after the fourth comma insert "11-37-06, subsection 8 of section 11-37-08, sections"

Page 2, line 2, replace the first "chapters" with "chapter"

Page 2, line 2, remove "and 11-37"

Page 2, line 2, after "sections" insert "11-37-10, 11-37-13, 11-37-14,"

Page 18, after line 4, insert:

"SECTION 23. AMENDMENT. Section 11-37-06 of the North Dakota Century Code is amended and reenacted as follows:

11-37-06. Powers of political subdivisions in aid of a commerce authority.

A political subdivision creating or participating in a commerce authority may:

1. ~~Lend or donate money to the commerce authority.~~
2. Provide that all or a portion of the taxes or funds available to the political subdivision for economic development purposes be transferred or paid directly to the commerce authority.
3. ~~2.~~ Cause water, sewer, drainage, or any other facilities that the political subdivision is authorized to provide to be furnished adjacent to or in connection with a project.
4. ~~3.~~ Dedicate, sell, convey, or lease any of the political subdivision's interest in any property or grant easements, licenses, or any other rights or privileges therein to the commerce authority.
5. ~~4.~~ Plan, dedicate, close, pave, install, grade, or regrade, to the extent allowed by title 24, streets, roadways, and walks from established streets or roads to a project.
6. ~~5.~~ Aid and cooperate with the commerce authority in the planning, construction, or operation of a project.
7. ~~6.~~ Enter agreements with the commerce authority regarding action to be taken by the political subdivision under this section.
8. ~~7.~~ Establish the geographical boundaries of the commerce authority within or coextensive with the geographical boundaries of one or more of the participating political subdivisions.
9. ~~8.~~ Establish the extent to which the financial incentives provided under this chapter will apply to the commerce authority.

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- 40-9. Acquire property to carry out the purposes of this chapter by condemnation and the exercise of eminent domain in the manner provided in chapter 32-15 and other laws applicable to political subdivisions in exercising the right of eminent domain.

SECTION 24. AMENDMENT. Subsection 8 of section 11-37-08 of the North Dakota Century Code is amended and reenacted as follows:

8. For bonds issued under this section to be an obligation of a political subdivision or commerce authority, the issuance of the bonds must be approved by a majority vote of the governing body of each political subdivision involved or, within thirty days after the commerce authority decides to issue the bonds, the political subdivision or commerce authority must put the question, specifying the amount of the bond at issue, to the electors at any primary, general, or special election. If a majority of the qualified electors voting on the issue vote in favor of issuing the bonds, the commerce authority or political subdivision, to the amount authorized in the election, may pledge the general obligation of the commerce authority ~~and up to four mills of the capital projects or improvements levy authority of the political subdivision to guarantee the repayment of the principal and interest on the bonds. A levy by a county for repayment of the principal and interest on bonds issued under this section does not apply to property within another political subdivision in that county which is levying for that purpose.~~

Page 86, line 20, replace the first "chapters" with "chapter"

Page 86, line 20, remove "and 11-37"

Page 86, line 20, after "sections" insert "11-37-10, 11-37-13, 11-37-14,"

Page 86, line 28, replace "108" with "110"

Page 86, line 29, replace "109" with "111"

Renumber accordingly

February 13, 2015

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 5, line 11, remove the overstrike over ", but"

Page 5, line 12, remove the overstrike over "~~this levy shall not apply to any city, township, or park district that already has an airport levy~~"

Page 5, line 12, remove "A"

Page 5, remove lines 13 through 19

Page 10, line 9, remove the overstrike over "noxious"

Page 10, line 11, after "control" insert "noxious"

Page 10, line 12, replace "grass" with "undesirable vegetation"

Page 19, line 14, after "electors" insert an underscored comma

Page 19, line 16, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy"

Page 72, line 14, after the period insert "A township levy for roads approved by qualified electors of a township under this section before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval by electors of increased levy authority under this section may not be effective for more than five taxable years."

Page 73, line 28, replace "ten" with "five"

Page 73, line 31, replace "ten" with "five"

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 1, line 4, remove "subsection 8 of"

Page 1, line 5, remove "section 2-06-10,"

Page 4, remove lines 6 through 18

Page 5, line 11, remove the overstrike over "but"

Page 5, line 12, remove the overstrike over "~~this levy shall not apply to any city, township, or park district that already has an airport levy~~"

Page 5, line 12, remove "A"

Page 5, remove lines 13 through 19

Page 10, line 9, remove the overstrike over "noxious"

Page 10, line 11, after "control" insert "noxious"

Page 10, line 12, replace "grass" with "undesirable vegetation"

Page 19, line 14, after "electors" insert an underscored comma

Page 19, line 16, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy"

Page 62, line 10, replace "44.1-47-14" with "4.1-47-14"

Page 72, line 14, after the period insert "A township levy for roads approved by qualified electors of a township under this section before January 1, 2015, may continue to be imposed for five taxable years or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval by electors of increased levy authority under this section may not be effective for more than five taxable years."

Page 73, line 28, replace "ten" with "five"

Page 73, line 31, replace "ten" with "five"

Page 87, line 13, replace "108" with "107"

Page 87, line 14, replace "109" with "108"

Renumber accordingly

February 13, 2015

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2-16-15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2144

Page 1, line 7, after the fourth comma insert "11-37-06, subsection 8 of section 11-37-08, sections"

Page 2, line 2, replace the first "chapters" with "chapter"

Page 2, line 2, remove "and 11-37"

Page 2, line 2, after "sections" insert "11-37-10, 11-37-13, 11-37-14,"

Page 18, after line 4, insert:

"SECTION 23. AMENDMENT. Section 11-37-06 of the North Dakota Century Code is amended and reenacted as follows:

11-37-06. Powers of political subdivisions in aid of a commerce authority.

A political subdivision creating or participating in a commerce authority may:

1. ~~Lend or donate money to the commerce authority.~~
2. Provide that all or a portion of the taxes or funds available to the political subdivision for economic development purposes be transferred or paid directly to the commerce authority.
- ~~3.~~2. Cause water, sewer, drainage, or any other facilities that the political subdivision is authorized to provide to be furnished adjacent to or in connection with a project.
- ~~4.~~3. Dedicate, sell, convey, or lease any of the political subdivision's interest in any property or grant easements, licenses, or any other rights or privileges therein to the commerce authority.
- ~~5.~~4. Plan, dedicate, close, pave, install, grade, or regrade, to the extent allowed by title 24, streets, roadways, and walks from established streets or roads to a project.
- ~~6.~~5. Aid and cooperate with the commerce authority in the planning, construction, or operation of a project.
- ~~7.~~6. Enter agreements with the commerce authority regarding action to be taken by the political subdivision under this section.
- ~~8.~~7. Establish the geographical boundaries of the commerce authority within or coextensive with the geographical boundaries of one or more of the participating political subdivisions.
- ~~9.~~8. Establish the extent to which the financial incentives provided under this chapter will apply to the commerce authority.

- 40-9. Acquire property to carry out the purposes of this chapter by condemnation and the exercise of eminent domain in the manner provided in chapter 32-15 and other laws applicable to political subdivisions in exercising the right of eminent domain.

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SECTION 24. AMENDMENT. Subsection 8 of section 11-37-08 of the North Dakota Century Code is amended and reenacted as follows:

8. For bonds issued under this section to be an obligation of a political subdivision or commerce authority, the issuance of the bonds must be approved by a majority vote of the governing body of each political subdivision involved or, within thirty days after the commerce authority decides to issue the bonds, the political subdivision or commerce authority must put the question, specifying the amount of the bond at issue, to the electors at any primary, general, or special election. If a majority of the qualified electors voting on the issue vote in favor of issuing the bonds, the commerce authority or political subdivision, to the amount authorized in the election, may pledge the general obligation of the commerce authority or and up to four mills of the capital projects or improvements levy authority of the political subdivision to guarantee the repayment of the principal and interest on the bonds. A levy by a county for repayment of the principal and interest on bonds issued under this section does not apply to property within another political subdivision in that county which is levying for that purpose."

Page 86, line 20, replace the first "chapters" with "chapter"

Page 86, line 20, remove "and 11-37"

Page 86, line 20, after "sections" insert "11-37-10, 11-37-13, 11-37-14,"

Page 86, line 28, replace "108" with "110"

Page 86, line 29, replace "109" with "111"

Renumber accordingly

Testimony for Senate Bill 2144
Senator Jessica Unruh, District 33

Senate Bill 2144 comes to you as a result of work completed by the Governor's Task Force on Property Tax Reform, which was represented by property taxpayers and authorities from local tax jurisdictions. This task force was charged with evaluating the system of assessing and collecting taxes by locally elected officials. All 200 mill levies authorized by all political subdivisions, other than school districts, were researched and analyzed to understand the process and use of levies to assess and collect property taxes for funding of local government services.

While I was not a member of this task force, I followed the tax force's work closely while serving as a member of the interim Taxation committee and as vice-chair of the Advisory Commission on Intergovernmental Relations, where other aspects of the property tax system were studied extensively. In addition to my studies during the interim, I also serve as a supervisor on the Mercer County Soil Conservation District Board. This exposure to local government has allowed me to see first-hand some of the reforms that are needed within our system. There are many layers of funding to our local governments, and this complicated nature proves it very difficult to get a true financial picture.

Senate Bill 2144 simplifies, consolidates, and creates transparency to our property tax system. It repeals 40 levies, some being created before statehood that have not been used in decades. It creates transparency through anniversary votes of the people to ensure taxpayers understand and support the dollars they are spending.

Other major features of the bill include fewer separate levies and funds by consolidating 50 levies, creating more flexibility and facilitating the prioritization of spending. Mill levy limits are proposed to improve discipline. Timelines and processes are clarified that are used by local political subdivisions to assess and finalize property valuations and develop operating budgets.

Lastly, this bill will lead to a more transparent system that is easier for the tax payer to understand. Major categories of spending have been identified for the political subdivisions so the taxpayer can see how much of their tax bill is being dedicated for specific uses such as the general fund, roads and bridges, human services and capital

projects. This allows for a meaningful comparison between political subdivisions, like cities of similar size, or two similar counties with a common border.

Extensive dialogue and input was sought throughout this process from stakeholder groups such as the Association of Counties, League of Cities, Township Officers Association, Parks, County Auditors and the business community, most of whom you will hear from today. For almost two years, the Task Force wrestled with the input, analyzing each political subdivision's current and historical levies and, as a result, created the legislation before you, which was unanimously approved by the Task Force. More detailed information regarding the ins and outs of the bill will be presented to you in further testimony this morning. I appreciate your consideration.



