

Introduced by

Senators Heitkamp, O. Larsen

Representatives Louser, Magrum, D. Ruby

1 A BILL for an Act to create and enact a new section to chapter 15.1-02 of the North Dakota
2 Century Code, relating to school district bonded indebtedness grants; to amend and reenact
3 sections 15.1-27-04.1, 15.1-27-35.3, 21-03-07, 57-15-01, 57-15-01.1, 57-15-14.2, 57-15-17,
4 and 57-15-30.2, subsection 1 of section 57-15-31, sections 57-15-32, 57-15-41, 57-19-01, and
5 57-20-07.1 of the North Dakota Century Code, relating to school district tax levies, bonding
6 authority, and determination of school state aid payments; to repeal sections 15-39.1-28,
7 15.1-09-47, 15.1-09-49, 15.1-12-16.1, 15.1-27-04.2, 15.1-27-04.3, 15.1-27-20.2, 15.1-29-15,
8 57-15-13, 57-15-14, 57-15-15.1, 57-15-16, 57-19-02, 57-19-03, 57-19-05, 57-19-09, and
9 57-19-11 of the North Dakota Century Code, relating to school district tax levies and school
10 district special reserve funds; and to provide an effective date.

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

12 **SECTION 1.** A new section to chapter 15.1-02 of the North Dakota Century Code is created
13 and enacted as follows:

14 **School district bonded indebtedness grants.**

15 The superintendent of public instruction shall provide a grant to each school district in the
16 amount necessary to retire the total outstanding principal and interest on school
17 construction-related indebtedness incurred before July 1, 2021, which was secured with school
18 district property tax revenue before the discontinuation of school district levy authority. The
19 superintendent of public instruction shall request the funds necessary to make the grant
20 payments required under this section from the general fund or from assets of the common
21 schools trust fund.

22 **SECTION 2. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is
23 amended and reenacted as follows:

1 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective**
2 **through June 30, 2025)**

- 3 1. To determine the amount of state aid payable to each district, the superintendent of
4 public instruction shall establish each district's baseline funding. A district's baseline
5 funding consists of:
- 6 a. All state aid received by the district in accordance with chapter 15.1-27 during the
7 2018-19 school year;
 - 8 b. ~~An amount equal to the property tax deducted by the superintendent of public-~~
9 ~~instruction to determine the 2018-19 state aid payment;~~
 - 10 e. An amount equal to seventy-five percent of the revenue received by the school
11 district during the 2017-18 school year for the following revenue types:
 - 12 (1) Revenue reported under code 2000 of the North Dakota school district
13 financial accounting and reporting manual, as developed by the
14 superintendent of public instruction in accordance with section 15.1-02-08;
 - 15 (2) Mineral revenue received by the school district through direct allocation from
16 the state treasurer and not reported under code 2000 of the North Dakota
17 school district financial accounting and reporting manual, as developed by
18 the superintendent of public instruction in accordance with section
19 15.1-02-08;
 - 20 (3) Tuition reported under code 1300 of the North Dakota school district
21 financial accounting and reporting manual, as developed by the
22 superintendent of public instruction in accordance with section 15.1-02-08,
23 with the exception of revenue received specifically for the operation of an
24 educational program provided at a residential treatment facility and tuition
25 received for the provision of an adult farm management program;
 - 26 (4) ~~Revenue from payments in lieu of taxes on the distribution and transmission-~~
27 ~~of electric power;~~
 - 28 (5) ~~Revenue from payments in lieu of taxes on electricity generated from-~~
29 ~~sources other than coal;~~
 - 30 (6) Revenue from the leasing of land acquired by the United States for which
31 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

1 ~~d.c.~~ An amount equal to the total revenue received by the school district during the
2 2017-18 school year for the following revenue types:

3 ~~(1) Mobile home tax revenue;~~

4 ~~(2) Telecommunication~~telecommunication tax revenue; and

5 ~~(3) Revenue from payments in lieu of taxes and state reimbursement of the~~
6 ~~homestead credit and disabled veterans credit; and~~

7 ~~e.d.~~ Beginning with the ~~2020-21~~2022-23 school year, the superintendent shall reduce
8 the baseline funding for any school district that becomes an elementary district
9 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
10 be proportional to the number of weighted student units in the grades that are
11 offered through another school district relative to the total number of weighted
12 student units the school district offered in the year before the school district
13 became an elementary district. The reduced baseline funding applies to the
14 calculation of state aid for the first school year in which the school district
15 becomes an elementary district and for each year thereafter. For districts that
16 become an elementary district prior to the ~~2020-21~~2022-23 school year, the
17 superintendent shall use the reduced baseline funding to calculate state aid for
18 the ~~2020-21~~2022-23 school year and for each year thereafter.

19 2. a. The superintendent shall divide the district's baseline funding determined in
20 subsection 1 by the district's 2017-18 weighted student units to determine the
21 district's baseline funding per weighted student unit.

22 b. For any school district that becomes an elementary district pursuant to section
23 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
24 district's baseline funding per weighted student unit used to calculate state aid.
25 The superintendent shall divide the district's baseline funding determined in
26 subsection 1 by the district's weighted student units after the school district
27 becomes an elementary district to determine the district's adjusted baseline
28 funding per weighted student unit. The superintendent shall use the district's
29 adjusted baseline funding per weighted student unit in the calculation of state aid
30 for the first school year in which the school district becomes an elementary
31 district and for each year thereafter.

