

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. For purposes of this section, "taxing district" does
12 not include a school district. Property taxes levied in dollars by a taxing district may not
13 exceed the amount the taxing district levied in dollars in the preceding taxable year by
14 more than four percent, except:

15 a. When improvements to property have been made which were not taxable in the
16 previous taxable year, the amount levied in dollars in the previous taxable year by
17 the taxing district must be adjusted to reflect the taxes that would have been
18 imposed against the additional taxable valuation attributable to the
19 improvements.

20 b. When a property tax exemption existed in the previous taxable year which has
21 been reduced or does not exist, the amount levied in dollars in the previous
22 taxable year by the taxing district must be adjusted to reflect the taxes that would
23 have been imposed against the portion of the taxable valuation of the property
24 which is no longer exempt.

- 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3 but are no longer applicable or have been reduced, the amount levied in dollars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 irrepealable 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 upon approval of the dollar amount and length of the tax levy increase by sixty percent
25 or more of the qualified electors of the taxing district voting on the question at a regular
26 or special election of the taxing district.

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