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SB 2144 Testimony
HOUSE FINANCE AND TAXATION COMMITTEE
REPRESENTATIVE HEADLAND, CHAIRMAN
March 17, 2015
Prepared by Ryan Rauschenberger, Tax Commissioner

I am a member of the Task Force on Property Tax reform. I am here today in support of SB 2144. Over the course of many monthly meetings during the interim the Task force analyzed all 200 mill levies in statute relating to cities, counties, townships, park districts and other political subdivisions. The analysis led to opportunities for consolidating a number of mill levies and eliminating unnecessary mill levies. To my knowledge this is the first time a comprehensive analysis of all of the authorized mill levies has been performed.

I would like to recognize the Tax Department staff for all of their work with the task force. The task force sifted through numerous spreadsheets prepared by our office showing which political subdivisions were utilizing certain mill levies, the level of those levies and the statutory limitations of the levies. With 53 counties, 357 cities and 1400 townships this was no small task. This in depth analysis helped guide the committee in deciding which mill levies were no longer necessary, which levies could be consolidated, appropriate new caps for the consolidated levies and which levies were working well under current statute.

Joe Morrisette, Deputy Tax Commissioner, provided much of this analysis. Joe also researched various mill levies and how they interacted with each other under current law. I would like to take this opportunity to offer our services to this committee when considering this bill.

Mr. Chairman, this bill is a product of taxpayers, local government officials, legislators and executive branch members working together to simplify the property tax code and provide more transparency to taxpayers.

SB 2144
3-17-15
#3 p.1

BILL SUMMARY FOR PROPERTY TAX REFORM TASK FORCE

SECTION 1 (2-02-07): Clarifies that airport authorities may expend not only revenues from an airport levy in the political subdivision but also revenues from general fund levy authority made available by the political subdivision.

SECTION 2 (2-06-01): Clarifies that the term “municipality” means any county, city, or township in the state for the purposes of the Airport Authority Act.

SECTION 3 (2-06-07): States the general powers of an airport authority, noting that the ability of an airport authority to certify the amount of tax to be levied by their governing bodies is subject to limitations found in 2-06-15, which is being revised by this bill.

SECTION 4 (2-06-10): Clarifies that airports for cities of more than 10,000 may make principal and interest payments on airport bonds not only from revenues raised by its general fund levy authority but also from a special unlimited deficiency levy on all taxable property.

SECTION 5 (2-06-14): Clarifies that any county, city, or township has the discretion to levy a tax certified by the airport authority and may commit by vote to a bond issue.

SECTION 6 (2-06-15): Provides that a municipality may levy for support of an airport at a rate not exceeding four mills for counties (54-15-06.7), four mills for cities (57-15-10), and four mills for townships (57-15-20.2). Property within a township that is levying at least one half of one mill for an airport that is within or not more than six miles outside that township’s boundaries is not subject to a county levy. If a township is levying less than one half mill, the total of the township and county levies may not exceed four mills. A county levy may not apply to property within a city that is levying for an airport that is the official airport or is located in or within ten miles of the city’s boundaries.

SECTION 7 (4-02-26): Provides for the aid of county fairs through the county general fund levy authority if approved by the board of county commissioners. It discontinues any special levy authority for this purpose. The county must establish a “county fair fund.” The county may purchase or lease up to 240 acres and construct buildings for a county fair. The county fair association must submit an annual financial report to the board and provide an estimate of the supplemental funds needed to conduct the county fair for the ensuing year. The board of county commissioners may provide funding not exceeding the estimate contained

in the association's report. The authority of this section may be used to fund a multi-county fair.

SECTION 8 (4-02-27.3): Makes this section of code regarding disposition of county fair property compatible with the revised levy authority in 4-02-26. If the county fails to hold a fair for five consecutive years, the board shall transfer any funds in the county fair fund to the county general fund.

SECTION 9 (4-08-15): Counties may levy up to two mills for extension work and upon approval of a majority of the electors, the board may levy an additional two mills for a period not exceeding ten years. Existing supplemental mill levies remain in effect for the time authorized by the electors or for ten taxable years, whichever is less. The board may appropriate funds out of the county general fund for any unanticipated deficiencies.

SECTION 10 (4-22-26): The supervisors of a soil conservation district may levy under general fund levy authority up to two and one half mills for the operating expenses of the district. No additional levy authority is allowed. However, an additional levy authority authorized by the electors of a district before January 1, 2015 may remain in effect for the time authorized or for ten years, whichever is less.

SECTION 11 (4-33-11): A county may provide funding from its general fund levy authority or its weed control levy authority for pest (weed) control. Counties shall designate a county pest coordinator to coordinate county, township, and private funds with state and federal programs. When state funds are involved, the county pest coordinator shall submit control plans to the agriculture commissioner for approval.

SECTION 12 (4.1-47-14): A county may authorize a levy up to four mills under 57-15-06.7 to control noxious weeds and other weeds as needed on property other than that within a city which has a weed control program. The moneys are to be placed in the county weed control fund and used for the operating expenses of the county weed control program under the oversight of the county weed board. Funding to combat noxious weeds and funding to combat all other weeds have been combined under this bill.

SECTION 13 (4.1-47-16): In order to participate in the landowner assistance program for noxious weed control, a city or a county must provide funding for noxious weed control from its general fund authority or its weed control levy authority equal to the revenue raised by a levy of three mills. No additional taxing authority is allowed.

SECTION 14 (4.1-47-25): A city may provide funding for a city noxious weed control program from its general fund. A specific mill levy for this purpose is discontinued.

SECTION 15 (11-11-14): Adds six additional authorities to the section that lists the 15 general powers of a county commission that were previously authorized by separate mill levy authorities. A county may expend funds under its general fund authority for: eradication of gophers and other pests; communications infrastructure for countywide benefit; enhancement of automation and telecommunications resources for countywide benefit; fire protection measures; constructing and maintaining county buildings. The county may also require the provision of all financial information from other boards necessary for the county's annual budget and levy decisions.

SECTION 16 (11-11-53): A county may expend up to \$5,000 out of the county general fund for historical work and in addition may assess a levy of one quarter mill. Upon approval of 60 percent of the electors a county may levy up to an additional three quarters of a mill for historical work. Additional voter-approved levy authority may remain in effect for the time period authorized or for ten years, whichever is less. After January 1, 2015 voter-approved levies may not be effective for more than ten taxable years.

SECTION 17 (11-11-65): Counties may expend funds for the benefit of handicapped persons including funds received from state, federal or private sources, or under new language, from revenues derived from general fund levy sources.

SECTION 18 (11-11.1-01): A county may contract with an industrial development organization for the functions of a job development authority using their existing levy authority.

SECTION 19 (11-11.1-04): A county may levy four mills for a job development authority or JDA contract services including a designated portion for the promotion of tourism.

SECTION 20 (11-28-06): A county may fund a county parks and recreation area from revenues derived from the county general fund levy. Funds may be used for programs recommended by the board of county park commissioners including recreational activities under the control of a city or city park district. A separate levy for this purpose is discontinued. A county may levy taxes under 57-15-0.6 for capital improvements in a county supported park, acquiring real estate for a park, or constructing and equipping facilities. The question of whether the levy should be discontinued must be submitted to the voters upon petition of 25% of the electors.

SECTION 21 (11-28.3-03): Establishes that the ten mill limitation on a rural ambulance service levy is contained in 11-28.3-09.

SECTION 22 (11-28.3-09): A county auditor may levy a tax on property in a rural ambulance district at the mill rate approved by a vote of the electors but in no event exceeding ten mills. A rural ambulance service district may be dissolved under the procedure in section 11-28.3-13.

SECTION 23 (18-06-10): The electors of a township may authorize the board at the annual meeting to expend funds for fire protection from the general fund levy. A separate levy of one mill for this purpose is discontinued. Any funds remaining from the old levy may be transferred to the general fund. A voter approved levy authorized before January 1, 2015 remains in effect but not for a period exceeding ten years.

SECTION 24 (18-10-07): The board of directors of a fire protection district may levy a tax not exceeding five mills on the property in the district. Additional levies authorized by the electors before January 1, 2015 remain in effect for the time period authorized but not exceeding five taxable years. The electors of the district may increase the tax rate up to a maximum of thirteen mills at a mail ballot election for a period not exceeding ten taxable years.

SECTION 25 (18-10-07.1): The board of a fire protection district may hold a mail ballot election for an excess levy up to eight mills in excess of board authority of five mills. The procedures for the mail ballot election are contained in this new section.

SECTION 26 (18-11-10): A city shall fund from revenues derived from the general fund levy authority an amount for the firefighters relief fund equal to eight percent of the current annual salary of a first-class firefighter for each active member. A specific tax for this purpose is discontinued.

SECTION 27 (21-03-06): Includes, in the section of allowable county expenditures for capital projects, authority to purchase real estate and construct buildings for a county fair.

SECTION 28 (21-03-07 SUBS 3, 5, 6): Removes references to federal aid highways and obsolete section numbers.

SECTION 29 (23-06-30): Each county shall maintain abandoned cemeteries in the county using revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 30 (23-18-01): A county with the approval of a majority of electors may fund a county hospital association for creation or operation of a nonsectarian hospital. The tax levy may be eight mills for a period of five years, or in the alternative, five mills for a period of ten years. After January 1, 2015 reauthorization is allowable only for associations already in existence.

SECTION 31 (23-30-01): Includes clinics within the list of medical facilities that a hospital district is designed to support. Previously listed institutions included hospitals, intermediate health care facilities, and nursing homes.

SECTION 32 (23-30-07): Counties may levy a tax for the operation of a hospital district (up to eight mills for five years, or five mills for ten years) with a majority vote of electors. Prior votes are honored for ten years. There is a ten year limit on future levy authorizations.

SECTION 33 (24-05-01): Every county shall periodically prepare a proposed program of construction on the county road system including bridges, total mileage, and priorities. The county commission may levy a tax up to ten mills for county roads and bridges. When authorized by a majority of the county electors the board may levy up to ten additional mills for county roads and bridges. This levy or levies may be discontinued by the board or upon a majority vote of the electors prompted by a petition of five percent of the electors. 20 percent of the proceeds of this additional levy collected within any city must be turned over to the city for their streets and highways. This language replaces four separate road and bridge levies for various purposes.

When authorized by a majority of the county electors the board may levy up to ten additional mills which are not subject to sharing with the cities located in the county. This levy may also be discontinued by board or voter action.

Additional levy authority approved by electors before January 1, 2015 remains in effect for the time period authorized but not exceeding ten taxable years. New levy authorities may not be effective for more than ten years.

Every county shall maintain a county road and bridge fund. Any unexpended balances at the end of the fiscal year in a special road fund or a reserve road and bridge fund must be transferred to the county road and bridge fund.

SECTION 34 (24-05-02): The county road and bridge fund may be expended for road machinery, maintenance and construction of the county road system.

SECTION 35 (24-05-05): Amend to county road “and bridge” fund.

SECTION 36 (24-05-16): The county road system must be specific roads designated by the county commissioners. The director of the Department of Transportation must be informed of the system and notified immediately of any changes. Specific references to total mileage and county allocations are deleted.