- 1 c. Beginning with the ~~2021-22~~2023-24 school year and for each school year
2 thereafter, the superintendent shall reduce the district's baseline funding per
3 weighted student unit. Each year the superintendent shall calculate the amount
4 by which the district's baseline funding per weighted student unit exceeds the
5 payment per weighted student unit provided in subsection 3. The superintendent
6 shall reduce the district's baseline funding per weighted student unit by fifteen
7 percent of the amount by which the district's baseline funding per weighted
8 student unit exceeds the payment per weighted student unit for the
9 ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage
10 is increased by an additional fifteen percent. However, the district's baseline
11 funding per weighted student unit, after the reduction, may not be less than the
12 payment per weighted student unit provided in subsection 3.
- 13 3. a. For the ~~2019-20~~2021-22 school year, the superintendent shall calculate state aid
14 as the greater of:
- 15 (1) The district's weighted student units multiplied by nine thousand eight
16 hundred thirty-nine dollars;
- 17 (2) One hundred one percent of the district's baseline funding per weighted
18 student unit, as established in subsection 2, multiplied by the district's
19 weighted student units, not to exceed the district's 2017-18 baseline
20 weighted student units, plus any weighted student units in excess of the
21 2017-18 baseline weighted student units multiplied by nine thousand eight
22 hundred thirty-nine dollars; or
- 23 (3) The district's baseline funding as established in subsection 1.
- 24 b. For the ~~2020-21~~2022-23 school year and each school year thereafter, the
25 superintendent shall calculate state aid as the greater of:
- 26 (1) The district's weighted student units multiplied by ten thousand thirty-six
27 dollars;
- 28 (2) One hundred two percent of the district's baseline funding per weighted
29 student unit, as established in subsection 2, multiplied by the district's
30 weighted student units, not to exceed the district's 2017-18 baseline
31 weighted student units, plus any weighted student units in excess of the

1 2017-18 baseline weighted student units multiplied by ten thousand
2 thirty-six dollars; or

3 (3) The district's baseline funding as established in subsection 1 less the
4 amount in paragraph 1, with the difference reduced by fifteen percent for the
5 ~~2021-22~~2023-24 school year and fifteen percent each school year
6 thereafter, and then the difference added to the amount determined in
7 paragraph 1.

8 c. The superintendent also shall adjust state aid determined in this subsection:

9 (1) For the ~~2019-20~~2021-22 school year, to ensure the amount does not exceed
10 one hundred five percent of the district's baseline funding per weighted
11 student unit, as established in subsection 2, multiplied by the district's
12 weighted student units from the previous school year.

13 (2) For the ~~2020-21~~2022-23 school year and each school year thereafter, to
14 ensure the amount does not exceed one hundred ten percent of the
15 district's baseline funding per weighted student unit, as established in
16 subsection 2, multiplied by the district's weighted student units from the
17 previous school year.

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

20 a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~
21 ~~school district, except the amount in dollars subtracted for purposes of this~~
22 ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~
23 ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~
24 ~~section 15.1-27-04.3; and~~

25 b. ~~Subtract~~ subtract an amount equal to seventy-five percent of all revenue types
26 listed in subdivisions ~~eb~~ and ~~ec~~ of subsection 1. Before determining the deduction
27 for seventy-five percent of all revenue types, the superintendent of public
28 instruction shall adjust revenues as follows:

29 ~~(1)~~a. Tuition revenue shall be adjusted as follows:

30 ~~(a)~~(1) In addition to deducting tuition revenue received specifically for the
31 operation of an educational program provided at a residential treatment

1 facility and tuition revenue received for the provision of an adult farm
2 management program as directed in paragraph 3 of subdivision eb of
3 subsection 1, the superintendent of public instruction also shall reduce the
4 total tuition reported by the school district by the amount of tuition revenue
5 received for the education of students not residing in the state and for which
6 the state has not entered a cross-border education contract; and

7 ~~(b)~~(2) The superintendent of public instruction also shall reduce the total tuition
8 reported by admitting school districts meeting the requirements of
9 subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition
10 revenue received for the education of students residing in an adjacent
11 school district.

12 ~~(2)~~b. After adjusting tuition revenue as provided in ~~paragraph 4~~ subdivision a, the
13 superintendent shall reduce all remaining revenues from all revenue types by the
14 percentage of mills levied in 2018 by the school district for sinking and interest
15 relative to the total mills levied in 2018 by the school district for all purposes.

- 16 5. The amount remaining after the computation required under subsection 4 is the
17 amount of state aid to which a school district is entitled, subject to any other statutory
18 requirements or limitations.
- 19 6. On or before June thirtieth of each year, the school board shall certify to the
20 superintendent of public instruction the final average daily membership for the current
21 school year.
- 22 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
23 with the school districts, on an annual basis shall report ~~the following~~ to the
24 superintendent of public instruction ~~on an annual basis~~:
- 25 a. ~~The~~the amount of revenue received by each school district in the county during
26 the previous school year for each type of revenue identified in subdivisions eb
27 and ec of subsection 1;
- 28 b. ~~The total number of mills levied in the previous calendar year by each school~~
29 ~~district for all purposes; and~~
- 30 e. ~~The number of mills levied in the previous calendar year by each school district~~
31 ~~for sinking and interest fund purposes.~~

1 **Baseline funding - Establishment - Determination of state aid. (Effective after**
2 **June 30, 2025)**

