

HOUSE BILL NO. 1272

Introduced by

Representatives Koppelman, Heilman, Owens, Ruby

Senators Hogue, Sitte

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 created
5 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 taxing
8 district may not exceed by more than three percent the amount levied in dollars by that
9 taxing district on any parcel of taxable property in that taxing district in the preceding
10 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 is
15 taxable without regard to the limitation under this subsection.

16 b. If a property tax exemption existed in the previous taxable year which has been
17 reduced or does not exist, the portion of the taxable valuation of the property
18 which is no longer exempt is not subject to the limitation in this subsection.

19 c. If temporary mill levy increases authorized by the electors of the taxing district or
20 mill levies authorized by state law existed in the previous taxable year but are no
21 longer applicable or have been reduced, the amount levied in dollars in the
22 previous taxable year by the taxing district must be adjusted to reflect the expired
23 temporary mill levy increases and the reduced or eliminated mill levies authorized

- 1 by state law before the three percent increase allowable under this subsection is
2 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 previous
10 taxable year may not exceed the mill rate of the taxing district determined by law for
11 the current taxable year for property that was taxed in the previous taxable year.
- 12 4. The provisions of this section may not be superseded by any provision of a home rule
13 charter, ordinance, or resolution but may be superseded upon approval by a majority
14 vote of electors of the taxing district voting on the question at any regular or special
15 election of the taxing district. The question of approval of excess levy authority by the
16 electors may be placed on the ballot at any regular or special election of the taxing
17 district by a majority vote of the governing body of the taxing district.

18 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
19 December 31, 2010.