

Sixty-fourth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2031**

Introduced by

Legislative Management

(Education Funding Committee)

A BILL for an Act to amend and reenact sections 15-39.1-28, 15.1-06-04, 15.1-09-47, 15.1-09-48, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-04.1, 15.1-27-04.2, 15.1-27-35.3, 15.1-27-45, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-17, 57-15-31, 57-19-01, 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-15-14.5, 57-15-17.1, and 57-19-04 and chapter 57-64 of the North Dakota Century Code, relating to the determination of state aid payable to school districts, school district levies, and mill levy reduction grants; to provide for a transfer; and to provide for a contingent transfer.

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

**SECTION 1. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

**15-39.1-28. ~~(Effective for the first two taxable years beginning after December 31, 2012)~~ Tax levy for teachers' retirement.**

Any school district by a resolution of its school board may use the proceeds of levies, as permitted by section 57-15-14.2, for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

~~(Effective after the first two taxable years beginning after December 31, 2012) Tax levy for teachers' retirement. Any school district by a resolution of its school board may levy a tax pursuant to subdivision b of subsection 1 of section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to~~

1 provide the district's share, if any, of contribution to the fund for contracted employees of either  
2 a multidistrict special education board or another school district where the contracted  
3 employees are also providing services to the taxing school district.

4 **SECTION 2. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15.1-06-04. School calendar - Length.**

7 1. ~~During the 2009-10 school year, a school district shall provide for a school calendar of~~  
8 ~~at least one hundred eighty days.~~

9 a. ~~One hundred seventy-three days must be used for instruction;~~

10 b. ~~Three days must be used for holidays, as selected by the school board in~~  
11 ~~consultation with district teachers from the list provided for in subdivisions b-~~  
12 ~~through j of subsection 1 of section 15.1-06-02;~~

13 c. ~~Up to two days must be used for:~~

14 (1) ~~Parent teacher conferences; or~~

15 (2) ~~Compensatory time for parent teacher conferences held outside regular~~  
16 ~~school hours; and~~

17 d. ~~Two days must be used for professional development.~~

18 2. ~~During the 2010-11 school year, a school district shall provide for a school calendar of~~  
19 ~~at least one hundred eighty-one days.~~

20 a. ~~One hundred seventy-four days must be used for instruction;~~

21 b. ~~Three days must be used for holidays, as selected by the board in consultation~~  
22 ~~with district teachers from the list provided for in subdivisions b through j of~~  
23 ~~subsection 1 of section 15.1-06-02;~~

24 c. ~~Up to two days must be used for:~~

25 (1) ~~Parent teacher conferences; or~~

26 (2) ~~Compensatory time for parent teacher conferences held outside of regular~~  
27 ~~school hours; and~~

28 d. ~~Two days must be used for professional development.~~

29 3. ~~Beginning with the 2011-12 school year, a~~

30 1. ~~A school district shall provide for a school calendar of at least one hundred eighty-two~~  
31 ~~days that includes:~~

- 1           a. ~~One~~At least one hundred seventy-five days must be used for~~of~~ instruction;
- 2           b. ~~Three days must be used for~~ holidays, as selected by the board in consultation
- 3               with district teachers from the list provided for in subdivisions b through j of
- 4               subsection 1 of section 15.1-06-02;
- 5           c. ~~Up to~~No more than two days must be used for:
- 6               (1) Parent-teacher conferences; or
- 7               (2) Compensatory time for parent-teacher conferences held outside of regular
- 8               school hours; and
- 9           d. (1) ~~Two days must be used for~~At least two days of professional development
- 10               during the 2015-16 school year; and
- 11               (2) At least three days of professional development, beginning with the 2016-17
- 12               school year.
- 13    4.2.   a. A day ~~for~~of professional development must consist of:
- 14           a. (1) Six hours of professional development, exclusive of meals and other breaks,
- 15               conducted within a single day; or
- 16           b. (2) Two four-hour periods of professional development, exclusive of meals and
- 17               other breaks, conducted over two days.
- 18    5.    b. If a school district offers a four-hour period of professional development, as
- 19               permitted in ~~subdivision b of this~~ subsection-4, the school district may schedule
- 20               instruction during other available hours on that same day and be credited with
- 21               providing one-half day of instruction to students. This ~~subsection~~subdivision does
- 22               not apply unless the one-half day of instruction equals at least one-half of the
- 23               time required for a full day of instruction, as defined in this section.
- 24    6.    a. ~~In meeting the requirements for two days of professional development under this~~
- 25               ~~section, a school district may require that its teachers attend the North Dakota~~
- 26               ~~education association instructional conference and may pay teachers for~~
- 27               ~~attending the conference, provided their attendance is verified.~~
- 28           b. ~~In meeting the requirements for two days of professional development under this~~
- 29               ~~section, a school district may consider attendance at the North Dakota education~~
- 30               ~~association instructional conference to be optional, elect not to pay teachers for~~

1 attending the instructional conference, and instead direct any resulting savings  
2 toward providing alternate professional development opportunities.

3 e. ~~A school district may not require the attendance of teachers in school or at any~~  
4 ~~school sponsored, school directed, school sanctioned, or school related activities~~  
5 ~~and may not schedule classroom instruction time nor alternate professional~~  
6 ~~development activities on any day that conflicts with the North Dakota education~~  
7 ~~association instructional conference.~~

8 7. ~~Beginning with the 2010-11 school year, if a school district elects to provide an~~  
9 ~~optional third day of professional development, the school district shall do so by:~~

10 a. ~~Meeting the requirements for a day of professional development as set forth in~~  
11 ~~subsection 4; or~~

12 b. ~~Shortening four instructional days, for the purpose of providing for two-hour~~  
13 ~~periods of professional development, provided:~~

14 (1) ~~Each instructional day on which such professional development occurs~~  
15 ~~includes at least four hours of instruction for kindergarten and elementary~~  
16 ~~students and four and one-half hours for high school students;~~

17 (2) ~~The instructional time for each course normally scheduled on that day is~~  
18 ~~reduced proportionately or the daily schedule is reconfigured to ensure that~~  
19 ~~the same course is not subject to early dismissal more than one time per~~  
20 ~~school calendar, as a result of this subdivision; and~~

21 (3) ~~All teachers having a class dismissed as a result of this subdivision are~~  
22 ~~required to be in attendance and participate in the professional~~  
23 ~~development.~~

24 8. a. ~~If a school's calendar provides for an extension of each schoolday beyond the~~  
25 ~~statutorily required minimum number of hours, and if the extensions when~~  
26 ~~aggregated over an entire school year amount to more than eighty-four hours of~~  
27 ~~additional classroom instruction during the school year, the school is exempt from~~  
28 ~~having to make up six hours of instruction time lost as a result of weather-related~~  
29 ~~closure. In order to make up lost classroom instruction time beyond the six hours,~~  
30 ~~the school must extend its normal school calendar day by at least thirty minutes.~~

1           b. ~~A school that does not qualify under the provisions of this subsection must extend~~  
2           ~~its normal schoolday by at least thirty minutes to make up classroom instruction~~  
3           ~~time lost as a result of weather-related closure.~~

4    ~~e.3.~~   If because of weather a school must dismiss before completing a full day of  
5           instruction, the school is responsible for making up only those hours and portions of an  
6           hour between the time of early dismissal and the conclusion of a full day of classroom  
7           instruction.

8    ~~9.4.~~   For purposes of this section, a full day of instruction consists of:

- 9           a.   At least five and one-half hours for kindergarten and elementary students, during  
10           which time the students are required to be in attendance for the purpose of  
11           receiving curricular instruction; and  
12           b.   At least six hours for high school students, during which time the students are  
13           required to be in attendance for the purpose of receiving curricular instruction.

14       **SECTION 3. AMENDMENT.** Section 15.1-09-47 of the North Dakota Century Code is  
15   amended and reenacted as follows:

16       **15.1-09-47. ~~(Effective for the first two taxable years beginning after December 31,~~**  
17   **~~2012) Board of education of city of Fargo - Taxing authority.~~**

18       The board of education of the city of Fargo may levy taxes within the requirements or  
19   limitations of this title and title 57.

20       **~~(Effective after the first two taxable years beginning after December 31, 2012) Board~~**  
21   **~~of education of city of Fargo -- Taxing authority.~~**

22       ~~1.   The board of education of the city of Fargo may levy taxes, as necessary for any of the~~  
23       ~~following purposes:~~

24           ~~a.   To purchase, exchange, lease, or improve sites for schools.~~

25           ~~b.   To build, purchase, lease, enlarge, alter, improve, and repair schools and their~~  
26           ~~appurtenances.~~

27           ~~c.   To procure, exchange, improve, and repair school apparatus, books, furniture, and~~  
28           ~~appendages, but not the furnishing of textbooks to any student whose parent is~~  
29           ~~unable to furnish the same.~~

30           ~~d.   To provide fuel.~~

e. To defray the contingent expenses of the board, including the compensation of employees.

f. To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.

2. The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year.

**SECTION 4. AMENDMENT.** Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-48. (Effective for the first two taxable years beginning after December 31, 2012) Board of education of city of Fargo - Tax collection.**

1. The board of education of the city of Fargo may levy taxes within the boundaries of the Fargo public school district and cause the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. The business manager of the board of education shall certify the rate for each purpose to the city auditor in time to be added to the annual tax list of the city.

2. The city auditor shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes.

3. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may make an assessment roll and

tax list and submit the roll to the city auditor with a warrant for the collection of the tax.

