

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL for an Act to amend and reenact sections 57-51.1-07.5 and 57-64-03 of the North
2 Dakota Century Code, relating to deposits of the state's share of oil and gas taxes and property
3 tax relief through allocation of state funding to school districts for mill levy reduction grants; to
4 provide an appropriation; to provide for a transfer; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

9 From the revenues designated for deposit in the state general fund under chapters 57-51
10 and 57-51.1, the state treasurer shall deposit the revenues received each biennium as follows:

- 11 1. The first two hundred million dollars into the state general fund;
- 12 2. The next ~~three~~four hundred ~~forty-one~~three million ~~seven~~four hundred ~~ninety~~seven
13 thousand dollars into the property tax relief sustainability fund;
- 14 3. The next one hundred million dollars into the state general fund;
- 15 4. The next one hundred million dollars into the strategic investment and improvements
16 fund;
- 17 5. The next twenty-two million dollars into the state disaster relief fund; and
- 18 6. Any additional revenues into the strategic investment and improvements fund.

19 **SECTION 2. AMENDMENT.** Section 57-64-03 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-64-03. School district levy compliance.**

- 22 1. To be eligible to receive a grant under this chapter, a qualifying school district must
23 establish a spending level that does not result in a general fund mill rate exceeding
24 one hundred ten mills. The certificate of levy form filed with the county auditor by a

1 qualifying school district must reflect the revenue to be received by the school district
2 under this chapter and that the general fund mill rate for the school district will not
3 exceed one hundred ten mills unless:

- 4 a. The district has approval of ~~a majority~~ of the electors of the school district under
5 subsection 1 or 2 of section 57-15-14 for a higher levy;
- 6 b. The higher levy is the result of a school district reorganization in compliance with
7 chapter 15.1-12;
- 8 c. The higher levy does not produce an amount in dollars exceeding the amount
9 allowed under section 57-15-01.1 reduced by the amount of the school district's
10 mill levy reduction grant under section 57-64-02 for the budget year; or
- 11 d. The district has authority for a higher levy under subdivision b of subsection 2.

12 2. The authority under subdivision a or b of subsection 1 for a school district to levy a
13 general fund mill rate exceeding one hundred ten mills applies for not more than ten
14 taxable years at a time after taxable year 2008 unless ~~a majority~~ of the electors of the
15 school district approve an extension of that authority under subsection 1 or 2 of
16 section 57-15-14. Approval by electors of extension of levy authority under
17 subdivision a or b of subsection 1 is effective for not more than ten taxable years at a
18 time. A ballot measure for approval by electors of extension of levy authority under
19 subdivision a or b of subsection 1 is subject to the following:

- 20 a. The ballot measure must specify the number of mills for the general fund mill rate
21 and the number of taxable years for which approval is sought.
- 22 b. If a ballot measure for approval of extension of levy authority under this
23 subsection is not approved by ~~a majority~~ of the electors of the school district
24 voting on the question, the school district general fund levy limitation for
25 subsequent years is subject to the limitations as determined for the school
26 district's budget year under section 57-15-01.1 or 57-15-14, whichever produces
27 the higher levy limitation.

28 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general
29 fund in the state treasury, not otherwise appropriated, the sum of \$403,407,000, or so much of
30 the sum as may be necessary, to the superintendent of public instruction for the purpose of

1 allocation of mill levy reduction grants to school districts under chapter 57-64, for the biennium
2 beginning July 1, 2013, and ending June 30, 2015.

3 **SECTION 4. TRANSFER - PROPERTY TAX RELIEF SUSTAINABILITY FUND -**

4 **GENERAL FUND.** The office of management and budget shall transfer the sum of
5 \$341,790,000 from the property tax relief sustainability fund to the general fund on July 1, 2013.

6 **SECTION 5. EFFECTIVE DATE.** This Act is effective July 1, 2013.