

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1558

Introduced by

Representatives Koppelman, Pietsch, Thoreson

Senator Dever

- 1 A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota
2 Century Code, relating to limitation of property tax increases; and to provide an effective date.

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

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

6 **Limitation on levies by taxing districts - Exceptions.**

- 7 1. Notwithstanding any other provision of law, property taxes in dollars levied by a
8 taxing district may not exceed by more than two percent the amount levied in
9 dollars by that taxing district on any parcel of taxable property in that taxing district
10 in the preceding taxable year except:
- 11 a. If improvements to property have been made which were not taxable in the
12 previous taxable year or territory has been incorporated into the taxing district
13 which was not part of the taxing district in the previous taxable year, the
14 additional taxable valuation attributable to the improvements or added territory
15 is taxable without regard to the limitation under this subsection.
- 16 b. If a property tax exemption existed in the previous taxable year which has
17 been reduced or does not exist, the portion of the taxable valuation of the
18 property which is no longer exempt is not subject to the limitation in this
19 subsection.
- 20 c. If temporary mill levy increases authorized by the electors of the taxing district
21 or mill levies authorized by state law existed in the previous taxable year but
22 are no longer applicable or have been reduced, the amount levied in dollars in
23 the previous taxable year by the taxing district must be adjusted to reflect the
24 expired temporary mill levy increases and the reduced or eliminated mill levies

1 authorized by state law before the two percent increase allowable under this
2 subsection is applied.

3 d. If the property was not in the taxing district in the preceding taxable year.

4 2. The limitation under subsection 1 does not apply to:

5 a. New or increased mill levies authorized by state law or by the electors of the
6 taxing district which did not exist in the previous taxable year.

7 b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of
8 article X of the Constitution of North Dakota.

9 3. The mill rate of the taxing district applied to property that was not taxed in the
10 previous taxable year may not exceed the mill rate of the taxing district determined
11 by law for the current taxable year for property that was taxed in the previous
12 taxable year.

13 4. The provisions of this section may not be superseded by any provision of a home
14 rule charter, ordinance, or resolution but may be superseded upon approval by a
15 majority vote of electors of the taxing district voting on the question at any regular
16 or special election of the taxing district. The question of approval of excess levy
17 authority by the electors may be placed on the ballot at any regular or special
18 election of the taxing district by a majority vote of the governing body of the taxing
19 district.

20 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
21 December 31, 2008.