- 3 1. To determine the amount of state aid payable to each district, the superintendent of
4 public instruction shall establish each district's baseline funding. A district's baseline
5 funding consists of:
- 6 a. All state aid received by the district in accordance with chapter 15.1-27 during the
7 2018-19 school year;
 - 8 b. ~~An amount equal to the property tax deducted by the superintendent of public-~~
9 ~~instruction to determine the 2018-19 state aid payment;~~
 - 10 e. An amount equal to seventy-five percent of the revenue received by the school
11 district during the 2017-18 school year for the following revenue types:
 - 12 (1) Revenue reported under code 2000 of the North Dakota school district
13 financial accounting and reporting manual, as developed by the
14 superintendent of public instruction in accordance with section 15.1-02-08;
 - 15 (2) Mineral revenue received by the school district through direct allocation from
16 the state treasurer and not reported under code 2000 of the North Dakota
17 school district financial accounting and reporting manual, as developed by
18 the superintendent of public instruction in accordance with section
19 15.1-02-08;
 - 20 (3) Tuition reported under code 1300 of the North Dakota school district
21 financial accounting and reporting manual, as developed by the
22 superintendent of public instruction in accordance with section 15.1-02-08,
23 with the exception of revenue received specifically for the operation of an
24 educational program provided at a residential treatment facility and tuition
25 received for the provision of an adult farm management program;
 - 26 (4) ~~Revenue from payments in lieu of taxes on the distribution and transmission-~~
27 ~~of electric power;~~
 - 28 (5) ~~Revenue from payments in lieu of taxes on electricity generated from-~~
29 ~~sources other than coal;~~
 - 30 (6) Revenue from the leasing of land acquired by the United States for which
31 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

- 1 c. Beginning with the ~~2021-22~~2023-24 school year and for each school year
2 thereafter, the superintendent shall reduce the district's baseline funding per
3 weighted student unit. Each year the superintendent shall calculate the amount
4 by which the district's baseline funding per weighted student unit exceeds the
5 payment per weighted student unit provided in subsection 3. The superintendent
6 shall reduce the district's baseline funding per weighted student unit by fifteen
7 percent of the amount by which the district's baseline funding per weighted
8 student unit exceeds the payment per weighted student unit for the
9 ~~2021-22~~2023-24 school year. For each year thereafter, the reduction percentage
10 is increased by an additional fifteen percent. However, the district's baseline
11 funding per weighted student unit, after the reduction, may not be less than the
12 payment per weighted student unit provided in subsection 3.
- 13 3. a. For the ~~2019-20~~2021-22 school year, the superintendent shall calculate state aid
14 as the greater of:
- 15 (1) The district's weighted student units multiplied by nine thousand eight
16 hundred thirty-nine dollars;
- 17 (2) One hundred one percent of the district's baseline funding per weighted
18 student unit, as established in subsection 2, multiplied by the district's
19 weighted student units, not to exceed the district's 2017-18 baseline
20 weighted student units, plus any weighted student units in excess of the
21 2017-18 baseline weighted student units multiplied by nine thousand eight
22 hundred thirty-nine dollars; or
- 23 (3) The district's baseline funding as established in subsection 1.
- 24 b. For the ~~2020-21~~2022-23 school year and each school year thereafter, the
25 superintendent shall calculate state aid as the greater of:
- 26 (1) The district's weighted student units multiplied by ten thousand thirty-six
27 dollars;
- 28 (2) One hundred two percent of the district's baseline funding per weighted
29 student unit, as established in subsection 2, multiplied by the district's
30 weighted student units, not to exceed the district's 2017-18 baseline
31 weighted student units, plus any weighted student units in excess of the

- 1 2017-18 baseline weighted student units multiplied by ten thousand
2 thirty-six dollars; or
- 3 (3) The district's baseline funding as established in subsection 1 less the
4 amount in paragraph 1, with the difference reduced by fifteen percent for the
5 ~~2021-22~~2023-24 school year and fifteen percent each school year
6 thereafter, and then the difference added to the amount determined in
7 paragraph 1.
- 8 c. The superintendent also shall adjust state aid determined in this subsection:
- 9 (1) For the ~~2019-20~~2021-22 school year, to ensure the amount does not exceed
10 one hundred five percent of the district's baseline funding per weighted
11 student unit, as established in subsection 2, multiplied by the district's
12 weighted student units from the previous school year.
- 13 (2) For the ~~2020-21~~2022-23 school year and each school year thereafter, to
14 ensure the amount does not exceed one hundred ten percent of the
15 district's baseline funding per weighted student unit, as established in
16 subsection 2, multiplied by the district's weighted student units from the
17 previous school year.
- 18 4. After determining the product in accordance with subsection 3, the superintendent of
19 public instruction shall:
- 20 a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~
21 ~~school district; and~~
- 22 b. ~~Subtract~~ subtract an amount equal to seventy-five percent of all revenue types
23 listed in subdivisions ~~eb~~ and ~~ec~~ of subsection 1. Before determining the deduction
24 for seventy-five percent of all revenue types, the superintendent of public
25 instruction shall adjust revenues as follows:
- 26 ~~(1)~~a. Tuition revenue shall be adjusted as follows:
- 27 ~~(a)~~(1) In addition to deducting tuition revenue received specifically for the
28 operation of an educational program provided at a residential treatment
29 facility and tuition revenue received for the provision of an adult farm
30 management program as directed in paragraph 3 of subdivision ~~eb~~ of
31 subsection 1, the superintendent of public instruction also shall reduce the

1 total tuition reported by the school district by the amount of tuition revenue
2 received for the education of students not residing in the state and for which
3 the state has not entered a cross-border education contract; and

4 ~~(b)~~(2) The superintendent of public instruction also shall reduce the total tuition
5 reported by admitting school districts meeting the requirements of
6 subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition
7 revenue received for the education of students residing in an adjacent
8 school district.

