

1 A BILL for an Act to amend and reenact section 32-12.1-08, subsection 13 of section 40-49-12,  
2 and sections 40-55-09, 57-15-01.1, 57-15-12, 57-15-12.1, 57-15-12.2, 57-15-12.3, and  
3 57-15-28.1 of the North Dakota Century Code, relating to consolidation of property tax levy  
4 authority of park districts; to provide for transition; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 32-12.1-08 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **32-12.1-08. Political subdivision insurance reserve fund - Tax levy.**

- 9 1. A political subdivision, other than a school district or park district, may establish  
10 and maintain an insurance reserve fund for insurance purposes, and all political  
11 subdivisions including school districts and park districts may include in the annual  
12 tax levy of the political subdivision such amounts as are determined by the  
13 governing body to be necessary for the purposes and uses of the insurance  
14 reserve fund. ~~Except in the case of a school district, the~~ The tax levy authorized  
15 by this section ~~shall~~ may not exceed the limitation in section 57-15-28.1, except a  
16 levy by a park district must be within the general fund levy authority of the park  
17 district. If a political subdivision has no annual tax levy, the political subdivision  
18 may appropriate from any unexpended balance in its general fund such amounts  
19 as the governing body of the political subdivision ~~shall deem~~ determines necessary  
20 for the purposes and uses of the insurance reserve fund.
- 21 2. Except in the case of a school district or park district, the fund established pursuant  
22 to this section ~~shall~~ must be kept separate and apart from all other funds and ~~shall~~  
23 may be used only for the payment of claims against the political subdivision which  
24 have been settled or compromised, judgments rendered against the political

subdivision for injuries arising out of risks established by this chapter, or costs incurred in the defense of claims. Payments by a school district or park district for the same purposes ~~shall~~ must be made out of the ~~district's political subdivision's~~ general fund ~~as established in section 57-15-14.2.~~

**SECTION 2. AMENDMENT.** Subsection 13 of section 40-49-12 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

13. Levy taxes upon all the property within the district, ~~subject to the limitations of section 57-15-12.2~~ within the general fund levy authority of section 57-15-12, for the purpose of funding a comprehensive health care program for district employees.

**SECTION 3. AMENDMENT.** Section 40-55-09 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**40-55-09. Favorable vote at election - Procedure.** Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality ~~or park district~~, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills ~~if the same is~~ authorized as ~~herein~~ provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality ~~or park district~~. This tax is ~~to be~~ in addition to the maximum of taxes permitted to be levied in such municipality ~~or park district~~. The mill levy ~~herein~~ authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality ~~or park district~~ after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality ~~or park district~~ shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality, school district, or park district, in its discretion, may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school

1 district, or park district to appropriate on its own initiative general municipal, school district, or  
2 park district tax funds for the operation of a public recreation system, a community center, or  
3 character building facility. A school district may levy a tax annually for the conduct and  
4 maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section  
5 57-15-14.2. A park district may levy a tax annually within the general fund levy authority of  
6 section 57-15-12 for the conduct and maintenance of a public recreation system.

7 **SECTION 4. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-15-01.1. Protection of taxpayers and taxing districts.** Each taxing district may  
10 levy the lesser of the amount in dollars as certified in the budget of the governing body, or the  
11 amount in dollars as allowed in this section, subject to the following:

- 12 1. No taxing district may levy more taxes expressed in dollars than the amounts  
13 allowed by this section.
- 14 2. For purposes of this section:
  - 15 a. "Base year" means the taxing district's taxable year with the highest amount  
16 levied in dollars in property taxes of the three taxable years immediately  
17 preceding the budget year;
  - 18 b. "Budget year" means the taxing district's year for which the levy is being  
19 determined under this section;
  - 20 c. "Calculated mill rate" means the mill rate that results from dividing the base  
21 year taxes levied by the sum of the taxable value of the taxable property in the  
22 base year plus the taxable value of the property exempt by local discretion or  
23 charitable status, calculated in the same manner as the taxable property; and
  - 24 d. "Property exempt by local discretion or charitable status" means property  
25 exempted from taxation as new or expanding businesses under chapter  
26 40-57.1; improvements to property under chapter 57-02.2; or buildings  
27 belonging to institutions of public charity, new single-family residential or  
28 townhouse or condominium property, property used for early childhood  
29 services, or pollution abatement improvements under section 57-02-08.
- 30 3. A taxing district may elect to levy the amount levied in dollars in the base year.  
31 Any levy under this section must be specifically approved by a resolution approved

by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:

- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
- b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
- c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.

4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.

5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but ~~the provisions of this section do~~ does not apply to the following:

- a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
- b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
- c. The general fund mill levy limitations of a park district under section 57-15-12.

6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year

for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.