SECTION 37 (24-08-07): A municipality may issue bonds to construct a bridge. If debt limits might be exceeded, then the municipality may provide funding from revenues derived from its general fund levy authority.

SECTION 38 (32-12.1-08): A political subdivision may include in its general fund levy authority funding for insurance purposes. Any unobligated balance in an insurance reserve fund must be transferred to the political subdivision’s general fund by December 31, 2015. The general fund may be used for insurance, payment of claims, judgments against the political subdivision, or costs incurred in defense of claims.

SECTION 39 (32-12.1-11): A political subdivision may levy a tax for the payment of a judgment based on 57-15-28.1 which is five mills maximum or ten mills maximum if liability insurance is carried with coverage up to \$250,000 per person and \$500,000 per occurrence. Funds may be used for judgments, compromise of judgments, and debt service on bonds or loans necessary for payment, including obligations to the state or an agency of the state.

SECTION 40 (40-05-09.2): A city may contract for fire protection services with funding from revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 41 (40-05-19): A city may provide funding from its general fund for the construction and operation of animal shelters. A separate levy for this purpose is discontinued. Prior votes are honored.

SECTION 42 (40-05-20): A city or park district may use general funds as well as other funds for programs and activities for handicapped persons.

SECTION 43 (40-26-08): Under current law, a municipality shall levy a tax on all taxable property for any deficiency in funds required to service special improvement bonds. This new section now applies to all deficiencies in special improvement funds including sewer and water, sidewalk, curbing, and boulevard funds.

SECTION 44 (40-28-05): Removes deficiencies language from section on "sewer and water connections assessment fund."

SECTION 45 (40-29-14): Removes deficiencies language from section on "sidewalk special fund."

SECTION 46 (40-31-08): Removes deficiencies language from section on "curbing special fund."

SECTION 47 (40-37-03): A city may provide funds to a city band from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 48 (40-38-02): A county levying for a library must reduce its levy in a city so that the total levy in that city does not exceed four mills.

SECTION 49 (40-38.1-02): Corrects subsection number for municipal arts councils.

SECTION 50 (40-43-01): A municipality may levy a tax for payment of a judgment or settlement of a claim in accordance with the limits of 57-15-28.1 which is five mills or ten mills if liability insurance is carried with coverage up to \$250,000 per person and \$500,000 per occurrence.

SECTION 51 (40-45-01): A city may fund a police pension fund from its general fund levy authority if it has a population of more than 5,000 residents and an organized and paid police department or if it has a police retirement system based on actuarial tables. A separate levy for this purpose is discontinued.

SECTION 52 (40-45-27): Consolidates provisions for discontinuance of city employee pension plans and city police pension plans.

SECTION 53 (40-46-02): A city may maintain a city employees' pension fund from revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 54 (40-46-26): Outlines procedures for discontinuance of police pension plans and city employee pension plans.

SECTION 55 (40-46-26): A city may pay its share of social security with funds derived from revenues from its general fund taxing authority. A special levy for this purpose is discontinued.

SECTION 56 (40-48-07): A municipality (county, city, or township) may support a planning commission with revenues derived from its general fund levy authority. Two specific levies for this purpose are discontinued.

SECTION 57 (40-49-22): A park district may provide funds for its employee pension fund from revenues derived from its general fund levy authority. A separate levy for this purpose is discontinued.

SECTION 58 (40-55-08): A city may establish a public recreation system with voter approval and may provide funding from its general fund levy authority in an amount not exceeding the revenue derived from 2 ½ mills. A school district or park district may provide funding for the establishment, maintenance, and conduct of a public recreation system from revenues derived from its general fund levy authority.

SECTION 59 (40-55-09): A city may, upon approval of the voters, levy an additional six mills for the purpose of a public recreation system. Any prior voter approved levy remains in effect. After January 1, 2015 a voter approved levy may not be effective for more than 10 taxable years.

SECTION 60 (40-57.2-04): A city or county may provide funding from revenues derived from its general fund levy authority for career and technical education and on-the-job training. A specific voter approved levy for this purpose is discontinued.

SECTION 61 (40-57.4-04): A city may contract with an industrial development organization to carry out the purposes of a job development authority and use the funds from the job development authority tax levy for that purpose. The maximum levy remains at four mills.

SECTION 62 (40-58-07): A city may levy a tax for urban renewal but only within the limitations of the capital improvements levy under section 57-15-38.

SECTION 63 (40-58-15): Same as section 62.

SECTION 64 (40-59-01): A city may provide from revenues derived from its general fund levy authority for the maintenance of an armory or memorial hall. A specific levy authority for this purpose is discontinued. The requirement for voter approval is also removed.

SECTION 65 (40-60-02): A city may provide funds to construct parking facilities with revenues derived from its general fund levy authority, the levy of special assessments, or the issuance of bonds. A separate tax levy for this purpose is discontinued.

SECTION 66 (40-61-03.1): Municipal parking authorities may cooperate with cities to finance projects with revenues derived from its general fund authority, the levy of special assessments, or through the issuance of municipal bonds. A separate tax levy for this purpose is discontinued.

SECTION 67 (40-61-10): Clarifies that any debt guarantee by a municipal parking authority is supported by revenues from the general fund levy and the special assessment levy.

SECTION 68 (50-03-01): A county may levy a tax for human services programs up to a maximum of 20 mills under section 50-06.2-05.

SECTION 69 (50-03-06): If a county has levied 20 mills for human services and, due to extraordinary human services program demands, finds that the revenue raised from 20 mills will be insufficient to meet the needs for human services for that year, that county may apply to the department of human services for a grant to cover the shortfall in funds caused by the extraordinary demand. For the purposes of this section, extraordinary demand shall be considered expanded caseloads due to proximity to an Indian reservation or proximity to the state hospital.

SECTION 70 (50-06.2-05): A county shall pay the costs of administration and provision of human services required by state and federal law or regulation as a condition for the receipt of federal funds for county programs. A county may levy a tax for human services programs up to a maximum of 20 mills. This section also removes the authority to levy over 20 mills under NDCC 50-03.

SECTION 71 (57-15-01.1): Clarifies the definition of “base year” which now includes park districts. It is the taxable year with the highest amount levied in dollars of the three years immediately preceding the budget year.

SECTION 72 (57-15-06): A county may levy property taxes for general fund purposes at a tax rate not exceeding sixty mills per dollar of taxable valuation. A county that levied more than 60 mills for taxable year 2015, combining the number of mills levied for general fund purposes plus the number of mills levied for purposes consolidated into the general fund levy by this act, may levy for taxable year 2016 the same number of mills that was levied in 2015. For taxable years 2017-2020, the county must reduce the number of mills levied in excess of 60 mills by one-fourth at a minimum for each of the four taxable years. This section, also deletes the required levy of 1 ¼ mills for patients in charitable institutions in the state. The county general fund levy limitation applies to all property taxes for general county purposes unless a specific exception is provided by statute.

SECTION 73 (57-15-06.4): A county may levy two mills for the payment of a county veterans’ service officer.

SECTION 74 (57-15-06.6): A county may levy a tax not exceeding ten mills for capital projects. When authorized by a majority of the electors at a primary or general election, the county may levy an additional ten mills for capital projects. Voter-approved levy authority in excess of ten mills authorized by electors in the county before January 1, 2015 remains in effect through taxable year 2024 or for the time period authorized by the electors, whichever is less. Capital projects include corrections centers, real estate for parks, recreational facilities, real estate sites for county buildings including county fairs, county buildings, and leasing costs for any of the capital projects listed. Prior voter approved levies in excess of 10 mills remains in effect. After January 1, 2015 increased voter approved levies may not be effective for more than 10 taxable years.

SECTION 75 (57-15-06.7): Additional statutory levies not included in the general fund levy limitation for counties in section 57-15-06 include:

- 1) For support of an airport a county may levy four mills under section 2-06-15.
- 2) For support of extension work a county commission may levy two mills and an additional two mills with voter approval under section 4-08-15.
- 3) For support of historical works a county commission may levy ¼ mill and an additional ¾ mill with approval of 60% of the electors under section 11-11-53.

- 4) For support of a county hospital association a county may levy eight mills for five years, or five mills for ten years, upon approval of the electors in the county under section 23-18-01.
- 5) For support of county roads and bridges a county may levy ten mills. Upon approval of the voters the county may levy up to 20 additional mills as provided in section 24-05-01.
- 6) For support of a public library a county may levy four mills under section 40-38-02.
- 7) For support of a county veterans' service officer a county may levy two mills under section 57-15-06.4.
- 8) For support of capital projects a county may levy ten mills. Upon approval of the voters a county may levy an additional ten mills under section 57-15-06.6.
- 9) For emergency purposes a county may levy two mills for a population over 30,000, four mills for a population of 5,000 to 30,000, and six mills for a population less than 5,000.
- 10) For emergency medical service a county may levy ten mills under section 57-15-10.
- 11) For weed control a county may levy four mills under section 4.1-47-14.
- 12) For senior citizen programs and activities a county may levy two mills under section 57-15-56.
- 13) For principal and interest on bonds issued a county may levy as many mills as are required to service the bonds.
- 14) For support of a job development authority a county may levy four mills under section 11-11.1-04. If any city in the county is levying a tax for support of a job development authority, the county must reduce its levy so the total levy in the city does not exceed four mills.
- 15) For support of human services a county may levy 20 mills under section 50-06.2-05.
- 16) A levy for an extraordinary expenditure approved by the voters before January 1, 2015 may continue for the term approved or for ten years, whichever is less. Otherwise this special levy authority is discontinued.
- 17) Levies approved under section 57-15-59, leases for facilities, may continue for the duration of the lease.

SECTION 76 (57-15-08): The total amount levied for city general fund purposes may not exceed an amount produced by a levy of 105 mills. A city that levied more than 105 mills for taxable year 2015, combining the number of mills levied for general fund purposes plus the number of mills levied for purposes consolidated into the general fund levy by this Act, may levy for taxable year 2016 the same number of mills that was levied in 2015. For taxable years 2017-2020, the city must reduce the number of mills levied in excess of 105 mills by one-fourth at a minimum for each of the four taxable years.