The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

~~(Effective after the first two taxable years beginning after December 31, 2012) Board of education of city of Fargo -- Tax collection.~~ The board of education of the city of Fargo has the power to levy taxes within the boundaries of the Fargo public school district and to cause such taxes to be collected in the same manner as other city taxes. The board of education shall cause the rate for each purpose to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the city auditor to calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may cause an assessment roll and tax list to be made and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

**SECTION 5. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership -- Determination.~~**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who:

- 1                   (1) ~~On a test of English language proficiency approved by the superintendent of~~  
2                   ~~public instruction are determined to be least proficient and placed in the first~~  
3                   ~~of six categories of proficiency; and~~
- 4                   (2) ~~Are enrolled in a program of instruction for English language learners;~~
- 5           f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high~~  
6           ~~school;~~
- 7           g. ~~0.20 the number of full-time equivalent students attending school in a bordering~~  
8           ~~state in accordance with section 15.1-29-01;~~
- 9           h. ~~0.20 the number of full-time equivalent students who:~~
- 10           (1) ~~On a test of English language proficiency approved by the superintendent of~~  
11           ~~public instruction are determined to be more proficient than students placed~~  
12           ~~in the first of six categories of proficiency and therefore placed in the second~~  
13           ~~of six categories of proficiency; and~~
- 14           (2) ~~Are enrolled in a program of instruction for English language learners;~~
- 15           i. ~~0.17 the number of full-time equivalent students enrolled in an early childhood~~  
16           ~~special education program;~~
- 17           j. ~~0.15 the number of full-time equivalent students in grades six through eight~~  
18           ~~enrolled in an alternative education program for at least an average of fifteen~~  
19           ~~hours per week;~~
- 20           k. ~~0.10 the number of students enrolled in average daily membership, if the district~~  
21           ~~has fewer than one hundred students enrolled in average daily membership and~~  
22           ~~the district consists of an area greater than two hundred seventy-five square~~  
23           ~~miles [19424.9 hectares], provided that any school district consisting of an area~~  
24           ~~greater than six hundred square miles [155399 hectares] and enrolling fewer than~~  
25           ~~fifty students in average daily membership must be deemed to have an~~  
26           ~~enrollment equal to fifty students in average daily membership;~~
- 27           l. ~~0.082 the number of students enrolled in average daily membership, in order to~~  
28           ~~support the provision of special education services;~~
- 29           m. ~~0.07 the number of full-time equivalent students who:~~
- 30           (1) ~~On a test of English language proficiency approved by the superintendent of~~  
31           ~~public instruction are determined to be more proficient than students placed~~



- 1                   in the second of six categories of proficiency and therefore placed in the  
2                   third of six categories of proficiency;
- 3           (2) ~~Are enrolled in a program of instruction for English language learners; and~~  
4           (3) ~~Have not been in the third of six categories of proficiency for more than~~  
5                   three years;
- 6           n. ~~0.025 the number of students representing that percentage of the total number of~~  
7                   students in average daily membership which is equivalent to the three-year  
8                   average percentage of students in grades three through eight who are eligible for  
9                   free or reduced lunches under the Richard B. Russell National School Lunch Act  
10                  [42 U.S.C. 1751 et seq.];
- 11          o. ~~0.003 the number of students enrolled in average daily membership in each~~  
12                  public school in the district that:
- 13                  (1) ~~Has acquired and is utilizing the PowerSchool student information system;~~  
14                  (2) ~~Has acquired and is in the process of implementing the PowerSchool~~  
15                          student information system; or
- 16                  (3) ~~Will acquire the PowerSchool student information system during the current~~  
17                          school year, provided the acquisition is contractually demonstrated; and
- 18          p. ~~0.002 the number of students enrolled in average daily membership in a school~~  
19                  district that is a participating member of a regional education association meeting  
20                  the requirements of chapter 15.1-09.1.
- 21          2. ~~The superintendent of public instruction shall determine each school district's weighted~~  
22                  average daily membership by adding the products derived under subsection 1 to the  
23                  district's average daily membership.
- 24          **~~(Effective after June 30, 2015) Weighted average daily membership - Determination.~~**
- 25          1. For each school district, the superintendent of public instruction shall multiply by:
- 26                  a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer~~  
27                          program;
- 28                  **b.a.** 1.00 the number of full-time equivalent students enrolled in an extended  
29                          educational program in accordance with section 15.1-32-17;
- 30                  **c.b.** 0.60 the number of full-time equivalent students enrolled in a summer education  
31                          program, including a migrant summer education program;

- 1 d. ~~0.50 the number of full-time equivalent students enrolled in a home-based~~  
2 ~~education program and monitored by the school district under chapter 15.1-23;~~
- 3 ~~e.c. 0.300.40 the number of full-time equivalent students who:~~
- 4 (1) ~~On a test of English language proficiency approved by the superintendent of~~  
5 ~~public instruction are determined to be least proficient and placed in the first~~  
6 ~~of six categories of proficiency; and~~
- 7 (2) ~~Are enrolled in a program of instruction for English language learners;~~
- 8 d. 0.27 the number of full-time equivalent students who:
- 9 (1) On a test of English language proficiency approved by the superintendent of  
10 public instruction are determined to be more proficient than students placed  
11 in the first of six categories of proficiency and therefore placed in the second  
12 of six categories of proficiency; and
- 13 (2) Are enrolled in a program of instruction for English language learners;
- 14 f.e. 0.25 the number of full-time equivalent students under the age of twenty-one,  
15 enrolled in grades nine through twelve in an alternative high school;
- 16 g. ~~0.20 the number of full-time equivalent students attending school in a bordering~~  
17 ~~state in accordance with section 15.1-29-01;~~
- 18 h. ~~0.20 the number of full-time equivalent students who:~~
- 19 (1) ~~On a test of English language proficiency approved by the superintendent of~~  
20 ~~public instruction are determined to be more proficient than students placed~~  
21 ~~in the first of six categories of proficiency and therefore placed in the second~~  
22 ~~of six categories of proficiency; and~~
- 23 (2) ~~Are enrolled in a program of instruction for English language learners;~~
- 24 f. 0.20 the number of students representing that percentage of the total number of  
25 students in average daily membership in kindergarten through grade three, which  
26 is equivalent to the three-year average percentage of students in grades three  
27 through eight who are eligible for free or reduced lunches under the Richard B.  
28 Russell National School Lunch Act [42 U.S.C. 1751, et seq.];
- 29 g. 0.20 the number of full-time equivalent students enrolled in a home-based  
30 education program and monitored by the school district under chapter 15.1-23;

- 1           i.h. 0.17 the number of full-time equivalent students enrolled in an early childhood  
2           special education program;
- 3           i. 0.15 the number of full-time equivalent students, in grades six through eight,  
4           enrolled in an alternative education program for at least an average of fifteen  
5           hours per week;
- 6           j. 0.10 the number of students enrolled in average daily membership, if the district  
7           has fewer than one hundred students enrolled in average daily membership and  
8           the district consists of an area greater than two hundred seventy-five square  
9           miles [19424.9 hectares], provided that any school district consisting of an area  
10          greater than six hundred square miles [155399 hectares] and enrolling fewer than  
11          fifty students in average daily membership must be deemed to have an  
12          enrollment equal to fifty students in average daily membership;
- 13          k. 0.082 the number of students enrolled in average daily membership, in order to  
14          support the provision of special education services;
- 15          l. 0.07 the number of full-time equivalent students who:
- 16           (1) On a test of English language proficiency approved by the superintendent of  
17           public instruction are determined to be more proficient than students placed  
18           in the second of six categories of proficiency and therefore placed in the  
19           third of six categories of proficiency;
- 20           (2) Are enrolled in a program of instruction for English language learners; and
- 21           (3) Have not been in the third of six categories of proficiency for more than  
22           three years;
- 23          m. 0.025 the number of students representing that percentage of the total number of  
24          students in average daily membership in grades four through twelve which is  
25          equivalent to the three-year average percentage of students in grades three  
26          through eight who are eligible for free or reduced lunches under the Richard B.  
27          Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- 28          n. ~~0.006 the number of students enrolled in average daily membership in each~~  
29          ~~public school in the district that:~~
- 30          (1) ~~Has acquired and is utilizing the PowerSchool student information system;~~

- 1                   (2) ~~Has acquired and is in the process of implementing the PowerSchool-~~  
2                   ~~student information system; or~~
- 3                   (3) ~~Will acquire the PowerSchool student information system during the current-~~  
4                   ~~school year, provided the acquisition is contractually demonstrated;~~
- 5                   n. 0.01 the number of students enrolled in average daily membership, in order to  
6                   support the provision of a third day of professional development activities;
- 7                   o. 0.005 the number of students enrolled in average daily membership, in order to  
8                   support the provision of a fourth day of professional development activities;
- 9                   p. 0.005 the number of students enrolled in average daily membership, in order to  
10                  support the provision of a fifth day of professional development activities; and
- 11                e-q. 0.0040.0022 the number of students enrolled in average daily membership in a  
12                  school district that is a participating member of a regional education association  
13                  meeting the requirements of chapter 15.1-09.1.
- 14                2. The superintendent of public instruction shall determine each school district's weighted  
15                  average daily membership by adding the products derived under subsection 1 to the  
16                  district's average daily membership, subject to any additional criteria set forth in this  
17                  subsection.
- 18                a. A student in grades six through eight, who qualifies for funding based on the  
19                  student's enrollment in an alternative education program, as provided for in  
20                  subdivision i of subsection 1, may not be included in the number of students for  
21                  whom funding is provided in accordance with subdivision m of subsection 1.
- 22                b. A student who qualifies for funding based on the student's enrollment in a  
23                  program of instruction for English language learners, as provided for in  
24                  subdivisions c, d, or l of subsection 1, may be included in the number of students  
25                  for whom funding is provided in accordance with subdivision f or m of  
26                  subsection 1.
- 27                c. The factors available to support the provision of professional development  
28                  activities, as provided for in subdivisions n through p of subsection 1, are  
29                  applicable only if the superintendent of public instruction has preapproved the  
30                  professional development activities, in accordance with rules established by the

1                    superintendent. The rules must address content, qualifications of presenters, and  
2                    the application process for approval.

