

Sixty-third  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1465

Introduced by

Representatives Owens, K. Koppelman, Rohr, Weisz

1 A BILL for an Act to create and enact sections 46-03-10.1 and 57-15-01.2 of the North Dakota  
2 Century Code, relating to statutory references to mills and property tax levy limitations; to repeal  
3 section 57-15-01.1 of the North Dakota Century Code, relating to property tax levies; and to  
4 provide an effective date.

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

6 **SECTION 1.** Section 46-03-10.1 of the North Dakota Century Code is created and enacted  
7 as follows:

8 **46-03-10.1. Expression of mills references in decimal form.**

9 In arranging the laws for publication and in publishing and maintaining the laws, the  
10 legislative council shall change statutory references to mills in reference to property tax  
11 imposition to a decimal expression in numerals of the number of cents per dollar of taxable  
12 valuation equivalent to the number of mills stated.

13 **SECTION 2.** Section 57-15-01.2 of the North Dakota Century Code is created and enacted  
14 as follows:

15 **57-15-01.2. Limit on property taxes levied by a taxing district without voter approval.**

- 16 1. Notwithstanding that a taxing district may have unused or excess levy authority under  
17 any other provision of law, this section limits that authority. This section may not be  
18 interpreted as authority to increase any levy limitation otherwise provided by law and  
19 may be applied only to limit any levy authority that a taxing district may otherwise be  
20 entitled to use.
- 21 2. Property taxes in dollars levied by a taxing district for its consolidated tax levy may not  
22 exceed by more than three percent the amount levied in dollars by that taxing district  
23 for its consolidated tax levy against taxable property in that taxing district in the  
24 ~~preceding~~previous taxable year, subject to the following:

- 1           a. When a taxable improvement to property has been made or property has been  
2           added to the taxing district which was not taxable in the previous taxable year,  
3           the amount of property taxes in dollars levied by the taxing district in the previous  
4           taxable year for purposes of this section must be increased by an amount equal  
5           to the sum determined by the application of the previous year's calculated mill  
6           rate for that taxing district to the increase in taxable valuation of that property.  
7           b. When a property tax exemption that existed in the previous taxable year has  
8           been reduced or no longer exists, the amount of property taxes in dollars levied  
9           by the taxing district in the previous taxable year for purposes of this section must  
10           be increased by an amount equal to the sum determined by the application of the  
11           previous year's calculated mill rate for that taxing district to the increase in  
12           taxable valuation of that property.  
13           c. When a property tax exemption exists for property that was taxable in the  
14           previous year, the amount levied in dollars in the previous taxable year by the  
15           taxing district in the previous year for purposes of this section must be reduced  
16           by the amount determined by applying the previous year's calculated mill rate for  
17           that taxing district to the reduction in the previous year's taxable valuation of that  
18           property.  
19           d. When temporary mill levy increases authorized by the electors of the taxing  
20           district or mill levies authorized by state law existed in the previous taxable year  
21           but are no longer applicable or have been reduced, the amount levied in dollars  
22           in the previous taxable year by the taxing district must be adjusted to reflect the  
23           expired temporary mill levy increases and the reduced or eliminated mill levies  
24           authorized by state law before the increase allowable under this subsection is  
25           applied.  
26           e. A taxing district may consolidate any general or special fund mill levy authority to  
27           which it is entitled under any other provision of law if its consolidated tax levy  
28           remains within the limitations provided by this section.  
29        3. The limitation under subsection 2 does not apply to:  
30           a. New or increased mill levies authorized by state law or the electors of the taxing  
31           district which did not exist in the previous taxable year.

- 1           b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of  
2           article X of the Constitution of North Dakota.
- 3           4. The mill rate applied to property that was not taxed in the previous taxable year may  
4           not exceed the mill rate determined by law for the current taxable year for property that  
5           was taxed in the previous taxable year.
- 6           5. The limitation under this section may not be superseded by a city or county under  
7           home rule authority but:
- 8           a. The allowable percentage increase under subsection 2 may be doubled if the  
9           governing body provides notice published one each week for two consecutive  
10           weeks in the official newspaper or website, or both, of the taxing district and  
11           states in that notice when a public hearing will be held at which the governing  
12           body will hear and consider protests of the increase; and
- 13           b. The percentage increase limitations of this section may be suspended within a  
14           taxing district and the consolidated levy increased by a percentage stated on the  
15           ballot by approval of at least fifty-five percent of electors of the taxing district  
16           voting on the question at a regular or special election of the taxing district. A  
17           ballot measure for levy increase authority under this subsection must state the  
18           percentage rate of the proposed increase in consolidated levy authority in dollars  
19           and state for which years the increase in levy authority would apply.
- 20           6. The limitation determined for a school district under this section is also subject to the  
21           following adjustments:
- 22           a. The dollar amount levied in the baseprevious year for purposes of this section  
23           must be increased by the amount the school district's mill levy reduction grant  
24           under section 57-64-02 for the baseprevious year exceeds the amount of the  
25           school district's mill levy reduction grant under section 57-64-02 for the  
26           budgetcurrent year.
- 27           b. The dollar amount levied in the baseprevious year for purposes of this section  
28           must be reduced by the amount the school district's mill levy reduction grant  
29           under section 57-64-02 for the budgetcurrent year exceeds the amount of the  
30           school district's mill levy reduction grant under section 57-64-02 for the  
31           baseprevious year.

1       7. The limitation under this section does not apply to the county human services levy  
2       under chapter 50-03 if the board of county commissioners makes the finding that any  
3       excess human services levy is attributable to an increase in the expenditure mandated  
4       by state or federal law. The limitation under this section does not apply to any levy  
5       mandated by state or federal law or mandated by a ballot measure approved by the  
6       qualified electors of the taxing district.

7       **SECTION 3. REPEAL.** Section 57-15-01.1 of the North Dakota Century Code is repealed.

8       **SECTION 4. EFFECTIVE DATE.** Sections 2 and 3 of this Act are effective for taxable years  
9       beginning after December 31, 2012.