SECTION 77 (57-15-10): Additional statutory levies not included in the general fund levy limitation for cities in section 57-15-08 include:

- 1) Taxes levied for a proportion of the cost of a special improvement project.
- 2) Taxes levied to pay a deficiency in a special improvement project.
- 3) Taxes levied to pay interest on a bonded debt, or the principal of such debt at maturity.
- 4) For support of public library services a city may levy four mills under section 40-38-02.
- 5) Taxes levied on property of an agricultural fair association, a nonprofit club, or an organization of college students for the property's share of the cost of fire protection services.
- 6) For support of a municipal arts council a city may levy five mills under section 40-38.1-02.
- 7) For airport purposes a city may levy four mills under section 2-06-15.
- 8) For capital improvements a city may levy ten mills upon approval of a majority of the electors under section 57-15-38. Upon approval of 60 percent or more of the electors a city may levy an additional ten mills for capital improvements under section 57-15-38.
- 9) For emergency purposes a city may levy 2 ½ mills under section 57-15-48.
- 10) For public transportation a city may levy five mills under section 57-15-55.
- 11) For senior citizen programs and activities a city may levy two mills under section 57-15-56.
- 12) For a job development authority a city may levy four mills under section 40-57.4-04.
- 13) For a public recreation system a city may levy six mills upon approval of the electors under section 40-55-09.
- 14) For maintenance of city-owned cemeteries a city may levy two mills under section 57-15-27.1.
- 15) Taxes levied for retirement of bonds issued before January 1, 2015 under section 40-57-19 or 40-57-19.1 may continue to be levied in the amount required for annual payments until the bonds are retired.
- 16) Taxes levied under section 57-15-59 before January 1, 2015 for lease payments may continue to be levied for the duration of the lease. Leasing will be authorized in the future as a capital improvement under section 57-15-06.6.

SECTION 78 (57-15-10.1): A city or county may provide funds for advertising from revenues derived from the city or county general fund levy. A specific mill levy for this purpose is discontinued.

SECTION 79 (57-15-12): A park district may levy for general fund purposes a tax not exceeding the highest amount in dollars the park district levied for the three taxable years immediately preceding the current year, plus 12 percent, up to a maximum levy of 38 mills, or, in the alternative, a park district may levy the same number of mills it levied in 2014. This replaces old language which based the general fund levy limitation on the number of mills levied by the park district in taxable year 2000. For taxable year 2016, the highest dollar amount for the three previous taxable years is calculated by taking the amount levied for general fund purposes and adding the amount levied for each year for employee pension contributions, old-age and survivors' insurance, and forestry purposes. A park district that levied more than 38 mills for taxable year 2015 for general fund purposes plus the number of mills levied for purposes consolidated into the general fund by this fact may levy for general fund purposes for taxable year 2016 the same number of mills levied for 2015. For each taxable year 2017 through 2020 the park district must reduce the number of mills over 38 mills by one-fourth at a minimum. A park district may increase its general fund levy to any number of mills up to a maximum levy of 38 mills upon approval of a majority of the electors at a regular or special election. After January 1, 2015 approval or reauthorization by electors of voter-approved levy authority may not be effective for more than ten taxable years.

SECTION 80 (57-15-12.1): A city or park district may provide revenues derived from its general fund revenue authority for forestry purposes. A special tax levy for this purpose is discontinued.

SECTION 81 (57-15-12.3): A board of park commissioners may levy five mills for acquiring land and building facilities for public parks.

SECTION 82 (57-15-19.4): The electors of a township at the annual meeting may levy five mills for the purpose of cooperating with the county in constructing and maintaining roads and bridges that are part of the county road system and located within the township. Notice of the question of the approval of this levy must be included in the notice of the annual meeting. If funds from this levy are not expended on the county road system in the township, they may be expended on other roads in the township or for any other township purpose.

SECTION 83 (57-15-19.5): The electors of an organized township may authorize the township to provide funding from its general fund revenue authority for the purpose of

hiring law enforcement personnel. In providing for law enforcement services the township may cooperate with other political subdivisions under the provisions of chapter 54-40.

SECTION 84 (57-15-19.6): The budget of each township approved at the annual meeting may provide funding from revenues derived from the general fund revenue authority for the purpose of mowing or snow removal. The requirement of notice of the question at the annual meeting is discontinued.

SECTION 85 (57-15-20): The general fund levy in a township may not exceed 18 mills. Upon approval of a majority of the electors of the township voting on the question, the levy may be increased by an additional 18 mills. The increased levy may be made only if notice of the question of the approval of such levy has been included with notice of the annual meeting. An extra levy up to 18 mills approved by electors of a township before January 1, 2015 may continue to be imposed for the period of time approved by the electors or for ten taxable years, whichever is less. After January 1, 2015 approval by electors of increased levy authority may not be effective for more than ten taxable years.

SECTION 86 (57-15-20.2): The tax levy limitations in section 57-15-20 do not apply to the following mill levies:

- 1) For roads and bridges that are part of the county road system a township may levy five mills under section 57-15-19.4.
- 2) For airport purposes a township may levy four mills under section 2-06-15.
- 3) Tax levies for township special assessment districts under chapter 58-18.

SECTION 87 (57-15-22.2): A board of an organized township or a board of county commissioners governing an unorganized township may provide funds from revenues derived from the general fund levy authority for a legal contingency fund.

SECTION 88 (57-15-27.1): A city may levy a tax of two mills for cemeteries owned by the city. An organized township may provide funding from revenues derived from its general fund revenue authority for cemeteries maintained by the township. A separate levy for township cemeteries is discontinued.

SECTION 89 (57-15-28): A county may levy a tax for emergency purposes not exceeding the limitation in subsection 9 of section 57-15-06.7 (2-6 mills depending on county population). Removes use of the emergency fund for payment of judgments.

SECTION 90 (57-15-28.1): A political subdivision, except a school district, may levy five mills for payment of a judgment under section 32-12.1-11. If the political subdivision carries liability insurance to a minimum level of \$250,000 per person and \$500,000 per occurrence, it may levy up to ten mills for settlement of a claim. All other dedicated mill levies for judgments are discontinued.

SECTION 91 (57-15-30.1): Provides new language stating that upon the dissolution of a civil township, the board of county commissioners shall attach the township to an assessment district of the county. In addition to other levies under law, the board of county commissioners is required to levy on the taxable property in the township an amount to discharge the debts of the township. Any excess money after these debts are paid is to be transferred for road and bridge purposes in that territory.

SECTION 92 (57-15-38): A city may levy ten mills for capital improvements upon approval of a majority of electors in the city. The city may levy an additional ten mills for capital improvements with approval of 60% of the electors under section 57-15-10. Any levy for capital improvements approved before January 1, 2015 remains effective for the term approved by the electors or for ten taxable years, whichever is less. After January 1, 2015 approval of increased levy authority for capital improvements may not be effective for more than ten taxable years. New language clarifies what kinds of capital improvements are covered by this section.

SECTION 93 (57-15-42): A city may provide funding from revenues derived from its capital improvements fund levy for a fire department building, improvements, and equipment acquisition under section 57-15-38. A separate levy for this purpose is discontinued. A levy approved by the city before January 1, 2015 remains effective for the period of time approved by the electors or, if no time period was specified, for a period not exceeding ten years.

SECTION 94 (57-15-48): A city may levy 2 ½ mills with a 2/3 vote of the council for emergencies including snow removal and natural disasters.

SECTION 95 (57-15-50): A county may levy ten mills for emergency medical services upon approval of a majority of the electors. Property within a rural ambulance district or rural fire protection district that provides emergency medical service is exempt from the county levy.

SECTION 96 (57-15-51): A city may provide funding from revenues derived from its general fund levy authority for city emergency medical services. A separate levy for this purpose is

discontinued. If a county is levying for EMS, any city subsidizing city emergency medical services is exempt from the county tax levy.

SECTION 97 (57-15-22.2): Any organized township may provide funding from revenues derived from its general fund levy authority for township emergency medical services. A separate levy for this purpose is discontinued. The township may cooperate with other townships, a city, county, or rural ambulance district in providing EMS.

SECTION 98 (57-15-53): A city may provide funding from revenues derived from the capital improvements fund levy under section 57-15-38 for the purpose of building and structurally maintaining police stations and correctional facilities. A separate levy for this purpose is discontinued. Any such levy approved before January 1, 2015, remains in effect for the period of time approved by the electors or, if no time period was specified in the proposal, for a period not exceeding ten taxable years.

SECTION 99 (57-15-55): A city, upon approval of a majority of electors, may levy five mills for a public transportation system including a contract with another party.

SECTION 100 (57-15-56 SUB. 1): A county may levy two mills for senior citizen programs. If no levy is made by the county, any city in the county may levy up to two mills.

SECTION 101 (57-20-23): Each county is responsible to the state for the full amount of taxes levied for state purposes. Deletes a provision for additional levies to cover debts to the state but clarifies that the general fund levy must be used to cure a default within three years.

SECTION 102 (57-47-04): A county shall provide funding from revenues derived from its general fund levy authority to repay any loan under the terms entered into by agreement with a creditor. If a county has other unobligated revenue sources such as sales tax or oil production tax, it may use such funds to repay loans or to serve as collateral for a loan. If a county has borrowed for acquisition of road equipment, it may use funds from the road and bridge levy for that purpose.

SECTION 103 (58-03-07 SUB. 16): Deletes the required fund and authorizes expenditures for eradication of pests.

SECTION 104 (57-17-02): A township may provide funds for a park from revenues derived from its general fund spending authority. A separate levy for this purpose is discontinued.

SECTION 105 (61-04.1-26): A weather modification authority may request annually that the board of county commissioners provide funding from revenues derived from its general fund levy for weather modification services in all or a portion of the county. A separate levy for this purpose is discontinued.

SECTION 106 (61-24-02): Clarifies that any new county wishing to join the Garrison Conservancy District is not authorized to levy a special tax for that purpose.

SECTION 107: Any political subdivision that has a special fund discontinued by this act must satisfy any obligations, transfer the remaining balance to the general fund, and close out the special fund by the end of the fiscal year.

SECTION 108: Repeals various sections and chapters for which the need was eliminated by this act.

SECTION 109: Repeals Chapter 23-18 relating to county hospital associations.

SECTION 110: This act is effective for taxable years beginning after December 31, 2014.

