

**HOUSE BILL NO. 1276**

Introduced by

Representatives B. Koppelman, Beadle, Rick C. Becker, Grueneich, K. Koppelman, D. Ruby,  
Steiner, Trottier

Senators Clemens, O. Larsen

1 A BILL for an Act to create and enact a new section to chapter 57-02 of the North Dakota  
2 Century Code, relating to a limitation on property tax increases by taxing districts without voter  
3 approval; and to provide an effective date.

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

5 **SECTION 1.** A new section to chapter 57-02 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **Limitation on property tax increases by taxing districts without voter approval.**

- 8 1. Notwithstanding that a taxing district may have unused or excess levy authority under  
9 any other provision of law, this section supersedes and limits that authority. This  
10 section may not be interpreted as authority to increase any property tax levy authority  
11 otherwise provided by law and must be applied to limit any property tax levy authority  
12 to which a taxing district may otherwise be entitled. The amount of property tax levied  
13 in dollars by a taxing district on an individual parcel of commercial or residential  
14 property may not exceed the amount the taxing district levied on that parcel in dollars  
15 in the preceding taxable year by more than three percent, except:
- 16 a. When property and improvements to property which were not taxable in the  
17 preceding taxable year are taxable in the current year, the amount levied in  
18 dollars in the preceding taxable year by the taxing district must be increased for  
19 purposes of this section to reflect the taxes that would have been imposed  
20 against the additional taxable valuation attributable to that property at the mill rate  
21 applied to all property in the preceding taxable year.
- 22 b. When a property tax exemption existed in the preceding taxable year which has  
23 been reduced or no longer exists for the current taxable year, the amount levied

- 1           in dollars in the preceding taxable year by the taxing district must be increased  
2           for purposes of this section to reflect the taxes that would have been imposed  
3           against the portion of the taxable valuation of the property which is no longer  
4           exempt at the mill rate applied to all property in the preceding taxable year.
- 5           c. When property that was taxable in the preceding taxable year is not taxable for  
6           the current taxable year, the amount levied in dollars in the preceding taxable  
7           year by the taxing district must be reduced for purposes of this section by the  
8           amount of taxes that were imposed against the taxable valuation of that property  
9           in the preceding taxable year.
- 10          d. When a temporary mill levy increase, excluding an increase under this section,  
11          authorized by the electors of the taxing district or mill levy imposition authority  
12          under state law existed in the previous taxable year but is no longer applicable or  
13          has been reduced, the amount levied in dollars in the previous taxable year by  
14          the taxing district must be adjusted to reflect the expired temporary mill levy  
15          increase and the eliminated or reduced mill levy under state law before the  
16          percentage increase allowable under this subsection is applied.
- 17          2. The limitation on the total amount levied by a taxing district under subsection 1 does  
18          not apply to:
- 19           a. New or increased property tax levy authority that was not available to the taxing  
20           district in the preceding taxable year, including property tax levy authority  
21           provided by state law or approved by the electors of the taxing district.
- 22           b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of  
23           article X of the Constitution of North Dakota. Any tax levied for this purpose must  
24           be excluded from the mill rate applied under subdivisions a through c of  
25           subsection 1.
- 26           c. The one-mill levy for the state medical center authorized by section 10 of article X  
27           of the Constitution of North Dakota. Any tax levied for this purpose must be  
28           excluded from the mill rate applied under subdivisions a through c of  
29           subsection 1.
- 30          3. A levy exceeding the percentage increase limitation under subsection 1 may be  
31          imposed upon approval of a ballot measure, stating the percentage of the proposed

1           property tax levy increase percentage compared to the percentage limitation under  
2           subsection 1, by a majority of the qualified electors of the taxing district voting on the  
3           question at a regular or special election of the taxing district. A levy exceeding the  
4           percentage increase limitation under subsection 1 may be approved by electors for not  
5           more than two taxable years at a time.

6           4. A city or county may not supersede or modify the application of the provisions of this  
7           section under home rule authority.

8           **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
9           December 31, 2017.