3            **SECTION 6. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5            **15.1-27-03.2. (~~Effective through June 30, 2015~~) School district size weighting factor -**  
6 **Weighted student units.**

- 7            1. For each high school district in the state, the superintendent of public instruction shall  
8 assign a school district size weighting factor of:
- 9            a. 1.35 if the students in average daily membership number fewer than 125;
  - 10           b. 1.34 if the students in average daily membership number at least 125 but fewer  
11           than 130;
  - 12           c. 1.33 if the students in average daily membership number at least 130 but fewer  
13           than 135;
  - 14           d. 1.32 if the students in average daily membership number at least 135 but fewer  
15           than 140;
  - 16           e. 1.31 if the students in average daily membership number at least 140 but fewer  
17           than 145;
  - 18           f. 1.30 if the students in average daily membership number at least 145 but fewer  
19           than 150;
  - 20           g. 1.29 if the students in average daily membership number at least 150 but fewer  
21           than 155;
  - 22           h. 1.28 if the students in average daily membership number at least 155 but fewer  
23           than 160;
  - 24           i. 1.27 if the students in average daily membership number at least 160 but fewer  
25           than 165;
  - 26           j. 1.26 if the students in average daily membership number at least 165 but fewer  
27           than 175;
  - 28           k. 1.25 if the students in average daily membership number at least 175 but fewer  
29           than 185;
  - 30           l. 1.24 if the students in average daily membership number at least 185 but fewer  
31           than 200;

- 1 m. 1.23 if the students in average daily membership number at least 200 but fewer  
2 than 215;
- 3 n. 1.22 if the students in average daily membership number at least 215 but fewer  
4 than 230;
- 5 o. 1.21 if the students in average daily membership number at least 230 but fewer  
6 than 245;
- 7 p. 1.20 if the students in average daily membership number at least 245 but fewer  
8 than 260;
- 9 q. 1.19 if the students in average daily membership number at least 260 but fewer  
10 than 270;
- 11 r. 1.18 if the students in average daily membership number at least 270 but fewer  
12 than 275;
- 13 s. 1.17 if the students in average daily membership number at least 275 but fewer  
14 than 280;
- 15 t. 1.16 if the students in average daily membership number at least 280 but fewer  
16 than 285;
- 17 u. 1.15 if the students in average daily membership number at least 285 but fewer  
18 than 290;
- 19 v. 1.14 if the students in average daily membership number at least 290 but fewer  
20 than 295;
- 21 w. 1.13 if the students in average daily membership number at least 295 but fewer  
22 than 300;
- 23 x. 1.12 if the students in average daily membership number at least 300 but fewer  
24 than 305;
- 25 y. 1.11 if the students in average daily membership number at least 305 but fewer  
26 than 310;
- 27 z. 1.10 if the students in average daily membership number at least 310 but fewer  
28 than 320;
- 29 aa. 1.09 if the students in average daily membership number at least 320 but fewer  
30 than 335;

- 1           bb.   1.08 if the students in average daily membership number at least 335 but fewer
- 2               than 350;
- 3           cc.   1.07 if the students in average daily membership number at least 350 but fewer
- 4               than 360;
- 5           dd.   1.06 if the students in average daily membership number at least 360 but fewer
- 6               than 370;
- 7           ee.   1.05 if the students in average daily membership number at least 370 but fewer
- 8               than 380;
- 9           ff.   1.04 if the students in average daily membership number at least 380 but fewer
- 10            than 390;
- 11           gg.   1.03 if the students in average daily membership number at least 390 but fewer
- 12               than 400;
- 13           hh.   1.02 if the students in average daily membership number at least 400 but fewer
- 14               than 600;
- 15           ii.   1.01 if the students in average daily membership number at least 600 but fewer
- 16               than 900; and
- 17           jj.   1.00 if the students in average daily membership number at least 900.

- 18       2.   For each elementary district in the state, the superintendent of public instruction shall
- 19        assign a weighting factor of:
- 20        a.   1.25 if the students in average daily membership number fewer than 125;
- 21        b.   1.17 if the students in average daily membership number at least 125 but fewer
- 22            than 200; and
- 23        c.   1.00 if the students in average daily membership number at least 200.
- 24       3.   The school district size weighting factor determined under this section and multiplied
- 25        by a school district's weighted average daily membership equals the district's weighted
- 26        student units.
- 27       4.   Notwithstanding the provisions of this section, the school district size weighting factor
- 28        assigned to a district may not be less than the factor arrived at when the highest
- 29        number of students possible in average daily membership is multiplied by the school
- 30        district size weighting factor for the subdivision immediately preceding the district's
- 31        actual subdivision and then divided by the district's average daily membership.

1        ~~(Effective after June 30, 2015) School district size weighting factor -- Weighted-~~  
2 ~~student units.~~

- 3        1. ~~For each high school district in the state, the superintendent of public instruction shall~~  
4        ~~assign a school district size weighting factor of:~~
- 5        a. ~~1.25 if the students in average daily membership number fewer than 185;~~
  - 6        b. ~~1.24 if the students in average daily membership number at least 185 but fewer~~  
7        ~~than 200;~~
  - 8        c. ~~1.23 if the students in average daily membership number at least 200 but fewer~~  
9        ~~than 215;~~
  - 10       d. ~~1.22 if the students in average daily membership number at least 215 but fewer~~  
11       ~~than 230;~~
  - 12       e. ~~1.21 if the students in average daily membership number at least 230 but fewer~~  
13       ~~than 245;~~
  - 14       f. ~~1.20 if the students in average daily membership number at least 245 but fewer~~  
15       ~~than 260;~~
  - 16       g. ~~1.19 if the students in average daily membership number at least 260 but fewer~~  
17       ~~than 270;~~
  - 18       h. ~~1.18 if the students in average daily membership number at least 270 but fewer~~  
19       ~~than 275;~~
  - 20       i. ~~1.17 if the students in average daily membership number at least 275 but fewer~~  
21       ~~than 280;~~
  - 22       j. ~~1.16 if the students in average daily membership number at least 280 but fewer~~  
23       ~~than 285;~~
  - 24       k. ~~1.15 if the students in average daily membership number at least 285 but fewer~~  
25       ~~than 290;~~
  - 26       l. ~~1.14 if the students in average daily membership number at least 290 but fewer~~  
27       ~~than 295;~~
  - 28       m. ~~1.13 if the students in average daily membership number at least 295 but fewer~~  
29       ~~than 300;~~
  - 30       n. ~~1.12 if the students in average daily membership number at least 300 but fewer~~  
31       ~~than 305;~~



- 1           o.   ~~1.11 if the students in average daily membership number at least 305 but fewer-~~
- 2            ~~than 310;~~
- 3           p.   ~~1.10 if the students in average daily membership number at least 310 but fewer-~~
- 4            ~~than 320;~~
- 5           q.   ~~1.09 if the students in average daily membership number at least 320 but fewer-~~
- 6            ~~than 335;~~
- 7           r.   ~~1.08 if the students in average daily membership number at least 335 but fewer-~~
- 8            ~~than 350;~~
- 9           s.   ~~1.07 if the students in average daily membership number at least 350 but fewer-~~
- 10          ~~than 360;~~
- 11          t.   ~~1.06 if the students in average daily membership number at least 360 but fewer-~~
- 12          ~~than 370;~~
- 13          u.   ~~1.05 if the students in average daily membership number at least 370 but fewer-~~
- 14          ~~than 380;~~
- 15          v.   ~~1.04 if the students in average daily membership number at least 380 but fewer-~~
- 16          ~~than 390;~~
- 17          w.   ~~1.03 if the students in average daily membership number at least 390 but fewer-~~
- 18          ~~than 400;~~
- 19          x.   ~~1.02 if the students in average daily membership number at least 400 but fewer-~~
- 20          ~~than 600;~~
- 21          y.   ~~1.01 if the students in average daily membership number at least 600 but fewer-~~
- 22          ~~than 900; and~~
- 23          z.   ~~1.00 if the students in average daily membership number at least 900.~~
- 24        2.   For each elementary district in the state, the superintendent of public instruction shall
- 25            assign a weighting factor of:
- 26           a.   ~~1.25 if the students in average daily membership number fewer than 125;~~
- 27           b.   ~~1.17 if the students in average daily membership number at least 125 but fewer-~~
- 28            ~~than 200; and~~
- 29           c.   ~~1.00 if the students in average daily membership number at least 200.~~

- 1       3.   ~~The school district size weighting factor determined under this section and multiplied~~  
2       ~~by a school district's weighted average daily membership equals the district's weighted~~  
3       ~~student units.~~
- 4       4.   ~~Notwithstanding the provisions of this section, the school district size weighting factor~~  
5       ~~assigned to a district may not be less than the factor arrived at when the highest~~  
6       ~~number of students possible in average daily membership is multiplied by the school~~  
7       ~~district size weighting factor for the subdivision immediately preceding the district's~~  
8       ~~actual subdivision and then divided by the district's average daily membership.~~

9       **SECTION 7. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
10   amended and reenacted as follows:

11       **15.1-27-04.1. ~~(Effective through June 30, 2015)~~ Baseline funding - Establishment -**  
12   **Determination of state aid.**

- 13       1.   In order to determine the amount of state aid payable to each district, the  
14       superintendent of public instruction shall establish each district's baseline funding. A  
15       district's baseline funding consists of:
- 16       a.   All state aid received by the district in accordance with chapter 15.1-27 during the  
17       2012-13 school year;
- 18       b.   The district's 2012-13 mill levy reduction grant, as determined in accordance with  
19       chapter 57-64, as it existed on June 30, 2013;
- 20       c.   An amount equal to that raised by the district's 2012 general fund levy or that  
21       raised by one hundred ten mills of the district's 2012 general fund levy, whichever  
22       is less;
- 23       d.   An amount equal to that raised by the district's 2012 long-distance learning and  
24       educational technology levy;
- 25       e.   An amount equal to that raised by the district's 2012 alternative education  
26       program levy; and
- 27       f.   An amount equal to:
- 28           (1)   Seventy-five percent of all revenue received by the school district and  
29               reported under code 2000 of the North Dakota school district financial  
30               accounting and reporting manual, as developed by the superintendent of  
31               public instruction in accordance with section 15.1-02-08;

- 1                   (2) Seventy-five percent of all mineral revenue received by the school district
- 2                   through direct allocation from the state treasurer and not reported under
- 3                   code 2000 of the North Dakota school district financial accounting and
- 4                   reporting manual, as developed by the superintendent of public instruction
- 5                   in accordance with section 15.1-02-08;
- 6                   (3) Seventy-five percent of all tuition received by the school district and
- 7                   reported under code 1300 of the North Dakota school district financial
- 8                   accounting and reporting manual, as developed by the superintendent of
- 9                   public instruction in accordance with section 15.1-02-08, with the exception
- 10                  of revenue received specifically for the operation of an educational program
- 11                  provided at a residential treatment facility and tuition received for the
- 12                  provision of an adult farm management program;
- 13                  (4) Seventy-five percent of all revenue received by the school district from
- 14                  payments in lieu of taxes on the distribution and transmission of electric
- 15                  power;
- 16                  (5) Seventy-five percent of all revenue received by the school district from
- 17                  payments in lieu of taxes on electricity generated from sources other than
- 18                  coal;
- 19                  (6) All revenue received by the school district from mobile home taxes;
- 20                  (7) Seventy-five percent of all revenue received by the school district from the
- 21                  leasing of land acquired by the United States for which compensation is
- 22                  allocated to the state under 33 U.S.C. 701(c)(3);
- 23                  (8) All telecommunications tax revenue received by the school district; and
- 24                  (9) All revenue received by the school district from payments in lieu of taxes
- 25                  and state reimbursement of the homestead credit and disabled veterans
- 26                  credit.
- 27                  2. The superintendent shall divide the district's total baseline funding by the district's
- 28                  2012-13 weighted student units in order to determine the district's baseline funding per
- 29                  weighted student unit.
- 30                  3. ~~a. In 2013-14, the superintendent shall multiply the district's weighted student units~~
- 31                  ~~by eight thousand eight hundred ten dollars.~~

(1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:

(a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or

(b) One hundred percent of the district's baseline funding as established in subsection 1.