TASK FORCE PROPOSAL COUNTY MILL LEVIES

SB 2144
3-17-15
#4 p.1

LEVY NO.	DESCRIPTION	VOTER APPROVAL REQUIRED	MAX. LEVY	AVG. WHERE IN USE	NO. OF COUNTIES USING	REFORM FEATURES
COUNTY MILL LEVIES – GENERAL OPERATIONS						
1201*	General Fund	No	23.00	22.08	51	<ul style="list-style-type: none"> - Consolidation of 14 Levies - Maximum of 60 Mills with County Commission Approval - No Voter Approval Required - Allows Combined Previous Levies through 12/31/16 - May Levy to Sustain Spending Level
1208*	Corrections Centers	No	10.00	5.23	43	
1211	OASIS	No	30.00	10.19	50	
1218a	County Fair	No	1.00	2.21	33	
1218b	County Fair	No	1.50	-	-	
1218c	County Fair	Yes	0.50	-	-	
1224	Advertising	No	0.50	0.25	23	
1226	Loan Repayment	No	3.00	2.32	18	
1229	Weather Mod.	No	7.00	0.85	5	
1232	Abandoned Cemeteries	No	0.10	0.09	9	
1235	Insurance Reserve Fund	No	5.00	1.55	39	
1244	Planning	Yes	3.00	0.50	1	
1261	Health Insurance	No	8.00	5.07	38	
1267	Parks & Recreation	No	1.00	0.97	37	
1267	Parks & Recreation	Yes	No Limit	3.20	4	
TOTAL			93.60	54.51		
COUNTY MILL LEVIES – CAPITAL CONSTRUCTION						
1208*	Corrections	No	10.00	5.23	43	<ul style="list-style-type: none"> - 10 Mills County Commission Authority - Up to 10 Additional Mills with Majority Voter Approval
1241	Fair Land	Yes	2.00	0.63	4	
1263	Lease for Court	No	10.00	6.36	1	
1269	Parks and Recreation Buildings	Yes	3.00	2.18	3	
TOTAL			33.00	18.25		
COUNTY MILL LEVIES – ROAD FUNDS						
1204*	Road and Bridge Levy	Yes 60%	5.00	4.17	44	<ul style="list-style-type: none"> - 10 Mills County Commission Authority - Up to 20 Additional Mills with Majority Voter Approval - Grandfather Prior Votes - 10 Year Anniversary Vote
1212	Farm to Market Federal Aid	Yes. Maj.	None	10.94	46	
1226	County Loan – Equipment	No	3.00	2.32	18	
1233	Additional Road and Bridge	Yes 60%	5.00	5.10	13	
TOTAL			13.00	22.53		
COUNTY MILL LEVIES – WEED CONTROL						
1243	Plant Pest Control	Yes	1.00	0	0	<ul style="list-style-type: none"> - 4 Mills, Board Action
1257	Weed and Grass Control	Yes	2.00	3.00	1	
1258*	Noxious Weed Control	No	4.00	2.59	51	
TOTAL			7.00	5.59		
COUNTY MILL LEVIES – HUMAN SERVICES						
1203	Human Services	No	No Limit	4.17	6	<ul style="list-style-type: none"> - 20 Mills County Commission Authority - Change Emergency Levy to a State Grant Program
1220*	Human Services	No	20.00	16.56	47	
1222	Emergency Human Services	No	No Limit	4.71	9	
TOTAL			20.00	25.44		
COUNTY MILL LEVIES – OTHER CONSOLIDATIONS						
1236*	Judgments	No	1.00	0	0	<ul style="list-style-type: none"> - 5 Mills Board Authority - 10 Mills w/ Insurance - Coverage: \$250,000 Person; \$500,000 Incident - Consolidate 1245 w/1236
1245	Injury Judgments	No	5.00	0	0	
1250	Compromise of Judgment	No	No Limit	0	0	
SUB TOTAL			6.00	0		

CONT., P. 2

* = Retained Levy Number

County Mill Levies,

#4p.2

1214*	Extension Service	Yes	2.00	1.88	46	- 2 Mills County Commission
1215	Extension Service	Yes	2.00	1.89	3	Authorized
SUB TOTAL			4.00	3.77		- 2 Mills Majority Vote
						Approval
						- 4 Mill Limit

1225*	Airport Authority	No	4.00	1.64	25
1230	Municipal or Regional Airport	No	4.00	-	0
SUB TOTAL			8.00	1.64	

COUNTY MILL LEVIES - NOT CONSOLIDATED, AUTHORITY CONT. Avg.

1210	Emergency		2.11	34
1213	Veterans Service Officer		0.73	47
1216	Historical Society		0.26	45
1217	Health District		2.92	46
1219	Job Development Authority		2.21	34
1221	Senior Mill Match		1.16	51
1227	Special Assessments on County Prop.		0.22	5
1228	EMS		4.48	25
1231	Bond Prin. & Int., Bldgs, Bridges, Hwys		2.34	8
1237	County Clinic Association		8.00	0
1239	County Hospital Association		8.00	1
1259	Unorganized Road and Bridge	in Twsp.	16.22	188
1260	Library		2.49	31
1264	Water Resource District		2.82	55
1265	Joint WRD		1.91	19
1266	Vector Control District		1.00	6
2001	County Hospital Districts			3
TOTAL			33.16	

COUNTY MILL LEVIES - REPEAL

1202	Patients in State Institution
1205	Extraordinary Outlay
1206	Multi-County Fair
1207	Firebreak Fund
1209	Excess Levy
1223	County Welfare
1234	Not in use
1238	Nursing Home Authority
1240	Not in Use
1242	Surveys and Work Training
1246	Not in use: Television UHF Booster Station
1247	Not in Use: Railroad Purposes
1248	Not in Use: Default of State Taxes
1249	Not in Use: Fire Protection
1251	Not in Use: Int. & Prin. Payments on Bonds Issued to Pay Compromise on Judgment for Injury Claims
1252	Not in Use: Joining Garrison Diversion Conservancy District
1253	Not in Use: Extermination of Gophers and Other Pests
1254	Not in Use: Payment of Debts of Dissolved Townships
1256	Not in Use
1262	Handicapped Programs
1268	Joint County Park
1270	Port Authority
1271	Commerce Authority

* = Retained Levy Number

County Mill Levies,

**County Levies - General Operations
2013 Tax Year**

SB 2144
3-17-15
#5p.1

	1201	1208	1211	1218	1224	1226	1229	1232	1235	1244	1261	1267	Grand Total
Adams	32.11	9.73	27.61						5.00		8.00		82.45
Barnes	18.50	8.50	3.00	2.50					0.50			1.00	34.00
Benson	16.61	2.73	9.23	0.18					1.28		4.20	0.27	34.50
Billings	10.53		12.09										22.62
Bottineau	9.41		11.18	1.00	0.50				1.71		3.05	0.99	27.84
Bowman	5.25	3.52	2.00	1.50			2.93					1.00	16.20
Burke	9.86		12.07						2.46		6.90		31.29
Burleigh	22.75	1.00	1.10		0.18				0.38		3.20	2.00	30.61
Cass	27.34											0.35	27.69
Cavalier	23.00		15.16						2.70		4.00		44.86
Dickey	18.89	1.40	19.38	1.50		1.15			1.86		5.86	1.00	51.04
Divide	11.57	1.25	1.67	0.79	0.08				2.09		3.48	0.33	21.26
Dunn	1.00	4.18	14.52	1.00					0.38				21.08
Eddy	30.31	1.00	20.75	1.00		3.00		0.07	4.74	0.50	8.00	0.10	69.47
Emmons	25.92	4.84	16.41		0.18	3.00		0.10	1.99		8.00	1.00	61.44
Foster	19.48	1.00	12.00	1.50				0.10	2.25		8.00	0.50	44.83
Golden Valley	16.02	1.00	8.85	2.50		2.00						0.85	31.22
Grand Forks	17.81	10.00	13.26	0.44	0.11				1.46		8.00		51.08
Grant	21.01	0.50	21.28	0.66		3.00			5.00		8.00		59.45
Griggs	14.01	10.00	23.84	0.75					1.00				49.60
Hettinger	23.40	5.30	8.02	1.37	0.27				2.40		5.67	0.92	47.35
Kidder	23.00	2.48	10.00	1.00	0.21	3.00			3.00		8.00	0.29	50.98
Lamoure	19.00	0.55	14.65			2.00			2.45		8.00	1.00	47.65
Logan	24.32	2.30	15.05	0.12	0.25	3.00		0.05	3.41		8.00		56.50
McHenry	19.92	6.15	10.33						0.21		4.87	0.01	41.49
McIntosh	7.97		17.42	0.25		2.51			2.89		8.00		39.04
McKenzie				0.10			0.44					0.68	1.22
McLean	7.11		4.66	1.04									12.81
Mercer	18.96	4.00	9.00	1.00							6.79		39.75
Morton	29.82	4.54	18.50	0.86	0.05			0.10				1.00	54.87
Mountrail	6.31		9.91	0.85			0.74						17.81
Nelson	20.45	2.27	19.48		0.50	0.54			2.76		8.00	3.00	57.00
Oliver	15.00	3.22	16.45			3.00			3.22		8.00	1.00	49.89
Pembina	17.75	3.07	11.23	1.50	0.18	2.00			1.38		5.09		42.20
Pierce	12.04	7.75	6.32						0.14		3.00	0.26	29.51
Ramsey	16.23	6.94	7.01	1.00		3.00		0.10			8.00	0.15	42.43
Ransom	16.17	0.66	16.25	2.30	0.15				2.48		7.47	0.19	45.67
Renville	3.74	1.50	17.46		0.20						4.99	1.00	28.89
Richland	62.25											1.00	63.25
Rolette	4.99	10.00	6.88		0.44				2.50			1.00	25.81
Sargent	16.78	6.07	10.04	1.00	0.34				1.75		6.59	1.00	43.57
Sheridan	14.46	6.85	15.17		0.22				2.67		7.93	0.50	47.80
Sioux	18.35		7.22						5.00		17.01		47.58
Slope	10.00	1.38	2.22	0.57					1.14				15.31
Stark	23.00	10.00	9.00	0.50	0.50				1.00		4.00	1.00	49.00
Steele	23.00	1.12	9.72						2.92		6.73	1.00	44.49
Stutsman	16.22	10.00	18.80	0.50	0.04						4.00	1.21	50.77
Towner	15.70	1.98	12.94		0.35	2.11			3.49		5.63	0.79	42.99
Traill	1.33	5.30	18.31			3.00		0.10	1.67		6.38	0.46	36.55
Walsh	12.00	10.00	12.00	1.00	0.50	1.00			1.25		8.00	2.00	47.75
Ward	14.31	5.42	1.21	1.64	0.38		0.50		0.55		1.77	1.01	26.79
Wells	23.00	1.84	13.53	1.50					3.04		8.00		50.91
Williams	2.59	1.00	8.41		0.10		1.00					1.00	14.10
No. of Counties	52	42	50	32	22	16	5	7	39	1	38	36	53
Average levy	17.13	4.34	12.05	1.04	0.26	2.33	1.12	0.09	2.21	0.50	6.54	0.86	40.08

