

**HOUSE BILL NO. 1461**

Introduced by

Representatives Bellew, Dockter, Kasper, Koppelman, Porter

Senators Clemens, Paulson

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 limitations on property tax levies by taxing districts without voter  
3 approval; to amend and reenact subdivision a of subsection 4 of section 15.1-27-04.1 of the  
4 North Dakota Century Code, relating to the determination of school district state aid payments;  
5 and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subdivision a of subsection 4 of section 15.1-27-04.1 of the  
8 North Dakota Century Code, as effective through June 30, 2025, is amended and reenacted as  
9 follows:

10 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
11 school district, except the amount in dollars subtracted for purposes of this  
12 subdivision may not exceed the previous year's amount in dollars subtracted for  
13 purposes of this subdivision by more than ~~twelve~~five percent or the percentage  
14 increase approved by sixty percent of the qualified electors of the school district  
15 pursuant to subsection 3 of section 2 of this Act, adjusted pursuant to section  
16 15.1-27-04.3; and

17 **SECTION 2.** A new section to chapter 57-15 of the North Dakota Century Code is created  
18 and enacted as follows:

19 **Limitation on levies by taxing districts without voter approval.**

20 1. Notwithstanding that a taxing district may have unused or excess levy authority under  
21 any other provision of law, this section supersedes and limits that authority. For  
22 purposes of this section, "taxing district" means any political subdivision empowered to  
23 levy taxes. This section may not be interpreted as authority to increase any property  
24 tax levy authority otherwise provided by law and must be applied to limit any property

- 1 tax levy authority to which a taxing district may otherwise be entitled. Property taxes  
2 levied in dollars by a taxing district may not exceed the amount the taxing district  
3 levied in dollars in the preceding taxable year by more than five percent, except:
- 4 a. When property and improvements to property which were not taxable in the  
5 preceding taxable year are taxable in the current year, the amount levied in  
6 dollars in the preceding taxable year by the taxing district must be increased for  
7 purposes of this section to reflect the taxes that would have been imposed  
8 against the additional taxable valuation attributable to that property at the mill rate  
9 applied to all property in the preceding taxable year.
- 10 b. When a property tax exemption existed in the preceding taxable year which has  
11 been reduced or no longer exists for the current taxable year, the amount levied  
12 in dollars in the preceding taxable year by the taxing district must be increased  
13 for purposes of this section to reflect the taxes that would have been imposed  
14 against the portion of the taxable valuation of the property which is no longer  
15 exempt at the mill rate applied to all property in the preceding taxable year.
- 16 c. When property that was taxable in the preceding taxable year is not taxable for  
17 the current taxable year, the amount levied in dollars in the preceding taxable  
18 year by the taxing district must be reduced for purposes of this section by the  
19 amount of taxes that were imposed against the taxable valuation of that property  
20 in the preceding taxable year.
- 21 d. When a temporary mill levy increase, excluding an increase under this section,  
22 authorized by the electors of the taxing district or mill levy imposition authority  
23 under state law existed in the previous taxable year but is no longer applicable or  
24 has been reduced, the amount levied in dollars in the previous taxable year by  
25 the taxing district must be adjusted to reflect the expired temporary mill levy  
26 increase and the eliminated or reduced mill levy under state law before the  
27 percentage increase allowable under this subsection is applied.
- 28 2. The limitation on the total amount levied by a taxing district under subsection 1 does  
29 not apply to:

- 1           a. New or increased property tax levy authority that was not available to the taxing  
2           district in the preceding taxable year, including property tax levy authority  
3           provided by state law or approved by the electors of the taxing district.  
4           b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of  
5           article X of the Constitution of North Dakota. Any tax levied for this purpose must  
6           be excluded from the mill rate applied under subdivisions a through c of  
7           subsection 1.  
8           c. The one-mill levy for the state medical center authorized by section 10 of article X  
9           of the Constitution of North Dakota. Any tax levied for this purpose must be  
10          excluded from the mill rate applied under subdivisions a through c of  
11          subsection 1.  
12          d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
13          authorized by section 57-15-26.8.  
14          e. Taxes or special assessments levied to pay the principal and interest on any  
15          obligations of any political subdivision, including taxes levied for deficiencies in  
16          special assessment and improvement district funds and revenue bond and  
17          reserve funds.  
18          f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
19          a special improvement project by general taxation.  
20          g. Taxes levied under sections 40-24-10, 40-43-01, 57-15-41, and 61-21-52.  
21      3. A levy exceeding the percentage increase limitation under subsection 1 may be  
22      imposed upon approval of a ballot measure, stating the percentage of the proposed  
23      property tax levy increase percentage compared to the percentage limitation under  
24      subsection 1, by sixty percent of the qualified electors of the taxing district voting on  
25      the question at a regular or special election of the taxing district. A levy exceeding the  
26      percentage increase limitation under subsection 1 may be approved by electors for not  
27      more than one taxable year at a time.  
28      4. A city or county may not supersede or modify the application of the provisions of this  
29      section under home rule authority.

30           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
31      December 31, 2022.