(2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.

b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.

(1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:

(a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or

(b) One hundred percent of the district's baseline funding as established in subsection 1.

(2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.

3. a. In 2015-16, the superintendent shall multiply the district's weighted student units by nine thousand four hundred eighty-two dollars.

(1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:

(a) One hundred six percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2015-16 weighted student units; or

(b) One hundred percent of the district's baseline funding, as established in subsection 1.

(2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred thirty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2015-16 weighted student units.

b. In 2016-17, the superintendent shall multiply the district's weighted student units by nine thousand seven hundred sixty-six dollars.

(1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:

(a) One hundred eight percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2016-17 weighted student units; or

(b) One hundred percent of the district's baseline funding, as established in subsection 1.

(2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred forty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2015-16 weighted student units.

4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:

a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, provided that ~~after 2013~~, the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent; and

b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.

- 1        5. The amount remaining after the computation required under subsection 4 is the  
2            amount of state aid to which a school district is entitled, subject to any other statutory  
3            requirements or limitations.

4        **SECTION 8. AMENDMENT.** Section 15.1-27-04.2 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6        **15.1-27-04.2. ~~(Effective through June 30, 2015)~~ State aid - Minimum local effort -**  
7 **Determination.**

8        If a district's taxable valuation per student is less than twenty percent of the state average  
9 valuation per student, the superintendent of public instruction, for purposes of determining state  
10 aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to sixty mills times  
11 twenty percent of the state average valuation per student multiplied by the number of weighted  
12 student units in the district.

13       **SECTION 9. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15       **15.1-27-35.3. ~~(Effective through June 30, 2015)~~ Payments to school districts -**  
16 **Unobligated general fund balance.**

- 17       1. a. The superintendent of public instruction shall determine the amount of payments  
18            due a school district and shall subtract from that the amount by which the  
19            unobligated general fund balance of the district on the preceding June thirtieth is  
20            ~~in excess of forty-five percent of its actual expenditures, plus twenty thousand~~  
21            ~~dollars.~~
- 22       ~~b. Beginning July 1, 2015, the superintendent of public instruction shall determine~~  
23            ~~the amount of payments due to a school district and shall subtract from that the~~  
24            ~~amount by which the unobligated general fund balance of the district on the~~  
25            ~~preceding June thirtieth is in excess of forty percent of its actual expenditures,~~  
26            ~~plus twenty thousand dollars.~~
- 27       e.b. Beginning July 1, 2017, the superintendent of public instruction shall determine  
28            the amount of payments due to a school district and shall subtract from that the  
29            amount by which the unobligated general fund balance of the district on the  
30            preceding June thirtieth is in excess of thirty-five percent of its actual  
31            expenditures, plus twenty thousand dollars.

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

3.2. For purposes of this section, a district's unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

**~~(Effective after June 30, 2015) Payments to school districts -- Unobligated general fund balance.~~**

1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 10. AMENDMENT.** Section 15.1-27-45 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-45. ~~(Effective through June 30, 2015)~~ Property tax relief fund.**

1. a. The property tax relief fund is a special fund in the state treasury. ~~On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to the property tax relief fund, as established by this section, and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.~~

b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty third legislative assembly.

2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.

3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 11. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-30-04. ~~(Effective for the first two taxable years beginning after December 31, 2012)~~ Provision of meals and lodging for high school students - Payment permitted.**

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence.

~~(Effective after the first two taxable years beginning after December 31, 2012)-~~

~~Provision of meals and lodging for high school students -- Payment permitted -- Levy.~~

~~Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

**SECTION 12. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. ~~(Effective through June 30, 2015)~~ School construction projects --  
Loansloans - Revolving fund.**

1. a. In order to provide school construction loans, the board of university and school lands mayshall authorize the use of moneys in the school construction loan fund, which is a revolving fund. The fund consists of:
- a. (1) Fifty million dollars, ~~or so much of that amount as may be necessary, which~~ had been made available for school construction loans beginning in 1979 and is transferred from the coal development trust fund, established



pursuant to section 21 of article X of the Constitution of North Dakota and  
subsection 1 of section 57-62-02; and

b. (2) One hundred fifty million dollars, which had been made available for school  
construction loans beginning on July 1, 2013, and is transferred from the  
strategic investment and improvements fund, established pursuant to  
section 15-08.1-08;

(3) One hundred twenty-five million dollars, or so much of the amount as is  
necessary, transferred in accordance with section 24 of this Act, from the  
strategic investment and improvements fund, established pursuant to  
section 15-08.1-08;

(4) Any other amounts transferred during the 2015-17 biennium in accordance  
with section 25 of this Act; and

(5) Any other amounts transferred by the legislative assembly.

b. Notwithstanding any other provisions of law, the dollars provided for in  
paragraph 3 of subdivision a may be made available only to those school districts  
that meet the requirements of this section and demonstrate an increase in their  
average daily membership during each of the preceding three school years.

2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. If an eligible school district's taxable valuation per student is less than eighty percent of the state average taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of twenty million dollars or ninety percent of the actual project cost;
  - b. An interest rate discount equal to at least one hundred but not more than four hundred basis points below the prevailing tax-free bond rates; and

- 1           c.    A term of repayment that may extend up to twenty years.
- 2           4.    If an eligible school district's taxable valuation per student is equal to at least eighty
- 3                percent but less than ninety percent of the state average taxable valuation per
- 4                student, the district is entitled to receive:
- 5                a.    A school construction loan equal to the lesser of fifteen million dollars or eighty
- 6                    percent of the actual project cost;
- 7                b.    An interest rate buydown equal to at least one hundred but not more than three
- 8                    hundred fifty basis points below the prevailing tax-free bond rates; and
- 9                c.    A term of repayment that may extend up to twenty years.
- 10          5.    If an eligible school district's taxable valuation per student is equal to at least ninety
- 11                percent of the state average taxable valuation per student, the district is entitled to
- 12                receive:
- 13                a.    A school construction loan equal to the lesser of ten million dollars or seventy
- 14                    percent of the actual project cost;
- 15                b.    An interest rate discount equal to at least one hundred but not more than three
- 16                    hundred basis points below the prevailing tax-free bond rates; and
- 17                c.    A term of repayment that may extend up to twenty years.
- 18          6.    The board of a school district may submit its loan application to the superintendent of
- 19                public instruction before or after receiving authorization of a bond issue in accordance
- 20                with chapter 21-03. If the vote to authorize a bond issue precedes the application for a
- 21                loan, the application must be acted upon by the superintendent expeditiously but no
- 22                later than one hundred eighty days from the date it is received by the superintendent.
- 23          7.    The superintendent of public instruction shall consider each loan application in the
- 24                order it received approval under section 15.1-36-01.
- 25          8.    If the superintendent of public instruction approves the loan, the superintendent may
- 26                determine the loan amount, the term of the loan, and the interest rate, in accordance
- 27                with the requirements of this section. A school district's interest rate may not be less
- 28                than one percent, regardless of any rate discount for which the district might otherwise
- 29                qualify under this section.
- 30          9.    a.    If a school district seeking a loan under this section received an allocation of the
- 31                oil and gas gross production tax during the previous fiscal year, in accordance

1 with chapter 57-51, the board of the district shall provide to the board of  
2 university and school lands, and to the state treasurer, its evidence of  
3 indebtedness indicating that the loan originated under this section.

4 b. If the evidence of indebtedness is payable solely from the school district's  
5 allocation of the oil and gas gross production tax, in accordance with section  
6 57-51-15, the loan does not constitute a general obligation of the school district  
7 and may not be considered a debt of the district.

8 c. If a loan made to a school district is payable solely from the district's allocation of  
9 the oil and gas gross production tax, in accordance with section 57-51-15, the  
10 terms of the loan must require that the state treasurer withhold the dollar amount  
11 or percentage specified in the loan agreement, from each of the district's oil and  
12 gas gross production tax allocations, in order to repay the principal and interest of  
13 the evidence of indebtedness. The state treasurer shall deposit the amount  
14 withheld into the fund from which the loan originated.

15 d. Any evidence of indebtedness executed by the board of a school district under  
16 this subsection is a negotiable instrument and not subject to taxation by the state  
17 or any political subdivision of the state.

18 10. For purposes of this section, a "construction project" means the purchase, lease,  
19 erection, or improvement of any structure or facility by a school board, provided the  
20 acquisition or activity is within a school board's authority.