9 ~~(2)~~b. After adjusting tuition revenue as provided in ~~paragraph 1~~ subdivision a, the
10 superintendent shall reduce all remaining revenues from all revenue types by the
11 percentage of mills levied in 2018 by the school district for sinking and interest
12 relative to the total mills levied in 2018 by the school district for all purposes.

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

16 6. On or before June thirtieth of each year, the school board shall certify to the
17 superintendent of public instruction the final average daily membership for the current
18 school year.

19 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
20 with the school districts, on an annual basis shall report ~~the following~~ to the
21 superintendent of public instruction ~~on an annual basis~~:

22 a. ~~The~~ the amount of revenue received by each school district in the county during
23 the previous school year for each type of revenue identified in subdivisions e
24 and d of subsection 1;

25 b. ~~The total number of mills levied in the previous calendar year by each school-~~
26 ~~district for all purposes; and~~

27 c. ~~The number of mills levied in the previous calendar year by each school district-~~
28 ~~for sinking and interest fund purposes.~~

29 **SECTION 3. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **15.1-27-35.3. Payments to school districts - Unobligated general fund balance.**

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

6 **b.2.** Except as provided in subdivision c, beginning July 1, 2017, the superintendent of
7 public instruction shall determine the amount of payments due to a school district and
8 shall subtract from that the amount by which the unobligated general fund balance of
9 the district on the preceding June thirtieth is in excess of thirty-five percent of its actual
10 expenditures, plus fifty thousand dollars.

11 **e.3.** Beginning July 1, 2017, the superintendent of public instruction shall determine the
12 amount of payments due to a school district and shall subtract from that the amount by
13 which the unobligated general fund balance of the district on the preceding June
14 thirtieth is in excess of thirty-five percent of its actual expenditures, plus one hundred
15 thousand dollars if the school district is in a cooperative agreement with another
16 school district to share academic resources, and the school districts are considering
17 reorganization under chapter 15.1-12. An eligible school district may receive payments
18 under this provision for a maximum of two years.

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

21 **SECTION 4. AMENDMENT.** Section 21-03-07 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **21-03-07. Election required - Exceptions.**

24 No municipality, and no governing board thereof, may issue bonds without being first
25 authorized to do so by a vote equal to sixty percent of all the qualified voters of such
26 municipality voting upon the question of such issue except:

27 1. As otherwise provided in section 21-03-04.

28 2. The governing body may issue bonds of the municipality for the purpose and within
29 the limitations specified by subdivision e of subsection 1 of section 21-03-06,
30 subdivision g of subsection 2 of section 21-03-06, and subsections 4.1 and 7 of
31 section 21-03-06 without an election.

1 3. The governing body of any municipality may issue bonds of the municipality for the
2 purpose of providing funds to meet its share of the cost of any highway project
3 undertaken under an agreement entered into by the governing body with the United
4 States government, the director of the department of transportation, the board of
5 county commissioners, or any of them, including the cost of any construction,
6 improvement, financing, planning, and acquisition of right of way of a bridge eligible for
7 matching funds, highway routed through the municipality and of any bridges and
8 controlled access facilities thereon and any necessary additional width or capacity of
9 the bridge or roadway thereof greater than that required for federal or state bridge or
10 highway purposes, and of any necessary relaying of utility mains and conduits, curbs
11 and gutters, and the installation of utility service connections and streetlights. The
12 portion of the total cost of the project to be paid by the municipality under the
13 agreement, including all items of cost incurred directly by the municipality and all
14 amounts to be paid by it for work done or contracted for by other parties to the
15 agreement, may not exceed a sum equal to thirty percent of the total cost, including
16 engineering and other incidental costs, of all construction and reconstruction work to
17 be done plus fifty percent of the total cost of all right of way to be acquired in
18 connection therewith. The initial resolution authorizing issuance of bonds under this
19 subsection must be published in the official newspaper of the municipality. Within sixty
20 days after publication, an owner of taxable property within the municipality may file
21 with the auditor or chief fiscal officer of the municipality a written protest against
22 adoption of the resolution. A protest must describe the property that is the subject of
23 the protest. If the governing body finds protests have been signed by the owners of
24 taxable property having an assessed valuation equal to five percent or more of the
25 assessed valuation of all taxable property in the municipality, as most recently finally
26 equalized, all further proceedings under the initial resolution are barred. Nothing
27 herein may be deemed to prevent any municipality from appropriating funds for or
28 financing out of taxes, special assessments, or utility revenues any work incidental to
29 any such project, in the manner and to the extent otherwise permitted by law, and the
30 cost of any work so financed may not be included in computing the portion of the
31 project cost payable by the municipality, within the meaning of this subsection, unless

1 the work is actually called for by the agreement between the municipality and the other
2 governmental agencies involved.

3 4. The governing body of any city may also by resolution adopted by a two-thirds vote
4 authorize and issue general obligation bonds of the city for the purpose of providing
5 funds to pay the cost of any improvement of the types stated below, to the extent that
6 the governing body determines that such cost should be paid by the city and should
7 not be assessed upon property specially benefited thereby; provided that the initial
8 resolution authorizing such bonds must be published in the official newspaper, and
9 any owner of taxable property within the city may, within sixty days after such
10 publication, file with the city auditor a protest against the adoption of the resolution. If
11 the governing body finds such protests to have been signed by the owners of taxable
12 property having an assessed valuation equal to five percent or more of the assessed
13 valuation of all taxable property within the city, as theretofore last finally equalized, all
14 further proceedings under such initial resolution are barred. This procedure is
15 authorized for the financing of the following types of improvements:

- 16 a. Any street improvement, as defined in subsection 2 of section 40-22-01, to be
17 made in or upon any federal or state highway or any other street designated by
18 ordinance as an arterial street.
- 19 b. The construction of a bridge, culvert, overpass, or underpass at the intersection
20 of any street with a stream, watercourse, drain, or railway, and the acquisition of
21 any land or easement required for that purpose.
- 22 c. Any improvement incidental to the carrying out of an urban renewal project, the
23 issuance of bonds for which is authorized by subsection 4 of section 40-58-13.

