

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1533

Page 1, line 1, after "enact" insert "section 21-03-06.1,"

Page 1, line 2, after "57-15-01.1" insert a comma and after "to" insert "voter approval of public building projects funded through a building authority or other indirect means and"

Page 1, after line 6, insert:

**"SECTION 1.** Section 21-03-06.1 of the North Dakota Century Code is created and enacted as follows:

**21-03-06.1. Voter approval of building authority or other indirect funding methods - School construction project approval.**

1. Notwithstanding any other provision of law, a municipality or governing body of a municipality may not enter an agreement pursuant to internal revenue service revenue ruling 63-20 under which payments of any kind would be required by the municipality to any building authority or other entity that incurs indebtedness or other obligation in connection with acquisition, improvements, or construction of any property or structure to be used by the municipality unless the agreement has been approved by a vote of a majority of the qualified electors of the municipality voting on the question if the agreement is for acquisition, improvements, or construction of any property or structure for which an election would be required if the municipality undertook the acquisition or construction project through issuance of bonds of the municipality.
2. The school board of a school district may not enter an agreement pursuant to internal revenue service revenue ruling 63-20 under which payments of any kind would be required by the school district to any building authority or other entity that incurs indebtedness or other obligation regarding construction, purchase, repair, improvement, modernization, or renovation of any building or facility to be used by the school district without approval by the superintendent of public instruction in the manner provided in section 15.1-36-01, if approval by the superintendent of public instruction would be required for the project under section 15.1-36-01 if the school district undertook the project itself."

Page 2, after line 31, insert:

- "2. The grant to a qualifying school district is equal to the greater of:
  - a. The allocation determined under subsection 1; or
  - b. The taxable valuation of property in the school district in the previous taxable year times the number of mills determined by subtracting one hundred twenty mills from the combined education mill rate of the school district for the previous taxable year.
3. The grant to a qualifying school district under subsection 2 may not exceed the taxable valuation of property in the school district in the previous

taxable year times the number of mills determined by subtracting fifty mills from the combined education mill rate of the school district from the previous taxable year."

Page 3, line 1, replace "2." with "4."

Page 3, line 4, replace "3." with "5."

Page 3, line 8, replace "4." with "6."

Page 3, after line 14, insert:

**57-64-04. School district levy limit - Voter approval for increase.** A school district entitled to a grant under this chapter may not increase its combined education mill rate to a number of mills greater than the number of mills remaining unfunded from the combined education mill rate in the previous taxable year after adjustment by subtracting the amount of the grant to be received by the school district for the current taxable year, unless a higher combined education mill rate is approved by a majority of the electors of the school district voting on the question.

**57-64-05. Open enrollment transfer of funds.** If a student who was included in the weighted student unit calculation under subsection 1 of section 57-64-02 has enrolled in another school district under open enrollment, the school board of the student's school district of residence shall pay to the admitting district the amount of the grant received by the school district of residence under this chapter attributable to that student, computed on the basis of the total of grants received by the school district of residence divided by the number of students in the school district of residence at the time the calculation of the grant under this chapter was made.

**57-64-06. Application of grants for property tax reduction.** Notwithstanding any other provision of law, the reduction in a school district's mill rate attributable to grant funds under this chapter must be calculated to reduce only property taxes levied for residential and agricultural property and property classified as commercial property to the extent that property is devoted to use by an individual or group of individuals as a dwelling, but not including hotel or motel accommodations."

Page 3, line 15, replace "**57-64-04**" with "**57-64-07**"

Page 3, line 27, remove "1 and" and after "2" insert "and 3"

Renumber accordingly