7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

**SECTION 5. AMENDMENT.** Section 57-15-12 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-12. Tax General fund levy limitations in park districts.** ~~In park districts tax levies have the following limitations:~~

4. The aggregate amount levied for park district general fund purposes, exclusive of levies to pay interest on bonded debt and levies to pay and discharge the principal thereof, and levies to pay the principal and interest on special assessments assessed and levied against park board properties by other municipalities, may not exceed ~~an~~ the amount ~~produced by a levy of four mills on the dollar of the taxable valuation of the district for the current year.~~
2. ~~Any park district, owning and operating an airport for which no city levy is made, may levy an additional tax of not to exceed four mills on the dollar of the taxable valuation of the district for the current year, such additional tax to be used solely for the purpose of purchasing or acquiring lands necessary for said airport, paying for land previously acquired for said airport, and for operating and maintaining the same.~~
3. ~~Whenever the board of park commissioners deems it advisable to raise moneys by taxes in excess of the levy herein provided, for any purpose for which the park district is authorized to expend moneys raised by taxes, the board of park commissioners shall submit to the voters of the district the question of increasing the levy by a certain number of mills, but not to exceed fifteen mills, on the dollar of the taxable valuation of the district. When authorized by a majority of the qualified electors of the park district voting on the question at an election in which the question has been submitted, the board may increase the levy in the amount so authorized. This excess levy may be continued from year to year by action of the~~

~~park board except that if a petition containing the signatures of not less than ten percent of the qualified electors of the park district, as determined by the city auditor of the municipality in which the park district is situated, is presented to the park board requesting an election on the question of continuing the excess levy, that question must be submitted to the qualified electors of the park district at the next regular park district election. If the majority of the qualified electors voting on the question at that election determine not to continue the excess levy, no further excess levy may be made except that the election does not affect the tax levy in the calendar year in which the election is held.~~ determined under this section:

1. If the park district general fund levy in the previous taxable year was less than ninety-eight percent of the statewide average, the board of park commissioners may levy an amount in mills not exceeding the statewide average.
2. If the park district general fund levy in the previous taxable year was ninety-eight percent or more of the statewide average, the board of park commissioners may levy an amount in mills not exceeding the amount of the park district general fund levy in mills in the previous year adjusted by the consumer price index. A levy under this subsection may not exceed forty mills on the dollar of taxable valuation of property in the park district.
3. The board of park commissioners may levy up to any specific number of mills for general fund purposes which upon resolution of the board of park commissioners has been submitted to and approved by a majority of the qualified electors of the park district voting upon the question at any park district election. The question of authorizing or discontinuing levy authority under this subsection must be submitted to the qualified electors of the park district at the next park district election upon resolution of the board of park commissioners or upon filing with the board of park commissioners of a petition bearing the signatures of qualified electors of the park district equal in number to twenty percent of the qualified electors of the park district as determined by the number of votes cast in the most recent park district election.
4. For purposes of this section:

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

b. "Statewide average" means the average number of mills levied for general fund purposes by park districts, in cities with a population of two hundred fifty or more, levying under subsection 1 or 2 in the previous taxable year.

**SECTION 6. AMENDMENT.** Section 57-15-12.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-12.1. City or park district tax levy or service charge for forestry purposes.**

1. The governing body of a city or park district may ~~annually~~ levy annually a tax ~~not in excess of two mills on the taxable valuation of property within the city or park district for the purpose of providing~~ to provide funds for the establishment, operation, and maintenance of forestry activities within the city or park district. A tax levied by a park district under this section must be within the general fund levy authority of the park district. The governing board of a city or park district, upon approval by a majority vote of the qualified electors voting on the question at any citywide or districtwide election, may also ~~annually~~ levy annually an additional tax not in excess of three mills on the taxable valuation of property within the city or park district for the purpose of providing funds for forestry activities within the city or park district. Any ~~such tax~~ levy approved by the electors is in addition to and not restricted by any mill levy limit prescribed by law. The proceeds of any ~~such~~ levy under this section may be used for forestry activities, including ~~the following:~~ prevention or control of Dutch elm disease or other diseases which may affect trees, shrubs, and other vegetation; purchasing, planting, or removal of trees, shrubs, and other vegetation; pruning and maintenance of trees, shrubs, and other vegetation; purchasing of necessary equipment; hiring of personnel; contracting for services; public information and technical assistance; and other items related to forestry activities which may be necessary to provide for proper care, maintenance, propagation, and improvement of forestry resources within the city or park district.

2. In lieu of a ~~mill~~ levy as specified in subsection 1, a city or park district may propose a service charge as an alternative form of financing. Such alternative form of financing must be approved by a majority vote of the qualified electors voting on the question at any general or special citywide or districtwide election. The proceeds of any service charge may be used for forestry activities, as specified in subsection 1.