21 **~~(Effective after June 30, 2015) School construction projects -- Loans.~~**

22 ~~1. The board of university and school lands may authorize the use of moneys in the coal~~  
23 ~~development trust fund established pursuant to section 21 of article X of the~~  
24 ~~Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school~~  
25 ~~construction loans, as described in this chapter. The outstanding principal balance of~~  
26 ~~loans under this chapter may not exceed fifty million dollars. The board may adopt~~  
27 ~~policies and rules governing school construction loans.~~

28 ~~2. In order to be eligible for a loan under this section, the board of a school district shall:~~  
29 ~~a. Propose a construction project with a cost of at least one million dollars and an~~  
30 ~~expected utilization of at least thirty years;~~

- 1           b. Obtain the approval of the superintendent of public instruction for the construction-
- 2           project under section 15.1-36-01; and
- 3           e. Submit to the superintendent of public instruction an application containing all-
- 4           information deemed necessary by the superintendent, including potential-
- 5           alternative sources or methods of financing the construction project.
- 6       3. The superintendent of public instruction shall give priority to any district that meets the
- 7       requirements for receipt of an equity payment under section 15.1-27-11.
- 8       4. If an eligible school district's imputed taxable valuation per student is less than eighty-
- 9       percent of the state average imputed valuation per student, the district is entitled to-
- 10       receive:
- 11       a. A school construction loan equal to the lesser of twelve million dollars or eighty-
- 12       percent of the actual project cost;
- 13       b. An interest rate discount equal to at least one hundred but not more than two-
- 14       hundred fifty basis points below the prevailing tax-free bond rates; and
- 15       c. A term of repayment that may extend up to twenty years.
- 16       5. If an eligible school district's imputed taxable valuation per student is equal to at least
- 17       eighty percent but less than ninety percent of the state average imputed taxable-
- 18       valuation per student, the district is entitled to receive:
- 19       a. A school construction loan equal to the lesser of ten million dollars or seventy-
- 20       percent of the actual project cost;
- 21       b. An interest rate buydown equal to at least one hundred but not more than two-
- 22       hundred fifty basis points below the prevailing tax-free bond rates; and
- 23       c. A term of repayment that may extend up to twenty years.
- 24       6. If an eligible school district's imputed taxable valuation per student is equal to at least
- 25       ninety percent of the state average imputed taxable valuation per student, the district
- 26       is entitled to receive:
- 27       a. A school construction loan equal to the lesser of four million dollars or thirty-
- 28       percent of the actual project cost;
- 29       b. An interest rate discount equal to at least one hundred but not more than two-
- 30       hundred fifty basis points below the prevailing tax-free bond rates; and
- 31       c. A term of repayment that may extend up to twenty years.

- 1       7.    The board of a school district may submit its loan application to the superintendent of  
2           public instruction before or after receiving authorization of a bond issue in accordance  
3           with chapter 21-03. If the vote to authorize a bond issue precedes the application for a  
4           loan, the application must be acted upon by the superintendent expeditiously but no  
5           later than one hundred eighty days from the date it is received by the superintendent.
- 6       8.    The superintendent of public instruction shall consider each loan application in the  
7           order it received approval under section 15.1-36-01.
- 8       9.    If the superintendent of public instruction approves the loan, the superintendent may  
9           determine the loan amount, the term of the loan, and the interest rate, in accordance  
10          with the requirements of this section.
- 11      10.   The superintendent of public instruction may adopt rules governing school  
12          construction loans.
- 13      11.   For purposes of this section, a construction project means the purchase, lease,  
14          erection, or improvement of any structure or facility by a school board, provided the  
15          acquisition or activity is within a school board's authority.

16       **SECTION 13. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is  
17   amended and reenacted as follows:

18       **~~40-55-08. (Effective for the first two taxable years beginning after December 31, 2012)~~**  
19   **Election to determine desirability of establishing recreation system - How called.**

- 20      1.    The governing body of any municipality, school district, or park district to which this  
21           chapter is applicable, may and upon receipt of a petition signed by at least ten  
22           qualified electors but not less than five percent of those qualified electors who voted at  
23           the last general election of the municipality, school district, or park district, shall submit  
24           to the qualified electors the question of the establishment, maintenance, and conduct  
25           of a public recreation system, and except in the case of a school district, the levying of  
26           an annual tax for the conduct and maintenance thereof of not more than two and  
27           five-tenths mills on each dollar of taxable valuation of all taxable property within the  
28           corporate limits or boundaries of such municipality or park district, to be voted upon at  
29           the next general election or special municipal election; ~~provided, however, that such,~~
- 30      2.    The questions referenced in subsection 1 may not be voted upon at the next general  
31          election unless such action of the governing body ~~shall be~~ taken, or ~~such~~ a petition to

1           submit such~~the~~ question shall be~~is~~ filed, thirty days prior to the date of such~~the~~  
2           election.

3           3. A school district may provide for the establishment, maintenance, and conduct of a  
4           public recreation system using the proceeds of levies, as permitted by section  
5           57-15-14.2.

6           ~~(Effective after the first two taxable years beginning after December 31, 2012)~~

7           ~~Election to determine desirability of establishing recreation system -- How called. The~~  
8           ~~governing body of any municipality, school district, or park district to which this chapter is~~  
9           ~~applicable, may and upon receipt of a petition signed by at least ten qualified electors but not~~  
10          ~~less than five percent of those qualified electors who voted at the last general election of the~~  
11          ~~municipality, school district, or park district, shall submit to the qualified electors the question of~~  
12          ~~the establishment, maintenance, and conduct of a public recreation system, and except in the~~  
13          ~~case of a school district, the levying of an annual tax for the conduct and maintenance thereof~~  
14          ~~of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable~~  
15          ~~property within the corporate limits or boundaries of such municipality or park district, to be~~  
16          ~~voted upon at the next general election or special municipal election; provided, however, that~~  
17          ~~such questions may not be voted upon at the next general election unless such action of the~~  
18          ~~governing body shall be taken, or such petition to submit such question shall be filed thirty days~~  
19          ~~prior to the date of such election. A school district may levy a tax for the establishment,~~  
20          ~~maintenance, and conduct of a public recreation system pursuant to subdivision q of~~  
21          ~~subsection 1 of section 57-15-14.2.~~

22          **SECTION 14. AMENDMENT.** Section 40-55-09 of the North Dakota Century Code is  
23          amended and reenacted as follows:

24          ~~40-55-09. (Effective for the first two taxable years beginning after December 31, 2012)~~

25          **Favorable vote at election - Procedure.**

26          1. Except in the case of a school district or park district, upon adoption of the public  
27          recreation system proposition at an election, by a majority of the votes cast upon the  
28          proposition, the governing body of the municipality, by resolution or ordinance, shall  
29          provide for the establishment, maintenance, and conduct of a public recreation  
30          system, and.

- 1        2.    The governing body of the municipality shall thereafter levy and collect annually a tax  
2            of not more than two and five-tenths mills, or not more than eight and five-tenths mills  
3            if authorized as provided by this section, on each dollar of the taxable valuation of all  
4            taxable property within the corporate limits or boundaries of the municipality. This tax  
5            is in addition to the maximum of taxes permitted to be levied in suchthe municipality.
- 6        3.    The mill levy authorized by this section may be raised to not more than eight and  
7            five-tenths mills when the increase is approved by the citizens of the municipality, after  
8            submission of the question in the same manner as provided in section 40-55-08 for the  
9            establishment of the public recreation system.
- 10       4.    The governing body of the municipality shall continue to levy the tax annually for public  
11           recreation purposes, until the qualified voters, at a regular or special election, by a  
12           majority vote on the proposition, decide to discontinue the levy.
- 13       5.    The governing body of the municipality may appropriate additional funds for the  
14           operation of the public recreation system if, in the opinion of the governing body,  
15           additional funds are needed for the efficient operation ~~thereof~~ of the system.
- 16       6.    This chapter does not limit the power of any municipality, school district, or park district  
17           to appropriate, on its own initiative, general municipal, school district, or park district  
18           tax funds for the operation of a public recreation system, a community center, or  
19           character-building facility.
- 20       7.    A park district may levy a tax annually, within the general fund levy authority of section  
21           57-15-12, for the conduct and maintenance of a public recreation system.

22       **~~(Effective after the first two taxable years beginning after December 31, 2012)~~**

23       **~~Favorable vote at election - Procedure.~~** ~~Except in the case of a school district or park district,~~  
24       ~~upon adoption of the public recreation system proposition at an election by a majority of the~~  
25       ~~votes cast upon the proposition, the governing body of the municipality, by resolution or~~  
26       ~~ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation~~  
27       ~~system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills,~~  
28       ~~or not more than eight and five-tenths mills if authorized as provided by this section, on each~~  
29       ~~dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of~~  
30       ~~the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such~~  
31       ~~municipality. The mill levy authorized by this section may be raised to not more than eight and~~

1 five-tenths mills when the increase is approved by the citizens of the municipality after  
2 submission of the question in the same manner as provided in section 40-55-08 for the  
3 establishment of the public recreation system. The governing body of the municipality shall  
4 continue to levy the tax annually for public recreation purposes until the qualified voters, at a  
5 regular or special election, by a majority vote on the proposition, decide to discontinue the levy.  
6 The governing body of the municipality may appropriate additional funds for the operation of the  
7 public recreation system if in the opinion of the governing body additional funds are needed for  
8 the efficient operation thereof. This chapter does not limit the power of any municipality, school  
9 district, or park district to appropriate on its own initiative general municipal, school district, or  
10 park district tax funds for the operation of a public recreation system, a community center, or  
11 character-building facility. A school district may levy a tax annually for the conduct and  
12 maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section  
13 57-15-14.2. A park district may levy a tax annually within the general fund levy authority of  
14 section 57-15-12 for the conduct and maintenance of a public recreation system.

15 **SECTION 15. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **57-15-01.1. (Effective for the first two taxable years beginning after December 31,**  
18 **2012) Protection of taxpayers and taxing districts.**

19 Each taxing district may levy the lesser of the amount in dollars as certified in the budget of  
20 the governing body, or the amount in dollars as allowed in this section, subject to the  
21 following provisions of this section.