24 Nothing herein may be deemed to prevent any municipality from appropriating funds
25 for or financing out of taxes, special assessments, or utility revenues any work
26 incidental to any such improvement, in the manner and to the extent otherwise
27 permitted by law.

28 5. The governing body of any city may also by resolution adopted by a two-thirds vote
29 dedicate the mill levy authorized by section 57-15-42 and may authorize and issue
30 general obligation bonds to be paid by the dedicated levy for the purpose of providing
31 funds for the purchase, construction, reconstruction, or repair of public buildings or fire

1 stations; provided, that the initial resolution authorizing the mill levy dedication and
2 general obligation bonds must be published in the official newspaper, and any owner
3 of taxable property within the city may, within sixty days after publication, file with the
4 city auditor a protest against the adoption of the resolution. Protests must be in writing
5 and must describe the property which is the subject of the protest. If the governing
6 body finds such protests to have been signed by the owners of taxable property
7 having an assessed valuation equal to five percent or more of the assessed valuation
8 of all taxable property within the city, as theretofore last finally equalized, all further
9 proceedings under the initial resolution are barred.

10 6. The governing body of any county may also by resolution adopted by a two-thirds vote
11 dedicate the tax levy authorized by section 57-15-06.6 and may authorize and issue
12 general obligation bonds to be paid by the dedicated levy for the purpose of providing
13 funds for the purchase, construction, reconstruction, or repair of regional or county
14 correction centers, or parks and recreational facilities; provided, that the initial
15 resolution authorizing the tax levy dedication and general obligation bonds must be
16 published in the official newspaper, and any owner of taxable property within the
17 county may, within sixty days after publication, file with the county auditor a protest
18 against the adoption of the resolution. Protests must be in writing and must describe
19 the property which is the subject of the protest. If the governing body finds such
20 protests to have been signed by the owners of taxable property having an assessed
21 valuation equal to five percent or more of the assessed valuation of all taxable
22 property within the county, as theretofore last finally equalized, all further proceedings
23 under the initial resolution are barred.

24 ~~7. The governing body of any public school district may also by resolution adopted by a~~
25 ~~two-thirds vote dedicate the tax levies as authorized by section 15.1-09-47,~~
26 ~~15.1-09-49, or 57-15-16 and may authorize and issue general obligation bonds to be~~
27 ~~paid by these dedicated levies for the purpose of providing funds for the purchase,~~
28 ~~construction, reconstruction, or repair of public school buildings or for the construction~~
29 ~~or improvement of a project under section 15.1-36-02 or 15.1-36-08. The initial~~
30 ~~resolution authorizing the tax levy dedication and general obligation bonds must be~~
31 ~~published in the official newspaper of the school district, and any owner of taxable~~

1 ~~property within the school district may, within sixty days after publication, file with the~~
2 ~~business manager of the school district a protest against the adoption of the~~
3 ~~resolution. Protests must be in writing and must describe the property that is the~~
4 ~~subject of the protest. If the governing body finds the protests have been signed by the~~
5 ~~owners of taxable property having an assessed valuation equal to five percent or more~~
6 ~~of the assessed valuation of all taxable property within the school district, as~~
7 ~~theretofore last finally equalized, all further proceedings under the initial resolution are~~
8 ~~barred.~~

9 8. The governing body of any city having a population of twenty-five thousand persons or
10 more may use the provisions of subsection 3 to provide funds to participate in the cost
11 of any construction, improvement, financing, and planning of any bypass routes,
12 interchanges, or other intersection improvements on a federal or state highway system
13 which is situated in whole or in part outside of the corporate limits of the city; provided,
14 that the governing body thereof shall determine by resolution that the undertaking of
15 such work is in the best interest of the city for the purpose of providing access and
16 relieving congestion or improving traffic flow on municipal streets.

17 9.8. The governing body of a municipality or other political subdivision, located at least in
18 part within a county that is included within a disaster or emergency executive order or
19 proclamation of the governor under chapter 37-17.1, may by resolution adopted by a
20 two-thirds vote authorize and issue general obligation bonds of the political subdivision
21 without an election for the purpose of providing funds to pay costs associated with the
22 emergency condition. The political subdivision may dedicate and levy taxes for
23 retirement of bonds under this subsection and such levies are not subject to limitations
24 as otherwise provided by law.

25 10.9. The governing board of any county, city, ~~public school district~~, park district, or township
26 may by resolution adopted by a two-thirds vote dedicate the tax levy authorized by
27 section 57-15-41 and authorize and issue general obligation bonds to be paid by the
28 dedicated levy for the purpose of providing funds to prepay outstanding special
29 assessments made in accordance with the provisions of title 40 against property
30 owned by the county, city, ~~public school district~~, park district, or township.