**County Levies - Road Funds
2013 Tax Year**

#5 p. 2

	1204	1212	1226	1233	Grand Total
Adams	0.25	16.00			16.25
Barnes	0.50	15.00			15.50
Benson		21.19		5.00	26.19
Billings	12.00				12.00
Bottineau	0.25	10.00		5.00	15.25
Bowman	5.00				5.00
Burke	0.22	10.00			10.22
Burleigh	0.25				0.25
Cass	10.25				10.25
Cavalier	7.10	13.00		4.50	24.60
Dickey	4.11	10.00	1.15		15.26
Divide		12.57			12.57
Dunn	5.34	10.00			15.34
Eddy	5.00	15.00	3.00		23.00
Emmons	0.25	5.74	3.00		8.99
Foster		10.50		1.84	12.34
Golden Valley	10.45		2.00		12.45
Grand Forks	0.25	5.67			5.92
Grant	4.74	5.73	3.00		13.47
Griggs	4.00	20.00		5.00	29.00
Hettinger	0.23	7.41		5.00	12.64
Kidder		5.75	3.00	5.00	13.75
Lamoure	4.00	15.00	2.00		21.00
Logan		5.38	3.00		8.38
McHenry	3.08	10.00		2.00	15.08
McIntosh	4.83	12.31	2.51		19.65
McKenzie	10.06				10.06
McLean	0.25	10.00			10.25
Mercer		11.21			11.21
Morton	0.25	5.00			5.25
Mountrail	0.25	10.00			10.25
Nelson	4.98	16.00	0.54	5.25	26.77
Oliver	0.25	10.00	3.00		13.25
Pembina	5.25	10.00	2.00		17.25
Pierce	1.28	10.00			11.28
Ramsey	1.84	20.00	3.00		24.84
Ransom	5.00	10.00			15.00
Renville	0.75	9.98			10.73
Richland	8.00	15.00			23.00
Rolette	0.20	10.32			10.52
Sargent	5.25	15.00			20.25
Sheridan	3.00	12.00			15.00
Sioux		5.78			5.78
Stark	1.50	10.00			11.50
Steele	6.15	9.42		4.97	20.54
Stutsman	6.78	5.00			11.78
Towner		10.01	2.11	13.84	25.96
Traill	15.74	15.00	3.00	5.00	38.74
Walsh	6.36	25.00	1.00	5.00	37.36
Ward	0.25	10.00			10.25
Wells	9.90	4.00			13.90
Williams	3.70	15.00			18.70
No. of Counties	44	46	16	13	52
Average levy	4.07	11.30	2.33	5.18	15.46

**County Levies - Human Services
2013 Tax Year**

#5p.3

	1203	1220	1222	Total Mills
Adams		20.00	18.25	38.25
Barnes		16.00		16.00
Benson		6.34		6.34
Billings		7.89		7.89
Bottineau		15.18		15.18
Bowman		9.24		9.24
Burke		9.36		9.36
Burleigh		15.82		15.82
Cass		19.50		19.50
Cavalier		16.84		16.84
Dickey		12.50		12.50
Divide		8.63		8.63
Dunn	3.22			3.22
Eddy		20.00		20.00
Emmons		5.29		5.29
Foster		20.00		20.00
Golden Valley		17.71		17.71
Grand Forks		21.66		21.66
Grant		13.29	0.23	13.52
Griggs		16.70		16.70
Hettinger		15.75		15.75
Kidder		15.00		15.00
Lamoure		10.89		10.89
Logan		15.03		15.03
McHenry		13.21		13.21
McIntosh		16.91		16.91
McLean		7.54		7.54
Mercer		8.02		8.02
Morton		18.50	2.00	20.50
Mountrail		9.80		9.80
Nelson		14.95		14.95
Oliver		19.48		19.48
Pembina		10.19		10.19
Pierce		20.00		20.00
Ramsey		20.00	4.00	24.00
Ransom		10.11		10.11
Renville	6.99			6.99
Richland		15.00		15.00
Rolette		19.94	7.98	27.92
Sargent		10.93		10.93
Sheridan	11.98			11.98
Sioux		13.01	13.96	26.97
Slope		3.21		3.21
Stark	16.65			16.65
Steele		10.26		10.26
Stutsman		20.00	1.64	21.64
Towner		11.87		11.87
Trail		19.94		19.94
Walsh		20.00		20.00
Ward	16.24			16.24
Wells		20.00	4.96	24.96
Williams		20.00	0.23	20.23
Total	5	47	9	52
Average	11.02	14.50	5.92	15.19

#5p.4

County Levies - Capital Construction
2013 Tax Year

	1208	1241	1263	1269	Grand Total
Adams	9.73	0.91			10.64
Barnes	8.50				8.50
Benson	2.73				2.73
Bottineau		0.50			0.50
Bowman	3.52				3.52
Burke		0.99			0.99
Burleigh	1.00				1.00
Dickey	1.40				1.40
Divide	1.25			1.88	3.13
Dunn	4.18				4.18
Eddy	1.00				1.00
Emmons	4.84				4.84
Foster	1.00				1.00
Golden Valley	1.00				1.00
Grand Forks	10.00		5.87		15.87
Grant	0.50				0.50
Griggs	10.00		10.00		20.00
Hettinger	5.30				5.30
Kidder	2.48				2.48
Lamoure	0.55				0.55
Logan	2.30				2.30
McHenry	6.15				6.15
Mercer	4.00				4.00
Morton	4.54			2.33	6.87
Nelson	2.27				2.27
Oliver	3.22	1.01			4.23
Pembina	3.07				3.07
Pierce	7.75				7.75
Ramsey	6.94				6.94
Ransom	0.66				0.66
Renville	1.50			3.00	4.50
Rolette	10.00				10.00
Sargent	6.07				6.07
Sheridan	6.85				6.85
Sioux		1.39			1.39
Slope	1.38				1.38
Stark	10.00				10.00
Steele	1.12				1.12
Stutsman	10.00				10.00
Towner	1.98				1.98
Traill	5.30				5.30
Walsh	10.00				10.00
Ward	5.42				5.42
Wells	1.84				1.84
Williams	1.00	0.24			1.24
No. of Counties	42	6	2	3	45
Average levy	4.34	0.84	7.94	2.40	4.68

**County Levies - Weed Control
2013 Tax Year**

#5p. 5

	1257	1258	Grand Total
Adams		3.45	3.45
Barnes		3.00	3.00
Benson		2.88	2.88
Billings		3.38	3.38
Bottineau		3.15	3.15
Bowman		3.00	3.00
Burke		3.45	3.45
Burleigh		2.43	2.43
Cass		1.80	1.80
Cavalier		3.00	3.00
Dickey		3.00	3.00
Divide		0.62	0.62
Dunn		3.07	3.07
Eddy		3.00	3.00
Emmons		2.78	2.78
Foster		4.00	4.00
Golden Valley		5.00	5.00
Grand Forks		3.75	3.75
Grant		3.07	3.07
Griggs		1.00	1.00
Hettinger		4.58	4.58
Kidder		4.00	4.00
Lamoure		3.00	3.00
Logan		3.78	3.78
McHenry		4.80	4.80
McIntosh		3.00	3.00
McKenzie		3.00	3.00
McLean		0.78	0.78
Mercer		3.98	3.98
Morton	3.00		3.00
Mountrail		3.00	3.00
Nelson		3.00	3.00
Oliver		4.00	4.00
Pembina		3.00	3.00
Pierce		3.00	3.00
Ramsey		1.00	1.00
Ransom		3.00	3.00
Renville		1.00	1.00
Richland		2.00	2.00
Rolette		3.00	3.00
Sargent		3.00	3.00
Sheridan		4.00	4.00
Sioux		4.00	4.00
Slope		3.00	3.00
Stark		4.00	4.00
Steele		2.28	2.28
Stutsman		3.50	3.50
Towner		3.00	3.00
Traill		0.91	0.91
Walsh		3.00	3.00
Ward		0.69	0.69
Wells		3.01	3.01
Williams		3.00	3.00
No. of Counties	1	52	53
Average levy	3.00	2.95	2.95

TASK FORCE PROPOSAL TOWNSHIP MILL LEVIES

SB 2144
3-17-15
#6

LEVY NO.	DESCRIPTION	MAX. LEVY	AVG. WHERE IN USE	NO. OF TOWNSHIPS USING	REFORM FEATURES
TOWNSHIP MILL LEVIES – GENERAL OPERATIONS					
1501*	General Fund	18.00	17.82	1,311	<ul style="list-style-type: none"> – Overall 38 Mill Cap – Consolidate 13 Levies into General Fund – 18 Mills by Township Board – 18 Additional Mills by Voters – Grandfather Prior Votes – 10 Year Renewal on Voter Levies
1503	Excess General	18.00	10.07	60	
1505	Cemetery	2.00	0.99	17	
1506	Recreation Center	2.50	0.57	3	
1507	Park	2.00	1.47	6	
1508	Mowing or Snow Removal	3.00	2.36	105	
1509	Legal Contingency	10.00	0	1	
1519	Fire Protection	1.00	0.87	28	
1520	OASIS and S.S.	30.00	-	0	
1522	Emergency Medical Services	10.00	-	0	
1525	Insurance Reserve Fund	5.00	0.37	5	
1530	Law Enforcement Services	5.00	0.00	0	
1534	Maint. Township Cemeteries	.25	-	0	
TOTAL		106.75	34.52		

TOWNSHIP MILL LEVIES – OTHER CONSOLIDATIONS					
1514	Judgments	Unlimited	-	0	Consolidate into 1526
1526*	Judgment for Injury Claim	5.00	-	0	Combine w/1514, 1527, 1529
1527	Compromise of Judgment	Unlimited	-	0	Consolidate into 1526
1529	Payments on Bonds to Pay Claim	Unlimited	-	0	Consolidate into 1526

TOWNSHIP MILL LEVIES – NOT CONSOLIDATED, AUTHORITY CONTINUED					
1510	County Road System	5.00	4.20	41	
1515	Special Assessments	-	-	0	
1516	Bond Int. & Prin. for Roads	Unlimited	10.83	9	
1517	Municipal Regional Airport Authority	-	-	0	
1518	Airport	4.00	0.60	31	
1528	Rural Drain Cleaning (Water Dist.)	\$4.00/Acre		0	
1531	Payment Township Debt to County	Unlimited	12.11	11	

TOWNSHIP MILL LEVIES - REPEAL

- 1511 Not in Use: Police in Unincorporated Village
- 1521 Not in Use: Debt Payments – Dissolved Township
- 1523 Not in Use: Railroad Purposes
- 1524 Not in Use: Plant Pest Control – Now Limited to Cos.
- 1532 Not in Use: Gopher Extermination
- 1535 Not in Use: Port Authority
- 1536 Not in Use: Commerce Authority