- 22 1. ~~No~~ A taxing district may not levy more taxes expressed in dollars than the amounts  
23 allowed by this section.
- 24 2. For purposes of this section:
  - 25 a. "Base year" means the taxing district's taxable year with the highest amount  
26 levied in dollars in property taxes of the three taxable years immediately  
27 preceding the budget year. For a park district general fund, the "amount levied in  
28 dollars in property taxes" is the sum of amounts levied in dollars in property taxes  
29 for the general fund under section 57-15-12, including any:
    - 30 (1) Any additional levy approved by the electors, ~~the~~;
    - 31 (2) The insurance reserve fund under section 32-12.1-08, ~~the~~;



1                   (3) The employee health care program under section 40-49-12, ~~the~~;

2                   (4) The public recreation system under section 40-55-09, including any  
3                   additional levy approved by the electors, ~~forestry~~;

4                   (5) Forestry purposes under section 57-15-12.1, except any additional levy  
5                   approved by the electors, ~~pest~~;

6                   (6) Pest control under section 4-33-11, ~~;~~ and ~~handicapped~~

7                   (7) Handicapped person programs and activities under section 57-15-60;

8                   b. "Budget year" means the taxing district's year for which the levy is being  
9                   determined under this section;

10                  c. "Calculated mill rate" means the mill rate that results from dividing the base year  
11                  taxes levied by the sum of the taxable value of the taxable property in the base  
12                  year plus the taxable value of the property exempt by local discretion or  
13                  charitable status, calculated in the same manner as the taxable property; and

14                  d. "Property exempt by local discretion or charitable status" means ~~property~~;

15                   (1) Property exempted from taxation as new or expanding businesses under  
16                   chapter 40-57.1; ~~improvements~~

17                   (2) Improvements to property under chapter 57-02.2; ~~or buildings and~~

18                   (3) Buildings belonging to institutions of public charity, new single-family  
19                   residential or townhouse or condominium property, property used for early  
20                   childhood services, ~~or and~~ pollution abatement improvements, under section  
21                   57-02-08.

22                  3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
23                  levy under this section must be specifically approved by a resolution approved by the  
24                  governing body of the taxing district. Before determining the levy limitation under this  
25                  section, the dollar amount levied in the base year must be:

26                   a. Reduced by an amount equal to the sum determined by application of the base  
27                   year's calculated mill rate for that taxing district to the final base year taxable  
28                   valuation of any taxable property and property exempt by local discretion or  
29                   charitable status which is not included in the taxing district for the budget year but  
30                   was included in the taxing district for the base year;

- 1           b. Increased by an amount equal to the sum determined by the application of the  
2           base year's calculated mill rate for that taxing district to the final budget year  
3           taxable valuation of any taxable property or property exempt by local discretion or  
4           charitable status which was not included in the taxing district for the base year  
5           but which is included in the taxing district for the budget year.;
- 6           c. Reduced to reflect expired temporary mill levy increases authorized by the  
7           electors of the taxing district. For purposes of this subdivision, an expired  
8           temporary mill levy increase does not include a school district general fund mill  
9           rate ~~exceeding one hundred ten mills~~ approved by the electors which has expired  
10          or has not received approval of electors for an extension ~~under subsection 2 of~~  
11          ~~section 57-64-03;~~ and
- 12          d. If the base year is a taxable year before 2013, reduced by the amount of state aid  
13          under chapter 15.1-27, which is determined by multiplying the budget year  
14          taxable valuation of the school district by the lesser of:  
15              (1) The base year mill rate of the school district minus sixty mills; or  
16              (2) Fifty mills.
- 17          4. In addition to any other levy limitation factor under this section, a taxing district may  
18          increase its levy in dollars to reflect new or increased mill levies authorized by the  
19          legislative assembly or authorized by the electors of the taxing district.
- 20          5. Under this section a taxing district may supersede any applicable mill levy limitations  
21          otherwise provided by law; or a taxing district may levy up to the mill levy limitations  
22          otherwise provided by law without reference to this section, ~~but the~~ The provisions of  
23          this section do not apply to the following:  
24              a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of  
25              article X of the Constitution of North Dakota.; or  
26              b. The one-mill levy for the state medical center authorized by section 10 of article X  
27              of the Constitution of North Dakota.
- 28          6. A school district choosing to determine its levy authority under this section may apply  
29          subsection 3 only to the amount in dollars levied for general fund purposes under  
30          section 57-15-14 or, if the levy in the base year included separate general fund and  
31          special fund levies under sections 57-15-14 and 57-15-14.2, the school district may

1           apply subsection 3 to the total amount levied in dollars in the base year for both the  
2           general fund and special fund accounts. School district levies under any section other  
3           than section 57-15-14 may be made within applicable limitations but those levies are  
4           not subject to subsection 3.

- 5           7. Optional levies under this section may be used by any city or county that has adopted  
6           a home rule charter unless the provisions of the charter supersede state laws related  
7           to property tax levy limitations.

8           ~~(Effective after the first two taxable years beginning after December 31, 2012)~~

9           ~~Protection of taxpayers and taxing districts.~~ Each taxing district may levy the lesser of the  
10          amount in dollars as certified in the budget of the governing body, or the amount in dollars as  
11          allowed in this section, subject to the following:

- 12          1. No taxing district may levy more taxes expressed in dollars than the amounts allowed  
13          by this section.
- 14          2. For purposes of this section:
- 15           a. "Base year" means the taxing district's taxable year with the highest amount  
16           levied in dollars in property taxes of the three taxable years immediately  
17           preceding the budget year. For a park district general fund, the "amount levied in  
18           dollars in property taxes" is the sum of amounts levied in dollars in property taxes  
19           for the general fund under section 57-15-12 including any additional levy  
20           approved by the electors, the insurance reserve fund under section 32-12.1-08,  
21           the employee health care program under section 40-49-12, the public recreation  
22           system under section 40-55-09 including any additional levy approved by the  
23           electors, forestry purposes under section 57-15-12.1 except any additional levy  
24           approved by the electors, pest control under section 4-33-11, and handicapped  
25           person programs and activities under section 57-15-60;
- 26           b. "Budget year" means the taxing district's year for which the levy is being  
27           determined under this section;
- 28           c. "Calculated mill rate" means the mill rate that results from dividing the base year  
29           taxes levied by the sum of the taxable value of the taxable property in the base  
30           year plus the taxable value of the property exempt by local discretion or  
31           charitable status, calculated in the same manner as the taxable property; and

d. ~~"Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.~~

3. ~~A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:~~

a. ~~Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.~~

b. ~~Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.~~

c. ~~Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.~~

d. ~~Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.~~

e. ~~Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02~~

1                   for the budget year exceeds the amount of the school district's mill levy reduction-  
2                   grant under section 57-64-02 for the base year.

3       4.   In addition to any other levy limitation factor under this section, a taxing district may  
4           increase its levy in dollars to reflect new or increased mill levies authorized by the  
5           legislative assembly or authorized by the electors of the taxing district.

6       5.   Under this section a taxing district may supersede any applicable mill levy limitations  
7           otherwise provided by law, or a taxing district may levy up to the mill levy limitations  
8           otherwise provided by law without reference to this section, but the provisions of this  
9           section do not apply to the following:

10       a.   Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of  
11           article X of the Constitution of North Dakota.

12       b.   The one mill levy for the state medical center authorized by section 10 of article X  
13           of the Constitution of North Dakota.

14       6.   A school district choosing to determine its levy authority under this section may apply  
15           subsection 3 only to the amount in dollars levied for general fund purposes under  
16           section 57-15-14 or, if the levy in the base year included separate general fund and  
17           special fund levies under sections 57-15-14 and 57-15-14.2, the school district may  
18           apply subsection 3 to the total amount levied in dollars in the base year for both the  
19           general fund and special fund accounts. School district levies under any section other  
20           than section 57-15-14 may be made within applicable limitations but those levies are  
21           not subject to subsection 3.

22       7.   Optional levies under this section may be used by any city or county that has adopted  
23           a home rule charter unless the provisions of the charter supersede state laws related  
24           to property tax levy limitations.

25       **SECTION 16. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is  
26       amended and reenacted as follows:

27       **57-15-14. (Effective for the first two taxable years beginning after December 31, 2012)-**

28       **Voter approval of excess levies in school districts.**

29       1.   Unless authorized by the electors of the school district in accordance with this section,  
30           a school district may not impose greater levies greater than those permitted under  
31           section 57-15-14.2.

- a. In any school district having a ~~total~~ population in ~~excess~~ of four thousand or more, according to the last federal decennial census, there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at ~~any~~ regular or special school district election.
- b. In any school district having a ~~total~~ population of ~~fewer~~less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at ~~any~~ regular or special school district election.
- c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
- d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
- e. ~~For~~The provisions of this subdivision apply to taxable years beginning after 2012:
  - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred fifteen mills, as a precondition of receiving state aid in accordance with chapter 15.1-27.
  - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a

taxable year before 2009, must be reduced by forty mills, as a precondition of receiving state aid in accordance with chapter 15.1-27.

(3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is seventy mills on the dollar of the taxable valuation of the school district.

f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election, upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. No fewer than twenty-five signatures are required.

b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.

c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

3. This section does not apply to levies approved by the electors of the district necessary to pay principal and interest on the bonded debt of the district, including the levy necessary to pay principal and interest on any bonded debt incurred before July 1, 2013, under section 57-15-17.1, as it existed during the 2012 taxable year.

1       ~~(Effective after the first two taxable years beginning after December 31, 2012) General~~  
2       ~~fund levy limitations in school districts.~~ The aggregate amount levied each year for the  
3       purposes listed in section 57-15-14.2 by any school district, except the Fargo school district,  
4       may not exceed the amount in dollars which the school district levied for the prior school year  
5       plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of  
6       the taxable valuation of the district, except that:

- 7       1.   ~~In any school district having a total population in excess of four thousand according to~~  
8       the last federal decennial census there may be levied any specific number of mills that  
9       upon resolution of the school board has been submitted to and approved by a majority  
10      of the qualified electors voting upon the question at any regular or special school  
11      district election.
- 12      2.   ~~In any school district having a total population of fewer than four thousand, there may~~  
13      be levied any specific number of mills that upon resolution of the school board has  
14      been approved by fifty-five percent of the qualified electors voting upon the question at  
15      any regular or special school election.
- 16      3.   ~~After June 30, 2009, in any school district election for approval by electors of~~  
17      increased levy authority under subsection 1 or 2, the ballot must specify the number of  
18      mills proposed for approval, and the number of taxable years for which that approval is  
19      to apply. After June 30, 2009, approval by electors of increased levy authority under  
20      subsection 1 or 2 may not be effective for more than ten taxable years.
- 21      4.   ~~The authority for a levy of up to a specific number of mills under this section approved~~  
22      by electors of a school district before July 1, 2009, is terminated effective for taxable  
23      years after 2015. If the electors of a school district subject to this subsection have not  
24      approved a levy for taxable years after 2015 of up to a specific number of mills under  
25      this section by December 31, 2015, the school district levy limitation for subsequent  
26      years is subject to the limitations under section 57-15-01.1 or this section.
- 27      5.   ~~The authority for an unlimited levy approved by electors of a school district before~~  
28      July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a  
29      school district subject to this subsection have not approved a levy of up to a specific  
30      number of mills under this section by December 31, 2015, the school district levy



1           limitation for subsequent years is subject to the limitations under section 57-15-01.1 or  
2           this section.