1 ~~44-10.~~ The governing body of any park district that constitutes a distinct municipality may
2 issue general obligation bonds of the park district for the purpose of providing funds to
3 acquire, lay out, and improve parks, parkways, boulevards, and pleasure drives, and
4 to acquire land for these purposes, but the indebtedness may not at any time exceed
5 one percent of the assessed valuation of the taxable property in the park district. The
6 initial resolution authorizing the issuance of general obligation bonds under this
7 subsection must be published in the official newspaper of the park district, and any
8 owner of taxable property within the park district may, within sixty days after
9 publication, file with the clerk of the park district a protest against the adoption of the
10 resolution. Protests must be in writing and must describe the property that is the
11 subject of the protest. If the governing body finds the protests have been signed by the
12 owners of taxable property having an assessed valuation equal to five percent or more
13 of the assessed valuation of all taxable property within the park district, as last finally
14 equalized, all further proceedings under the initial resolution are barred.

15 **SECTION 5. AMENDMENT.** Section 57-15-01 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **57-15-01. Levy in specific amounts - Exceptions.**

18 With the exception of special assessment taxes and such general taxes as may be
19 definitely fixed by law, all state, county, city, township, ~~school district,~~ and park district taxes
20 must be levied or voted in specific amounts of money.

21 **SECTION 6. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-15-01.1. Protection of taxpayers and taxing districts.**

24 Each taxing district, excluding a school district, may levy the lesser of the amount in dollars
25 as certified in the budget of the governing body, or the amount in dollars as allowed in this
26 section, subject to the following:

- 27 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed
28 by this section.
- 29 2. For purposes of this section:

- 1 a. "Base year" means the taxing district's taxable year with the highest amount
2 levied in dollars in property taxes of the three taxable years immediately
3 preceding the budget year;
- 4 b. "Budget year" means the taxing district's year for which the levy is being
5 determined under this section;
- 6 c. "Calculated mill rate" means the mill rate that results from dividing the base year
7 taxes levied by the sum of the taxable value of the taxable property in the base
8 year plus the taxable value of the property exempt by local discretion or
9 charitable status, calculated in the same manner as the taxable property; and
- 10 d. "Property exempt by local discretion or charitable status" means property
11 exempted from taxation as new or expanding businesses under chapter 40-57.1;
12 improvements to property under chapter 57-02.2; or buildings belonging to
13 institutions of public charity, new single-family residential or townhouse or
14 condominium property, property used for early childhood services, or pollution
15 abatement improvements under section 57-02-08.
- 16 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
17 levy under this section must be specifically approved by a resolution approved by the
18 governing body of the taxing district. Before determining the levy limitation under this
19 section, the dollar amount levied in the base year must be:
- 20 a. Reduced by an amount equal to the sum determined by application of the base
21 year's calculated mill rate for that taxing district to the final base year taxable
22 valuation of any taxable property and property exempt by local discretion or
23 charitable status which is not included in the taxing district for the budget year but
24 was included in the taxing district for the base year.
- 25 b. Increased by an amount equal to the sum determined by the application of the
26 base year's calculated mill rate for that taxing district to the final budget year
27 taxable valuation of any taxable property or property exempt by local discretion or
28 charitable status which was not included in the taxing district for the base year
29 but which is included in the taxing district for the budget year.
- 30 c. Reduced to reflect expired temporary mill levy increases authorized by the
31 electors of the taxing district. ~~For purposes of this subdivision, an expired~~

- 1 ~~temporary mill levy increase does not include a school district general fund mill-~~
2 ~~rate exceeding one hundred ten mills which has expired or has not received~~
3 ~~approval of electors for an extension under subsection 2 of section 57-64-03.~~
4 d. ~~Reduced by the amount of state aid under chapter 15.1-27, which is determined~~
5 ~~by multiplying the budget year taxable valuation of the school district by the~~
6 ~~lesser of the base year mill rate of the school district minus sixty mills or fifty~~
7 ~~mills, if the base year is a taxable year before 2013.~~
- 8 4. In addition to any other levy limitation factor under this section, a taxing district may
9 increase its levy in dollars to reflect new or increased mill levies authorized by the
10 legislative assembly or authorized by the electors of the taxing district.
- 11 5. Under this section a taxing district may supersede any applicable mill levy limitations
12 otherwise provided by law, or a taxing district may levy up to the mill levy limitations
13 otherwise provided by law without reference to this section, but the provisions of this
14 section do not apply to the following:
- 15 a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of
16 article X of the Constitution of North Dakota.
- 17 b. The one-mill levy for the state medical center authorized by section 10 of article X
18 of the Constitution of North Dakota.
- 19 6. ~~A school district choosing to determine its levy authority under this section may apply~~
20 ~~subsection 3 only to the amount in dollars levied for general fund purposes under~~
21 ~~section 57-15-14 or, if the levy in the base year included separate general fund and~~
22 ~~special fund levies under sections 57-15-14 and 57-15-14.2, the school district may~~
23 ~~apply subsection 3 to the total amount levied in dollars in the base year for both the~~
24 ~~general fund and special fund accounts. School district levies under any section other~~
25 ~~than section 57-15-14 may be made within applicable limitations but those levies are~~
26 ~~not subject to subsection 3.~~
- 27 7. Optional levies under this section may be used by any city or county that has adopted
28 a home rule charter unless the provisions of the charter supersede state laws related
29 to property tax levy limitations.