TASK FORCE PROPOSAL CITY MILL LEVIES

SB 2144
3-17-15
#7 p. 1

LEVY NO.	DESCRIPTION	MAX. LEVY	AVG. WHERE IN USE	NO. OF CITIES USING	REFORM FEATURES
CITY MILL LEVIES – GENERAL OPERATIONS					
1601	General Fund	50.00	59.21	337	<ul style="list-style-type: none"> - Consolidation of 24 Levies - Maximum of 105 Mills - Used by 338 of 357 Cities
1605	OASIS	30.00	8.02	191	
1615	Advertising	1.00	.93	105	
1616	Planning	1.00	.95	28	<ul style="list-style-type: none"> - Benefits for Cities: <ul style="list-style-type: none"> · Increased Flexibility and Efficiency · Existing Hold Harmless based on Spending · 5 Year Phase in to New Limit
1617	Comp. Study	1.00	.25	2	
1618	Public Recreation System	2.50	0	0	
1627	Band	1.00	.13	7	<ul style="list-style-type: none"> - Benefits for Taxpayers: <ul style="list-style-type: none"> · Simplification – Fewer Separate Levies and Funds · Transparency – Easier to Understand · Lower Overall Limit on City General Fund Levy
1628	Armory	2.00	3.61	9	
1629	Ambulance	10.00	1.32	5	
1631	Insurance Reserve Fund	5.00	2.28	112	<ul style="list-style-type: none"> - Grandfather Prior Votes up to 105 Mills - Excludes Home Rule Cities with Mill Levy Vote - Allows New Home Rule Charters
1635	Forestry	2.00	2.17	59	
1636	Weed Control	4.00	0.24	7	
1639	Pension	5.00	4.68	53	<ul style="list-style-type: none"> - Allows Combined Previous Levies through 12/31/16 - After 2016, 4 Year Phase-Down if over 105 Mills
1642	Firemen's Fund	1.87	1.87	1	
1644	Police Pension	3.00	3.05	3	
1645	Police Pension	1.00	0	0	<ul style="list-style-type: none"> - New Limit of 20 Mills <ul style="list-style-type: none"> · 10 Mills Majority Vote · Add'l 10 Mills w/ 60% Voter Approval · 10 Year Anniversary on all Votes
1651	Municipal Parking Facility	0.00	0	0	
1652	Municipal Parking Authority	0.00	0	0	
1653	Municipal or Reg'l Airport Deficiency	0.00	0	0	<ul style="list-style-type: none"> - Consolidation of 7 Levies - None Above 20 Mills in 2012 - Grandfather Prior Levies for 10 Years
1654	Economic, Ind. & Planning Surveys	1.00	0	0	
1655	Bridge Constr. Exceeding Bonding	0.00	0	0	
1656	Contracting for Fire Protection	15.00	5.45	3	
1662	Animal Shelter	0.50	0.50	2	
1664	Programs for Handicapped	0.50	1	1	
TOTAL		137.37	95.66		
CITY MILL LEVIES – CAPITAL IMPROVEMENTS					
1619	Public Building Urban Renewal	5.00	3.49	43	
1620	Urban Renewal	5.00	5.48	5	
1624	Main Levy - Construction	5.00	3.13	7	
1625	Fire Building - Construction	5.00	7.33	32	
1626	Fire Station	5.00	7.73	8	
1643	Police Station and Jail	2.00	1.97	2	
1665	Lease: Court, Corrections, Law Enf.	10.00	6.35	3	
TOTAL		37.00	35.48		

CITY MILL LEVIES – DEFICIENCIES

1609	Special Improvements	<i>23.56 avg.</i>	4.07	26
1610	Sewer and Water	<i>22.71 avg.</i>	5.41	4
1611	Sidewalk	<i>0.61 avg.</i>	0.61	1
1612	Curbing	<i>No Limit</i>	0.00	0
TOTAL MILLS IF LIMITED		46.88	10.09	

– Continue Unlimited Levy Authority
– Consolidation of 4 Levies

CITY MILL LEVIES – OTHER CONSOLIDATIONS

1632	Judgments - Injury Claims	<i>5.00</i>	5.00	0
1633	Compromise of Judgments	<i>No Limit</i>	0.00	0
1647	Judgments	<i>5.00</i>	5.00	1
SUB TOTAL		10.00	10.00	

– Combine into 1647
– Combine into 1647
– 1647 - Retain

1640	Discontinuance of Pension Plan	<i>No Limit</i>	0.00	0
1646	Discontinuance of Police Pension Plan	<i>No Limit</i>	0.00	0
SUB TOTAL		10.00	10.00	

– Combine w/1646
– Combine into 1640

CITY MILL LEVIES – NOT CONSOLIDATED, AUTHORITY CONTINUED

1604	Emergency – Disaster, Snow	2.5	1.59	105
1606	Airport	4.0	2.92	75
1607	City-Wide Levy-Portion of Spec. Assess.	<i>17.01</i>	2.24	46
1608	Specials on City Property	<i>25.74</i>	3.03	32
1613	Library	4.0	7.73	73
1614	Cemetery	2.0	1.92	67
1618	Public Recreation System	6.00	4.18	30
1621	Bonds – Principal and Interest	<i>22.52</i>	5.07	10
1623	Bonds – Special Assessment Warrants	<i>0.99</i>	0.99	1
1630	Senior Programs	2.00	0	0
1634	Bonds for Judgments–Princ. & Int.	<i>0.00</i>	0	0
1638	Aid for Public Transportation	5.0	3.56	30
1649	Cost of Condemned Property	<i>No Limit</i>	0	0
1658	Municipal Arts Council	5.0	4.41	1
1661	Exempt Property Share of Fire Levy	<i>30.32</i>	30.32	2
1663	Job Development Authority	4.0	3.07	26
1699	Tax Increments	<i>No Limit</i>	0	27
TOTAL		131.08	71.03	

– Authority Continued
– Amendments to Airport Section

CITY MILL LEVIES - REPEAL

1603	Excess Levy
1622	GO Bonds for Industrial Development
1634	Principal and Interest on Bonds for Judgment
1637	Not in Use
1641	Organized Firemen's Relief Plan
1648	Not in Use: Transportation of Public School Students
1650	Not in Use
1657	Plant Pest Control
1659	Railroad Purposes
1666	Port Authority
1667	Commerce Authority

Testimony to the
House Finance and Taxation Committee
March 17, 2015
By Linda Svihovec, McKenzie County Auditor

SB2144
3-17-15
#8 p.1

RE: SB2144 – Governor’s Property Tax Reform Bill

Good Morning Chairman Headland and members of the House Finance and Tax Committee. For the record, my name is Linda Svihovec and I am the Auditor for McKenzie County. I also served as a representative for rural political subdivisions on the Governor’s Task Force for Property Tax Reform. SB2144 is a result of a year of work by this group of private and public sector individuals under the direction of Governor Dalrymple. When the Governor contacted me about serving on the committee, I enthusiastically agreed because after 25 years of property tax administration, I felt there was a lot of room for improvement in the way of housekeeping and consistency in North Dakota property tax levies, which would ultimately make the calculation and administration of property taxes easier, and provide more clarity and transparency in the property tax system for North Dakota citizens and the legislature.

SB2144 addresses the concerns I have regarding several levies that are available to political subdivisions that are currently either not used at all, or are used to supplement either general government services or roads. These “extra” levies can make it difficult to compare the taxing level of one county or city to another, and also make it difficult to understand what a political subdivision is truly spending on large ticket local government items such as general government services, social service programs, streets and roads.

The task force spent a lot of time discussing what the appropriate number of maximum mills should be for all levies that were consolidated in order for them to be right sized. It was important to us that the new maximums created some flexibility for counties and cities that currently does not exist, and also that it did not reduce the number of mills currently levied by the majority of counties and cities. Thanks to an incredible amount of research and statistics provided by the Tax Department, we were able to determine that there were a few outliers that would be allowed a five year phase-in to bring their levies down to the maximum, and that in most cases, a reassessment of their property values would take care of the mill levy overages.

SB2144 offers flexibility and transparency to the tax levy authority provided to cities, counties and townships. It also streamlines the administration process for county auditors when calculating levies and property taxes. Mr. Chairman and committee members, I urge a DO PASS recommendation on SB2144.

Testimony to the House Finance and Taxation Committee

March 17, 2015

Senate Bill 2144

Michael Montplaisir, Cass County Auditor

SB 2144
3-17-15
#9 p.1

Good morning Chairman Headland and Members of the House Finance and Taxation Committee. My name is Michael Montplaisir. I am the Auditor of Cass County and honored to be a member of the Governor's Task Force that has worked on the consolidation of mill levies over the past year. I have worked either as an auditor auditing local governments, or as the chief financial officer of a county for over 35 years. I have and still work with local governments as they prepare their budgets that result in the levying of property taxes.

This is the most comprehensive review and consolidation of mill levies that has ever been undertaken by the Legislature. The Governor spearheaded this process along with the Chairmen of the Senate and House Tax Committees, which shows the commitment by these leaders to simplify the property tax system. I was amazed at the depth of knowledge these leaders had regarding the property tax process. You seldom find that depth of knowledge, on the details of the system, outside of the people who work with it on a daily basis.

How did we get to this point? Over the years, every time a new funding problem arose for local government, instead of adjusting the general levy, a new levy was added. This gave the feeling of control of the additional funds in that they could only be used for a specific purpose. If a levy type, for instance for social security, was added to one local government, it was added for all local governments. This leads to a fragmented accounting and reporting system that tracks costs by levy instead of by function or department.

In 1994 Cass County voters approved a Home Rule Charter where a single mill levy limit was approved. Following that, in Cass County we consolidated our levies to more functional levels—the General Fund, Social Services Fund, County Road and Bridge Fund, Senior Citizens (for levy match purposes), and Emergency Fund. Later we added a Debt Service Levy to pay the bonds issued for the Courthouse addition.

The only other levies we use are for appointed boards such as the Water Resource, Vector Control, and Weed Control Districts. Besides reducing the number of levies we used, it led to a system that made accounting for costs of each department easier. No longer did we have to use several different levies to finance the governmental operations of the county. As an example, we were able to bring all the costs of running the County Auditor's Office under the Departmental Accounting for the General Fund. In the past, salaries and supply costs were paid by the General Fund; employee benefits costs such as health insurance and social security were paid by other levies. This consolidation of levies can result in more uniform accounting and reporting of costs by local governments, leading to better understanding of local government costs.

I would like to thank the Governor and fellow task force members for the serious study they have done over the past year and urge your support of SB 2144 that is the result of that study.

SB 2144
3-17-15
10

Testimony to the

House Finance and Taxation Committee

Prepare March 17, 2015 by
Mark Johnson, Executive Director
North Dakota Association of Counties

RE: Engrossed Senate Bill No. 2144 – Property Tax Reform

Mr. Chairman and committee members, the North Dakota Association of Counties is firmly in support of Engrossed Senate Bill 2144. The county officials I represent, and specifically the county commissioners that have final county budget responsibility, are convinced that this is important and meaningful property tax reform.

I thank the Governor for including the Association on the task force that developed this proposal and I truly appreciate the state and local officials, as well as the private citizens, which devoted so much time to such a thorough study of this extremely complex issue.

While an intense and sometimes tedious process, it was extremely open – no suggestions were ignored, every opinion considered. Ultimately there were negotiations and compromises to bring about a product, of which I believe the entire task force is quite proud.

Clearly the counties' technical experts have preceded me, but I do understand that this bill:

- Greatly simplifies budgeting,
- Reduces the need for numerous fund balances at all levels of local government,
- Improves citizen understandability, and
- Increases accountability and responsibility at the local elected board level where it belongs.

I wish to close by simply restating the request of county officials that the committee return a Do Pass recommendation.

March 17, 2015

House Finance and Taxation Committee

SB 2144

SB 2144
3-17-15
#11

CHAIRMAN HEADLAND AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State.