3   ~~The question of authorizing or discontinuing such specific number of mills authority in any~~  
4   ~~school district must be submitted to the qualified electors at the next regular election upon~~  
5   ~~resolution of the school board or upon the filing with the school board of a petition containing~~  
6   ~~the signatures of qualified electors of the district equal in number to ten percent of the number~~  
7   ~~of electors who cast votes in the most recent election in the school district. However, not fewer~~  
8   ~~than twenty-five signatures are required. However, the approval of discontinuing such authority~~  
9   ~~does not affect the tax levy in the calendar year in which the election is held. The election must~~  
10   ~~be held in the same manner and subject to the same conditions as provided in this section for~~  
11   ~~the first election upon the question of authorizing the mill levy.~~

12       **SECTION 17. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
13   amended and reenacted as follows:

14       **57-15-14.2. (Effective for the first two taxable years beginning after December 31,**  
15   **2012) School district levies.**

- 16       1. For taxable years after 2013, the board of a school district may levy a tax not  
17       exceeding the amount in dollars that the school district levied for the prior year, plus  
18       twelve percent, up to a levy of seventy mills on the taxable valuation of the district, for  
19       any purpose related to the provision of educational services. The proceeds of this levy  
20       must be deposited into the school district's general fund and used in accordance with  
21       this subsection. The proceeds may not be transferred into any other fund.
- 22       2. For taxable years after 2013, the board of a school district may levy no more than  
23       twelve mills on the taxable valuation of the district, for miscellaneous purposes and  
24       expenses. The proceeds of this levy must be deposited into a special fund known as  
25       the miscellaneous fund and used in accordance with this subsection. The proceeds  
26       may not be transferred into any other fund.
- 27       3. The board of a school district may levy no more than three mills on the taxable  
28       valuation of the district for deposit into a special reserve fund, in accordance with  
29       chapter 57-19.
- 30       4. The board of a school district may levy no more than the number of mills necessary,  
31       on the taxable valuation of the district, for the payment of tuition, in accordance with

section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.

5. Nothing in this section limits the board of a school district from levying:

- a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred before July 1, 2013 under section 57-15-17.1 before July 1, 2013, as it existed during the 2012 taxable year.

~~6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of eighty two mills. For purposes of this subsection, the allowable increase in dollars is determined by multiplying the 2013 taxable valuation of the district by the sum of sixty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.~~

**~~(Effective after the first two taxable years beginning after December 31, 2012) Mill levies requiring board action -- Proceeds to general fund account.~~**

- ~~1. A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~
  - ~~a. Board and lodging for high school students as provided in section 15.1-30-04.~~
  - ~~b. The teachers' retirement fund as provided in section 15-39.1-28.~~
  - ~~c. Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
  - ~~d. Special education program as provided in section 15.1-32-20.~~
  - ~~e. The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
  - ~~f. A final judgment obtained against a school district.~~
  - ~~g. The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and~~

1                    matching contribution for the social security fund for contracted employees of a  
2                    multidistrict special education board.

3            h.    ~~The rental or leasing of buildings, property, or classroom space. Minimum state-~~  
4                    ~~standards for health and safety applicable to school building construction shall~~  
5                    ~~apply to any rented or leased buildings, property, or classroom space.~~

6            i.    ~~Unemployment compensation benefits.~~

7            j.    ~~The removal of asbestos substances from school buildings or the abatement of~~  
8                    ~~asbestos substances in school buildings under any method approved by the~~  
9                    ~~United States environmental protection agency and any repair, replacement, or~~  
10                  ~~remodeling that results from such removal or abatement, any remodeling~~  
11                  ~~required to meet specifications set by the Americans with Disabilities Act~~  
12                  ~~accessibility guidelines for buildings and facilities as contained in the appendix to~~  
13                  ~~28 CFR 36, any remodeling required to meet requirements set by the state fire~~  
14                  ~~marshal during the inspection of a public school, and for providing an alternative~~  
15                  ~~education program as provided in section 57-15-17.1.~~

16           k.    ~~Participating in cooperative career and technical education programs approved~~  
17                  ~~by the state board.~~

18           l.    ~~Maintaining a career and technical education program approved by the state~~  
19                  ~~board and established only for that school district.~~

20           m.    ~~Paying the cost of purchasing, contracting, operating, and maintaining~~  
21                  ~~schoolbuses.~~

22           n.    ~~Establishing and maintaining school library services.~~

23           o.    ~~Equipping schoolbuses with two-way communications and central station~~  
24                  ~~equipment and providing for the installation and maintenance of such equipment.~~

25           p.    ~~Establishing free public kindergartens in connection with the public schools of the~~  
26                  ~~district for the instruction of resident children below school age during the regular~~  
27                  ~~school term.~~

28           q.    ~~Establishing, maintaining, and conducting a public recreation system.~~

29           r.    ~~The district's share of contribution to finance an interdistrict cooperative~~  
30                  ~~agreement authorized by section 15.1-09-40.~~

- 1       2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of~~  
2       ~~subsection 1. If a school district maintained a levy to finance either its participation in a~~  
3       ~~cooperative career and technical education program or its sponsorship of~~  
4       ~~single district career and technical education programs prior to July 1, 1983, and the~~  
5       ~~district discontinues its participation in or sponsorship of those career and technical~~  
6       ~~education programs, that district must reduce the proposed aggregated expenditure~~  
7       ~~amount for which its general fund levy is used by the dollar amount raised by its prior~~  
8       ~~levy for the funding of those programs.~~
- 9       3. ~~All proceeds of any levy established pursuant to this section must be placed in the~~  
10      ~~school district's general fund account and may be expended to achieve the purposes~~  
11      ~~for which the taxes authorized by this section are levied. Proceeds from levies~~  
12      ~~established pursuant to this section and funds provided to school districts pursuant to~~  
13      ~~chapter 15.1-27 may not be transferred to the building fund within the school district.~~

14      **SECTION 18. AMENDMENT.** Section 57-15-17 of the North Dakota Century Code is  
15      amended and reenacted as follows:

16      **57-15-17. (~~Effective through June 30, 2015~~) Disposition of building fund tax.**

17      ~~Revenue raised for building purposes shall be disposed of as follows:~~

- 18      1. a. All revenue accruing from appropriations or tax levies for a school district building  
19          fund, together with ~~such amounts~~any amount as may be realized for building  
20          purposes from all other sources, must be placed in a separate fund known as a  
21          school building fund and must be:
- 22          (1) Be deposited, held, or invested in the same manner as the sinking funds of  
23              ~~such school district; or in~~
- 24          (2) Used for the purchase of shares or securities of federal or state-chartered  
25              ~~savings and loan associations, within the limits of federal insurance.~~
- 26      b. ~~The funds~~Moneys in the building fund may only be used for the ~~following~~  
27          ~~purposes:~~
- 28          (1) The construction of school district buildings and facilities;  
29          (2) The renovation, repair, or expansion of school district buildings and facilities;  
30          (3) The improvement of school district buildings, facilities, and real property;  
31          (4) The leasing of buildings and facilities;

- 1                   (5) The payment of rentals upon contracts with the state board of public school  
2                   education;
- 3                   (6) The payment of rentals upon contracts with municipalities for career and  
4                   technical education facilities financed pursuant to chapter 40-57; and
- 5                   (7) The payment of principal, premiums, and interest on bonds issued in  
6                   accordance with subsection 7 of section 21-03-07.
- 7                   c. The custodian of the funds may pay out the funds only upon order of the school  
8                   board, signed by the president and the business manager of the school district.  
9                   The order must recite upon its face the purpose for which payment is made.
- 10                  2. Any moneys remaining in a ~~school~~ building fund after the completion of the payments  
11                  for any school building project ~~which that~~ has cost seventy-five percent or more of the  
12                  amount in ~~such the~~ building fund at the time of letting the contracts ~~therefor shall, must~~  
13                  be returned to the general fund of the school district, upon the order of the school  
14                  board.
- 15                  3. ~~The governing body of any board of a~~ school district may pay into the general fund of  
16                  the school district any moneys ~~which that~~ have remained in the ~~school~~ building fund for  
17                  ~~a period of ten years or more, and such district may include the same as a. The board~~  
18                  may include this amount as part of its cash on hand in making up its budget for the  
19                  ensuing year. In determining what amounts have remained in ~~said the~~ fund for ten  
20                  years or more, all payments ~~which that~~ have been ~~paid from the school~~ made from the  
21                  building fund for building purposes ~~shall must~~ be considered as having been paid from  
22                  the funds first acquired.
- 23                  4. a. ~~Whenever~~ If collections from the taxes levied for the current budget and other  
24                  income are insufficient to meet the requirements for general operating expenses,  
25                  ~~a majority of the governing body the board~~ of a school district may transfer  
26                  unobligated funds from the ~~school~~ building fund into the general fund of the  
27                  school district, if the school district has issued certificates of indebtedness equal  
28                  to fifty percent of the outstanding uncollected general fund property tax. ~~No~~  
29                  ~~school district~~
- 30                  b. A board may not transfer funds from the ~~school~~ building fund into the general  
31                  fund for more than two years.