30 **SECTION 7. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **57-15-14.2. School district levies districts - Required transfers. (Effective for taxable**
2 **years through December 31, 2024)**

- 3 1. ~~The board of a school district may levy a tax not exceeding the amount in dollars that~~
4 ~~the school district levied for the prior year, plus twelve percent and the dollar amount~~
5 ~~of the adjustment required in section 15.1-27-04.3, up to a levy of seventy mills on the~~
6 ~~taxable valuation of the district, for any purpose related to the provision of educational~~
7 ~~services. The proceeds of this levy must be deposited into the school district's general~~
8 ~~fund and used in accordance with this subsection. The proceeds may not be~~
9 ~~transferred into any other fund.~~
- 10 2. ~~The board of a school district may levy no more than twelve mills on the taxable~~
11 ~~valuation of the district, for miscellaneous purposes and expenses. The proceeds of~~
12 ~~this levy must be deposited into a special fund known as the miscellaneous fund and~~
13 ~~used in accordance with this subsection. The proceeds may not be transferred into~~
14 ~~any other fund.~~
- 15 3. ~~The board of a school district may levy no more than three mills on the taxable~~
16 ~~valuation of the district for deposit into a special reserve fund, in accordance with~~
17 ~~chapter 57-19.~~
- 18 4. ~~The board of a school district may levy no more than the number of mills necessary,~~
19 ~~on the taxable valuation of the district, for the payment of tuition, in accordance with~~
20 ~~section 15.1-29-15. The proceeds of this levy must be deposited into a special fund~~
21 ~~known as the tuition fund and used in accordance with this subsection. The proceeds~~
22 ~~may not be transferred into any other fund.~~
- 23 5. ~~The board of a school district may levy no more than five mills on the taxable valuation~~
24 ~~of the district, pursuant to section 57-15-15.1, for purposes of developing a school~~
25 ~~safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be~~
26 ~~deposited into a special fund known as the school safety plan fund and used in~~
27 ~~accordance with this subsection.~~
- 28 6. ~~Nothing in this section limits the board of a school district from levying:~~
29 a. ~~Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and~~

1 b. Mills necessary to pay principal and interest on the bonded debt of the district,
2 including the mills necessary to pay principal and interest on any bonded debt incurred
3 under section ~~57-15-17.1~~ before July 1, 2013

4 On July 1, 2021, each school district shall transfer any moneys remaining in its
5 miscellaneous fund, special reserve fund, and tuition fund to the general fund of the school
6 district.

7 **School district levies. (Effective for taxable years beginning after December 31, 2024)**

- 8 1. The board of a school district may levy a tax not exceeding the amount in dollars that
9 the school district levied for the prior year, plus twelve percent, up to a levy of seventy
10 mills on the taxable valuation of the district, for any purpose related to the provision of
11 educational services. The proceeds of this levy must be deposited into the school
12 district's general fund and used in accordance with this subsection. The proceeds may
13 not be transferred into any other fund.
- 14 2. The board of a school district may levy no more than twelve mills on the taxable
15 valuation of the district, for miscellaneous purposes and expenses. The proceeds of
16 this levy must be deposited into a special fund known as the miscellaneous fund and
17 used in accordance with this subsection. The proceeds may not be transferred into
18 any other fund.
- 19 3. The board of a school district may levy no more than three mills on the taxable
20 valuation of the district for deposit into a special reserve fund, in accordance with
21 chapter ~~57-19~~.
- 22 4. The board of a school district may levy no more than the number of mills necessary,
23 on the taxable valuation of the district, for the payment of tuition, in accordance with
24 section ~~15.1-29-15~~. The proceeds of this levy must be deposited into a special fund
25 known as the tuition fund and used in accordance with this subsection. The proceeds
26 may not be transferred into any other fund.
- 27 5. The board of a school district may levy no more than five mills on the taxable valuation
28 of the district, pursuant to section ~~57-15-15.1~~, for purposes of developing a school
29 safety plan in accordance with section ~~15.1-09-60~~. The proceeds of this levy must be
30 deposited into a special fund known as the school safety plan fund and used in
31 accordance with this subsection.

- 1 6. Nothing in this section limits the board of a school district from levying:
- 2 a. Mills for a building fund, as permitted in sections ~~15.1-09-49~~ and ~~57-15-16~~; and
- 3 b. Mills necessary to pay principal and interest on the bonded debt of the district,
- 4 including the mills necessary to pay principal and interest on any bonded debt
- 5 incurred under section ~~57-15-17.1~~ before July 1, 2013.

6 **SECTION 8. AMENDMENT.** Section 57-15-17 of the North Dakota Century Code is

7 amended and reenacted as follows:

8 **57-15-17. Disposition of building fund tax.**

- 9 1. a. All revenue accruing from appropriations or ~~tax levies~~ for a school district building
- 10 fund, together with any amount as may be realized for building purposes from all
- 11 other sources, must be placed in a separate fund known as a building fund and
- 12 must:
- 13 (1) Be deposited, held, or invested in the same manner as the sinking funds of
- 14 such school district; or
- 15 (2) Be used for the purchase of shares or securities of federal or
- 16 state-chartered savings and loan associations, within the limits of federal
- 17 insurance.
- 18 b. Moneys in the building fund may only be used for:
- 19 (1) The construction of school district buildings and facilities;
- 20 (2) The renovation, repair, or expansion of school district buildings and facilities;
- 21 (3) The improvement of school district buildings, facilities, and real property;
- 22 (4) The leasing of buildings and facilities;
- 23 (5) The payment of rentals upon contracts with the state board of public school
- 24 education;
- 25 (6) The payment of rentals upon contracts with municipalities for career and
- 26 technical education facilities financed pursuant to chapter 40-57; and
- 27 (7) The payment of principal, premiums, and interest on bonds issued in
- 28 accordance with ~~subsection 7 of section 21-03-07~~ before July 1, 2021.
- 29 c. The custodian of the funds may pay out the funds only upon order of the school
- 30 board, signed by the president and the business manager of the school district.
- 31 The order must recite upon its face the purpose for which payment is made.

