

**HOUSE BILL NO. 1293**

Introduced by

Representatives Kasper, Headland, Porter, Thoreson, Weiler, Wrangham

1 A BILL for an Act to create and enact section 57-15-01.2 of the North Dakota Century Code,  
2 relating to property tax levy dollar increase limitations; and to provide an effective date.

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

4 **SECTION 1.** Section 57-15-01.2 of the North Dakota Century Code is created and enacted  
5 as follows:

6 **57-15-01.2. Limitation on levies by taxing districts.**

7 1. Notwithstanding that a taxing district may have unused or excess levy authority under  
8 any other provision of law, this section limits that authority. This section may not be  
9 interpreted as authority to increase any levy limitation otherwise provided by law and  
10 may be applied only to limit any unused or excess levy authority that a taxing district  
11 may otherwise be entitled to use. Property taxes levied in dollars by a taxing district  
12 against a parcel of property may not exceed the amount the taxing district levied in  
13 dollars against that parcel of property in the preceding taxable year by more than three  
14 percent, except:

15 a. When improvements to property have been made which were not taxable in the  
16 previous taxable year, the additional taxable valuation attributable to the  
17 improvements is taxable without regard to the limitation under this subsection but  
18 the limitation on the mill rate that may be applied against the improvements under  
19 subsection 3 applies to those improvements.

20 b. When a property tax exemption existed in the previous taxable year which has  
21 been reduced or does not exist, the portion of the taxable valuation of the  
22 property which is no longer exempt is not subject to the limitation in this  
23 subsection but the limitation on the mill rate that may be applied against the  
24 property under subsection 3 applies to the property.

- 1           c. When temporary mill levy increases authorized by the electors of the taxing  
2           district or mill levies authorized by state law existed in the previous taxable year  
3           but are no longer applicable or have been reduced, the amount levied in dollars  
4           in the previous taxable year by the taxing district must be adjusted to reflect the  
5           expired temporary mill levy increases and the reduced or eliminated mill levies  
6           authorized by state law before the percentage increase allowable under this  
7           subsection is applied.
- 8           2. The limitation on the total amount levied by a taxing district under subsection 1 does  
9           not apply to:
- 10           a. New or increased mill levies authorized by state law or the electors of the taxing  
11           district which did not exist in the previous taxable year.
- 12           b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of  
13           article X of the Constitution of North Dakota.
- 14           c. Levies for a building fund or capital improvements.
- 15           d. Levies for fire protection, law enforcement, or emergency services.
- 16           e. Budget expenditures for substantial equipment purchases for infrastructure  
17           maintenance, repair, or construction such as road equipment, mowers,  
18           equipment for collection of solid waste, and similar equipment but not including  
19           office or computer equipment.
- 20           3. The mill rate applied to property or improvements to property that was not taxed in the  
21           previous taxable year may not exceed the mill rate determined by law for the current  
22           taxable year for property that was taxed in the previous taxable year.
- 23           4. Application of the percentage increase limitation under this section may be suspended  
24           for up to five taxable years and authority to levy up to five percent more than the  
25           amount the taxing district levied in dollars against each parcel of property in the  
26           preceding taxable year may be approved for a taxing district upon approval by sixty  
27           percent or more of the qualified electors of the taxing district voting on the question at  
28           a regular or special election of the taxing district.

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