**SECTION 7. AMENDMENT.** Section 57-15-12.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-12.2. Exceptions to tax levy limitations in for park districts.** The ~~tax general fund~~ levy limitations specified in section 57-15-12 do not apply to the following ~~mill~~ levies; ~~expressed in mills per dollar of taxable valuation of property~~ in a park district:

1. ~~A park district levying~~ Levying a tax for an employees' pension fund according to sections 40-49-21 and 40-49-22 and a park district may levy a tax not exceeding the amount necessary for the district's annual contribution to the employees' pension fund.
2. ~~A park district levying a tax to establish a public recreation system in accordance with section 40-55-09 may levy a tax not exceeding two and five tenths mills, or not more than eight and five tenths mills if authorized as provided in section 40-55-09.~~
3. ~~A park district may levy~~ Levying a tax providing for forestry activities in accordance with section 57-15-12.1 in an amount not exceeding five mills.
4. ~~3. A park district levying~~ Levying a tax for airport purposes in accordance with section 57-15-37 ~~may levy a tax in an amount~~ not exceeding four mills.
5. ~~4. A park district levying~~ Levying a tax for ~~parks and recreational facilities in accordance with section 57-15-12.3 may levy a tax not exceeding five mills~~ programs and activities for handicapped persons in accordance with section 57-15-60 in an amount not exceeding one-half mill.
6. ~~A park district levying a tax for a comprehensive health care program for district employees in accordance with section 40-49-12 may levy a tax not exceeding one mill.~~

~~Tax levy or mill levy limitations do not apply to any statute which expressly provides that taxes authorized to be levied therein are not subject to mill levy limitations provided by law.~~



**SECTION 8. AMENDMENT.** Section 57-15-12.3 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-12.3. Tax levy for parks and recreational facilities.** A board of park commissioners established pursuant to chapter 40-49 may levy taxes annually ~~not exceeding the limitation in subsection 5 of section 57-15-12.2~~ within the general fund levy authority of section 57-15-12 for a fund for the purpose of acquiring real estate as a site for public parks, construction of recreational facilities, renovation and repair of recreational facilities, and the furnishing of recreational facilities. ~~The tax is to be levied, spread, and collected in the same manner as are other taxes in the park district. The question of whether the levy is to be discontinued must be submitted to the qualified electors at the next regular election upon petition of twenty five percent or more of the qualified electors voting in the last regular park district election, if the petition is filed not less than sixty days before the election. If the majority of the qualified electors voting on the question vote to discontinue the levy, it may not again be levied without a majority vote of the qualified electors voting on the question at a later regular election on the question of relevying the tax, which question may be submitted upon petition as above provided or by decision of the governing board.~~

**SECTION 9. AMENDMENT.** Section 57-15-28.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-28.1. Exceptions to tax levy limitations in political subdivisions.** The tax levy limitations specified by law do not apply to the following mill levies, expressed in mills per dollar of taxable valuation of property in the political subdivision. For purposes of this section, "political subdivision" has the same meaning as in section 32-12.1-02.

1. A political subdivision levying a tax for the control of pests in accordance with section 4-33-11 may levy a tax not exceeding one mill.
2. A political subdivision, except a school district or park district, levying a tax for an insurance reserve fund according to section 32-12.1-08 may levy a tax not exceeding five mills.
3. A political subdivision, except a school district, levying a tax for the payment of a judgment in accordance with section 32-12.1-11 may levy a tax not exceeding five mills.

1           4.    A political subdivision levying a tax for railroad purposes in accordance with section  
2                   49-17.2-21 may levy a tax not exceeding four mills.

3           5.    A political subdivision, except a school district or county, levying a tax for old-age  
4                   and survivors' insurance according to section 52-09-08, for social security, or for an  
5                   employee retirement program established by the governing body, or for any  
6                   combination of those purposes, may levy a tax not exceeding thirty mills.

7           6.    A county levying a tax for comprehensive health care insurance employee benefit  
8                   programs in accordance with section 52-09-08 may levy a tax not exceeding four  
9                   mills.

10 ~~Additionally, tax levy limitations do not apply to taxes levied pursuant to any statute which~~  
11 ~~expressly provides that the taxes authorized to be levied therein are not subject to mill levy~~  
12 ~~limitations provided by law.~~

13           **SECTION 10. Transition.** For purposes of determining "statewide average" under  
14 section 57-15-12 for taxable year 2001, for park districts there must be totaled and averaged for  
15 all park districts the number of mills levied in taxable year 2000 for the general fund under  
16 section 57-15-12, insurance reserve fund under section 32-12.1-08, employee health care  
17 program under section 40-49-12, a public recreation system under section 40-55-09 including  
18 any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except  
19 any additional levy approved by the electors, and facilities under section 57-15-12.3. The  
20 amount levied under this section including any growth factor allowed under section 57-15-01.1  
21 or predecessor law, as levied by the park district for taxable year 2000, is the amount that must  
22 be used under this section. The state supervisor of assessments shall determine "statewide  
23 average" for park districts under this section and certify that information to county auditors on or  
24 before June first of each year. The county auditor shall provide this information to park districts  
25 in the county on or before June tenth of that year.

26           **SECTION 11. EFFECTIVE DATE.** Except as otherwise provided in this Act, this Act is  
27 effective for taxable years beginning after December 31, 2000.