1       ~~(Effective after June 30, 2015) Disposition of building fund tax.~~ Revenue raised for  
2 building purposes shall be disposed of as follows:

3       ~~1. a. All revenue accruing from appropriations or tax levies for a school building fund~~  
4           ~~together with such amounts as may be realized for building purposes from all~~  
5           ~~other sources must be placed in a separate fund known as a school building fund~~  
6           ~~and must be deposited, held, or invested in the same manner as the sinking~~  
7           ~~funds of such school district or in the purchase of shares or securities of federal~~  
8           ~~or state-chartered savings and loan associations within the limits of federal~~  
9           ~~insurance.~~

10       ~~b. The funds may only be used for the following purposes:~~

11           ~~(1) The erection of new school buildings or facilities, or additions to old school~~  
12           ~~buildings or facilities, or the making of major repairs to existing buildings or~~  
13           ~~facilities, or improvements to school land and site. For purposes of this~~  
14           ~~paragraph, facilities may include parking lots, athletic complexes, or any~~  
15           ~~other real property owned by the school district.~~

16           ~~(2) The payment of rentals upon contracts with the state board of public school~~  
17           ~~education.~~

18           ~~(3) The payment of rentals upon contracts with municipalities for career and~~  
19           ~~technical education facilities financed pursuant to chapter 40-57.~~

20           ~~(4) Within the limitations of school plans as provided in subsection 2 of section~~  
21           ~~57-15-16.~~

22           ~~(5) The payment of principal, premium, if any, and interest on bonds issued~~  
23           ~~pursuant to subsection 7 of section 21-03-07.~~

24           ~~(6) The payment of premiums for fire and allied lines, liability, and multiple peril~~  
25           ~~insurance on any building and its use, occupancy, fixtures, and contents.~~

26       ~~c. The custodian of the funds may pay out the funds only upon order of the school~~  
27           ~~board, signed by the president and the business manager of the school district.~~  
28           ~~The order must recite upon its face the purpose for which payment is made.~~

29       ~~2. Any moneys remaining in a school building fund after the completion of the payments~~  
30           ~~for any school building project which has cost seventy five percent or more of the~~

amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.

3. ~~The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.~~

4. ~~Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.~~

**SECTION 19. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-31. ~~(Effective for the first two taxable years beginning after December 31, 2012)~~**

**Determination of levy.**

1. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes ~~shall~~must be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

- a. The available surplus consisting of the free and unencumbered cash balance;
- b. Estimated revenues from sources other than direct property taxes;
- c. The total estimated collections from tax levies for previous years;
- d. ~~Such expenditures as are to~~Expenditures that must be made from bond sources;
- e. The amount of distributions received from an economic growth increment pool under section 57-15-61; and

1       6.    f.   The estimated amount to be received from payments in lieu of taxes on a project  
2                   under section 40-57.1-03.

3       2.   Allowance may be made for a permanent delinquency or loss in tax collection not to  
4                   exceed five percent of the amount of the levy.

5       ~~(Effective after the first two taxable years beginning after December 31, 2012)-~~

6       **Determination of levy.** ~~The amount to be levied by any county, city, township, school district,~~  
7       ~~park district, or other municipality authorized to levy taxes shall be computed by deducting from~~  
8       ~~the amount of estimated expenditures for the current fiscal year as finally determined, plus the~~  
9       ~~required reserve fund determined upon by the governing board from the past experience of the~~  
10       ~~taxing district, the total of the following items:~~

11       ~~1.    The available surplus consisting of the free and unencumbered cash balance.~~

12       ~~2.    Estimated revenues from sources other than direct property taxes.~~

13       ~~3.    The total estimated collections from tax levies for previous years.~~

14       ~~4.    Such expenditures as are to be made from bond sources.~~

15       ~~5.    The amount of distributions received from an economic growth increment pool under~~  
16       ~~section 57-15-61.~~

17       ~~6.    The estimated amount to be received from payments in lieu of taxes on a project~~  
18       ~~under section 40-57.1-03.~~

19       ~~7.    The amount reported to a school district by the superintendent of public instruction as~~  
20       ~~the school district's mill levy reduction grant for the year under section 57-64-02.~~

21       ~~Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five~~  
22       ~~percent of the amount of the levy.~~

23       **SECTION 20. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is  
24       amended and reenacted as follows:

25       **57-19-01. ~~(Effective through June 30, 2015) School district may establish-~~**

26       **Establishment of special reserve fund.**

27       Each school district in this state may establish and maintain a special reserve fund, subject  
28       to the limitations in section 57-15-14.2. The balance of moneys in the fund may not exceed that  
29       which could be produced by a levy of fifteen mills in that district for that year.

30       ~~(Effective after June 30, 2015) School district may establish special reserve fund.-~~

31       ~~Each school district in this state may establish and maintain a special reserve fund which must~~



1 be separate and distinct from all other funds now authorized by law and which may not exceed  
2 in amount at any one time the sum which could be produced by a levy of the maximum mill levy  
3 allowed by law in that district for that year.

4 **SECTION 21. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **57-19-02. ~~(Effective through June 30, 2015)~~ Special reserve fund - Separate trust**  
7 **~~fund~~Transfer.**

8 1. Moneys in the special reserve fund may be deposited, held, or invested in the same  
9 manner as the sinking fund of the district or in the purchase of shares or securities of  
10 federal savings and loan associations or state-chartered building and loan  
11 associations, within the limits of federal insurance.

12 2. Each July first, the board of the school district shall transfer from the special reserve  
13 fund to the district's general fund any amount that exceeds the limitation in section  
14 57-19-01.

15 **~~(Effective after June 30, 2015)~~ Special reserve fund - Separate trust fund.** The special  
16 reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn  
17 upon as provided in this chapter. Moneys in the fund may be deposited, held, or invested in the  
18 same manner as the sinking fund of the district or in the purchase of shares or securities of  
19 federal savings and loan associations or state-chartered building and loan associations, within  
20 the limits of federal insurance. The school district business manager shall annually, upon a  
21 resolution of the school board, transfer to the school district general fund any part or all of the  
22 investment income or interest earned by the principal amount of the school district's special  
23 reserve fund.

24 **SECTION 22. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **57-19-09. ~~(Effective through June 30, 2015)~~ WhenSpecial reserve fund may be**  
27 **~~transferred~~Correction of error.**

28 Anylf a school district which has heretofore by mistake, or for any other reason, considered  
29 all or any part of aits special reserve fund, as provided for in chapter 57-19, in determining theits  
30 budget for the school district which hasand deducted all or any part of the funds in suchits  
31 special reserve fund from the amount necessary to be levied for any schoola fiscal year, the

1 ~~district~~ may transfer from ~~theits~~ special reserve fund into ~~theits~~ general fund all or any part of  
2 such amounts which have been ~~the amount that was~~ so considered, contrary to the provisions of  
3 section 57-19-05.

4 ~~(Effective after June 30, 2015) When fund may be transferred.~~ Any school district which  
5 has heretofore by mistake, or for any other reason, considered all or any part of a special  
6 reserve fund, as provided for in chapter 57-19, in determining the budget for the school district  
7 which has deducted all or any part of the funds in such special reserve fund from the amount  
8 necessary to be levied for any school fiscal year, may transfer from the special reserve fund into  
9 the general fund all or any part of such amounts which have been so considered contrary to the  
10 provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor  
11 may be discontinued by a vote of sixty percent of the electors of the school district voting upon  
12 the question at any special or general election. Any moneys remaining unexpended in such  
13 special reserve fund must be transferred to the building or general fund of the school district.  
14 The discontinuance of a special reserve fund shall not decrease the school district tax levies  
15 otherwise provided for by law by more than twenty percent. A special reserve fund and the tax  
16 levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the  
17 electors of the school district voting upon the question at any special or general election.

18 **SECTION 23. ENGLISH LANGUAGE LEARNER GRANTS.**

- 19 1. During the 2015-17 biennium, the superintendent of public instruction shall expend up  
20 to \$2,500,000 from the grants - other grants line item in the appropriation bill for the  
21 superintendent of public instruction, as approved by the sixty-fourth legislative  
22 assembly, for the purpose of providing grants to the six school districts that serve the  
23 largest number of first and second level English language learners in kindergarten  
24 through grade twelve.
- 25 2. In order to determine the amount that a school district may receive under this section,  
26 the superintendent of public instruction shall provide a pro rata share of the available  
27 grant dollars to each eligible district based upon the total number of first and second  
28 level English language learners enrolled in the six districts.
- 29 3. A district may expend moneys received under this section only for the purpose of  
30 enhancing services to first and second level English language learners. Permissible  
31 purposes include the hiring of additional teachers, interpreters, and social workers for

- 1 first and second level English language learners and the provision of other ancillary  
2 support services and programs, approved by the superintendent of public instruction.  
3 4. The superintendent of public instruction may not award more than fifty percent of the  
4 funds available under this section during the first year of the biennium.

5 **SECTION 24. TRANSFER.** There is transferred from any moneys in the strategic  
6 investment and improvements fund in the state treasury, not otherwise appropriated, the sum of  
7 \$125,000,000, or so much of the sum as may be necessary, to the school construction fund for  
8 the purpose of providing school construction loans, as referenced in paragraph 3 of  
9 subdivision a of subsection 1 of section 15.1-36-02, for the biennium beginning July 1, 2015,  
10 and ending June 30, 2017.

11 **SECTION 25. CONTINGENT TRANSFER - SCHOOL CONSTRUCTION LOANS -**  
12 **BUDGET SECTION APPROVAL.**

- 13 1. There is transferred from any moneys in the strategic investment and improvements  
14 fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, or so  
15 much of the sum as may be necessary, to the school construction fund for the purpose  
16 of providing school construction loans, as referenced in paragraph 4 of subdivision a  
17 of subsection 1 of section 15.1-36-02, for the biennium beginning July 1, 2015, and  
18 ending June 30, 2017.
- 19 2. The transfer required by this section may take place only if the superintendent of  
20 public instruction certifies that all available funding authorized in accordance with  
21 section 15.1-36-02 has been committed for the provision of school construction loans  
22 and the budget section of the legislative management consents to the transfer.

23 **SECTION 26. REPEAL.** Sections 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1,  
24 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-15-14.5, 57-15-17.1, and  
25 57-19-04 and chapter 57-64 of the North Dakota Century Code are repealed.