I want to thank the Governor for inviting the North Dakota League of Cities to have a seat on the task force and for his leadership role in guiding the process to a reasonable conclusion. It was an incredible learning experience for all of us on the task force. Thanks also to the staff from the Tax Commissioner's office who answered my questions and provided all the data that I requested. Special thanks to Bill Wocken, Bismarck City Administrator, whose guidance and answers were invaluable as we worked our way through process.

The League was a member of the task force from its inception and used the many meetings as opportunities to speak on behalf of all cities regardless of size or taxable valuation. The bill before you, SB 2144, will increase public transparency and allow city government to operate more efficiently as they provide the services demanded by their residents.

On behalf of the North Dakota League of Cities, I ask for a Do Pass on SB 2144.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.

SB 2144
3-17-15
#12

March 17, 2015
Senate Bill 2144
House Finance and Taxation Committee
Testimony of Bill Wocken

Mr. Chairman and Members of the House Finance and Taxation Committee. My name is Bill Wocken. I am City Administrator for the City of Bismarck. I am testifying in favor of Senate Bill 2144 with the knowledge and consent of the Bismarck City Commission.

Senate Bill 2144 is a very large bill with a very large purpose. It seeks to review and consolidate property tax levies for cities, counties, townships and park districts. It is the work of a diverse task force led by Governor Dalrymple. The task force's work took the better part of a year to complete. The North Dakota Tax Department spent many hours producing information for the group to ensure the most current and complete tax information was available as this proposal was being developed.

Reviewing all local tax levies in use in North Dakota in a comprehensive way is a very daunting task. It takes much time and information to accomplish. This proposal eliminates much duplication and confusing language while recognizing the need for some levies and discarding those levies not in use. It also consolidates many levies under groupings that will be easier to understand and, we think, to administer.

The process of developing this bill was long and involved but it was very open and the task force considered multiple points of view as this proposal was being developed. The proposal was reviewed by many local government officials while in the development process. I believe it is a good piece of work based in fact and practice which can be clearly understood by citizens and taxing authorities alike.

I am asking on behalf of the city for a "Do Pass" recommendation for Senate Bill 2144.

Bill Wocken
for City of Bismarck

NDTOA supports SB 2144

March 17, 2015

House Finance and Taxation Committee

SB 2144
3-17-15
#13 p. 1

Good morning Chairman Headland and Members of the House Finance and Taxation Committee.

I am Larry Syverson the Chairman of Roseville Township in Traill County; I am also the Executive Secretary of the North Dakota Township Officers Association. NDTOA represents the 6,000 township officers that serve over 1,100 dues paying member townships.

I thank Governor Dalrymple and the Task Force for the commitment and all the work they have put into this huge undertaking of simplifying property taxes in North Dakota. I give a special thank you to two people, Linda Svihovic and Michael Montplaisir the two county auditors on the task force, their expertise and experience with government funding was key to building this product you have before you. I also thank them for backing me up on questions about township funding and expenses.

I wish you all a Happy Township Day in North Dakota! You see it is the third Tuesday of March and NDCC 58-04-01 states: "The electors of each township annually shall assemble and hold a township meeting on the third Tuesday in March at such place in the township or in an adjacent township as the board of township supervisors thereof shall designate." So this is the High Holy Day of Grassroots Government, that government closest to the people, the Townships of North Dakota.

No person has any greater standing than any other person at a township annual meeting, we meet on the level. Any resident may speak, move to set policy, or amend the budget. Does everyone come out to this celebration of democratic government? Sadly no, they used to, but like everywhere else these days apathy and complacency have taken a toll here. It is so much easier to let someone else do it and then complain later. What is the cure for that complacency? I don't have an answer to that.

But I do know that we have to exercise democracy to keep what we do have going, the citizens have to remember that they have a stake in the game.

When I looked at the original version of SB 2144, I could appreciate the allowance that the township excess levy could stand for ten years before it needed to be renewed; that made it easier. But is easier always the answer? I don't think so. I think we need to keep our citizens engaged in their government. It is far too easy to become complacent, if it is set for ten years it becomes assumed that it is provided for, complacency will grow. I think we need to stress to our public that if they want their roads graveled or the snow plowed they have to get out and vote. That is the reason I asked the Senate Committee to amend section 84 of the bill to reduce the time before the voters must reauthorize the excess levy issue to five years, back to what it has been for years. I also requested that section 81 also be likewise amended to a five year period. Here the voters are given a voice on whether or not an agreement with the county to augment funding for roads and bridges on the county system, within the township, is actually fulfilling its goal or just replacing the county spending. I thank the Senate Finance and Taxation Committee for making these amendments. I don't think we need to make it our goal that taxation for government funding be easy, just not impossible.

Thank you Chairman Headland and Committee members, please give SB 2144 your favorable recommendation, I will now try to answer any questions you may have.



NORTH DAKOTA WEED CONTROL ASSOCIATION

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SB 2144
3-17-15
#14

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Testimony of Merlin Leithold, lobbyist # 239

Engrossed SB 2144

House Finance & Taxation Committee

March 17th, 2015, 9:00 am.

Chairman Headland, and members of the House Finance & Taxation Committee. For the record, my name is Merlin Leithold. I am with the ND Weed Control Association. I am also a weed officer in Grant County.

When Engrossed SB 2144 was heard in the Senate, the original bill contained language that we opposed. On page 9 of the engrossed bill, Section 11, beginning with lines 21 through 24, new language is being added to the Century Code.

Originally the language in SB 2144 was on page 10, Section 12, lines 9 through 12. It stated beginning in line 11 and line 12, "to control weeds or grass along county or township roads in the county."

Engrossed SB 2144 has the following language, "to control noxious weeds or undesirable vegetation along county or township roads in the county."

With the language changed, we have no opposition to the engrossed bill. The original language left the door open for the way noxious weed funds could be used in road ditches. We spray to control noxious weeds in ditches, not grasses or annual weeds. We ask that you leave the language for noxious weeds as written, in Engrossed SB 2144.

Thank you

SB 2144
3-17-15
#15

Testimony of Jon Godfread
Greater North Dakota Chamber of Commerce
SB 2144
March 17th, 2015

Mr. Chairman and members of the committee, my name is Jon Godfread. I am the Vice President of Government Affairs at the Greater North Dakota Chamber, the champions for business in North Dakota. GNDC is working on behalf of our more than 1,100 members, to build the strongest business environment in North Dakota. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we support SB 2144.

The GNDC was honored to be a part of the Governors Property Tax Task Force, and thus was a part of all the discussions surrounding this bill. The recommendations put forth in this bill are really an attempt to simplify and clean up the property tax code. The task force went line by line through the tax code and reviewed every aspect of property taxation, outside of school levies. The result of those months and months of work is SB 2144.

What we at the chamber like the most about this bill is not only the simplification, clean up and repeal of unused or litter used tax levies. We support the consolidation of mill levies; this bill brings consistency to the property tax code. What is taxed for in Grand Forks County should be similar to what is taxed in Burleigh County. For the first time, we will be comparing apples to apples across our state, and no longer will local governments have an over flowing gopher control fund, while zeroing out their snow removal budgets. This provides more flexibility to local governments and more clarity to the taxpayer.

SB 2144 adds clarity, transparency and consistency to local budgets. It was developed with the input of all major stake holder groups, many of which are here today. The task for did good work; we were thorough, and exhaustive. Because of all the input we received and all the discussions we had along the way we strongly support SB 2144 and a centerpiece for property tax reform.

Thank you for allowing me to testify, we would support a DO PASS recommendation on SB 22144. I would now be happy to attempt to answer any questions.



Testimony of James Kramer

North Dakota Recreation & Park Association

To House Finance & Taxation Committee

In Support of SB 2144

Tuesday, March 17, 2015

Chairman Headland and Members of the Committee, my name is James Kramer. I am director of Dickinson Parks and Recreation and also a past president of the North Dakota Recreation & Park Association (NDRPA). NDRPA represents more than 600 members across the state, including park board commissioners and park district staff, and works to advance parks and recreation for an enhanced quality of life in North Dakota.

I represented park districts on the Governor's Task Force on Property Tax Reform, and I would like to express NDRPA's support for Senate Bill 2144.

Over the past year, the Governor and his staff made every possible effort to allow for participation of NDRPA and its member park districts during the drafting of this bill. From surveys to face-to-face meetings, we were able to have a voice in this entire process. This bill simplifies, consolidates, and eliminates property tax levies. It also creates consistency among political subdivisions and an improved foundation for all taxing entities moving forward.

NDRPA encourages a do pass recommendation on SB 2144. Thank you.

SB 2144
3-17-15
#17 p. 1

Testimony by Duane DeKrey, General Manager

Garrison Diversion Conservancy District

To the

House Finance and Taxation Committee

Bismarck, North Dakota

March 17, 2015

Chairman Headland, members of the committee, thank you for this opportunity to testify in support of Senate Bill 2144. My name is Duane DeKrey; I am the General Manager of the Garrison Diversion Conservancy District.

The Garrison Diversion Conservancy District was established in 1955 and works to fulfill their mission to provide a reliable, high quality and affordable water supply to benefit the people of North Dakota. There are 28 member counties in the district, each supports the operations of Garrison Diversion by issuing a one-mill levy and electing a citizen at the general election to serve a four-year term as a member of the Garrison Diversion board of directors.

As recently as 2003, two additional counties petitioned to join the district and were approved by our board of directors. New counties are not required to pay any upfront fees for their membership in the district. The financial support provided by member counties to the Garrison Diversion Conservancy District is simply a one-mill levy.

The Garrison Diversion Conservancy District supports SB 2144; however, we don't want to be precluded from adding counties to the Garrison Diversion Conservancy

District, as there is potential in the future for additional counties to petition to join the district. If needed, we would like to offer an amendment so we can accept new members in the future.

Thank you for allowing my testimony to be heard today.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2144

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", and section 18-10-07.1"

Page 1, line 4, remove "2-06-14,"

Page 1, line 5, remove "2-06-15,"

Page 4, remove lines 6 through 30

Page 9, line 25, overstrike "certify to" and insert immediately thereafter "request from"

Page 9, line 26, after "commissioners" insert "the levy of"

Page 15, line 13, overstrike "certificate and"

Page 15, line 13, after "statement" insert "and levy request"

Page 18, line 29, replace "five" with "ten"

Page 18, line 30, remove ". Upon"

Page 18, remove line 31

Page 19, line 1, remove "conducted as provided in section 18-10-07.1"

Page 19, remove lines 21 through 31

Page 20, remove lines 1 through 30

Page 21, remove lines 1 and 2

Page 62, line 20, after "exceeding" insert "the lesser of"

Page 62, line 20, after "mills" insert "or the limitation as determined under section 11-23-01"

Page 86, line 27, replace "107" with "104"

Page 86, line 28, replace "108" with "105"

Renumber accordingly