- 1 2. Any moneys remaining in a building fund after the completion of payments for any
2 school building project that has cost seventy-five percent or more of the amount in the
3 building fund at the time of letting the contracts, must be returned to the general fund
4 of the school district, upon the order of the school board.
- 5 3. The board of a school district may pay into the general fund of the school district any
6 moneys that have remained in the building fund for ten years or more. The board may
7 include this amount as part of its cash on hand in making up its budget for the ensuing
8 year. In determining what amounts have remained in the fund for ten years or more, all
9 payments that have been made from the building fund for building purposes must be
10 considered as having been paid from the funds first acquired.
- 11 4. a. ~~If collections from the taxes levied for the current budget and other income are~~
12 ~~insufficient to meet the requirements for general operating expenses, the board of~~
13 ~~a school district may transfer unobligated funds from the building fund into the~~
14 ~~general fund of the school district, provided the school district has issued~~
15 ~~certificates of indebtedness equal to fifty percent of the outstanding uncollected~~
16 ~~general fund property tax.~~
- 17 b. ~~A board may not transfer funds from the building fund into the general fund for~~
18 ~~more than two years.~~

19 **SECTION 9. AMENDMENT.** Section 57-15-30.2 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-15-30.2. Financial reporting requirements for taxing entities.**

22 The governing body of any county, city, township, ~~school district~~, park district, recreation
23 service district, rural fire protection district, rural ambulance service district, soil conservation
24 district, conservancy district, water authority, or any other taxing entity authorized to levy
25 property taxes or have property taxes levied on its behalf, in the year for which the levy will
26 apply, must file with the county auditor of each county in which the taxing entity is located, at a
27 time and in a format prescribed by the county auditor, a financial report for the preceding
28 calendar year showing the ending balances of each fund or account held by the taxing entity
29 during that year.

30 **SECTION 10. AMENDMENT.** Subsection 1 of section 57-15-31 of the North Dakota
31 Century Code is amended and reenacted as follows:

- 1 1. The amount to be levied by any county, city, township, ~~school district~~, park district, or
2 other municipality authorized to levy taxes must be computed by deducting from the
3 amount of estimated expenditures for the current fiscal year as finally determined, plus
4 the required reserve fund determined upon by the governing board from the past
5 experience of the taxing district, the total of the following items:
- 6 a. The available surplus consisting of the free and unencumbered cash balance;
 - 7 b. Estimated revenues from sources other than direct property taxes;
 - 8 c. The total estimated collections from tax levies for previous years;
 - 9 d. Expenditures that must be made from bond sources;
 - 10 e. The amount of distributions received from an economic growth increment pool
11 under section 57-15-61; and
 - 12 f. The estimated amount to be received from payments in lieu of taxes on a project
13 under section 40-57.1-03.

14 **SECTION 11. AMENDMENT.** Section 57-15-32 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **57-15-32. Certification of levy.**

17 The taxes levied or voted by any city, township, ~~school district~~, park district, or other
18 municipality authorized to levy taxes must be certified by the officer acting as business manager
19 or clerk of the governing body of such municipality to the county auditor immediately following
20 the action of the governing body, or within ten days thereafter.

21 **SECTION 12. AMENDMENT.** Section 57-15-41 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-15-41. Political subdivision tax levies for payment of special assessments exempt**
24 **from levy limitations.**

25 No tax levy limitations provided by any statute of this state apply to tax levies by any county,
26 city, ~~school district~~, park district, or township for the purpose of paying any special assessments
27 or paying debt service on bonds issued to prepay special assessments made in accordance
28 with the provisions of title 40, against property owned by such county, city, ~~school district~~, park
29 district, or township. Any surplus in the special assessment fund after all of the special
30 assessments for which the fund was created have been paid shall be placed in the general fund
31 of the political subdivision.

1 **SECTION 13. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-19-01. ~~School district – Establishment~~Discontinuation of special reserve fund _**
4 **Required transfers.**

5 ~~Each~~On July 1, 2021, each school district in this state ~~may establish and maintain a shall~~
6 ~~transfer to its general fund any moneys remaining in its~~ special reserve fund, ~~subject to the~~
7 ~~limitations in section 57-15-14.2. The balance of moneys in the fund may not exceed that which~~
8 ~~could be produced by a levy of fifteen mills in that district for that year.~~

9 **SECTION 14. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**

- 12 1. On or before December twenty-sixth of each year, the county treasurer shall mail a
13 real estate tax statement to the owner of each parcel of real property at the owner's
14 last-known address. The form of the real estate tax statement to be used in every
15 county must be prescribed and approved for use by the tax commissioner. The
16 statement must be provided in a manner that allows the taxpayer to retain a printed
17 record of the obligation for payment of taxes and special assessments as provided in
18 the statement. If a parcel of real property is owned by more than one individual, the
19 county treasurer shall send only one statement to one of the owners of that property.
20 Additional copies of the tax statement will be sent to the other owners upon their
21 request and the furnishing of their names and addresses to the county treasurer. The
22 tax statement must:
- 23 a. Include a dollar valuation of the true and full value as defined by law of the
24 property and the total mill levy applicable.
 - 25 b. Include, or be accompanied by a separate sheet, with three columns showing, for
26 the taxable year to which the tax statement applies and the two immediately
27 preceding taxable years, the property tax levy in dollars against the parcel by the
28 county and school district and any city or township that levied taxes against the
29 parcel.
 - 30 e. ~~Provide information identifying the property tax savings provided by the state of~~
31 ~~North Dakota. The tax statement must include a line item that is entitled~~

1 "legislative tax relief" and identifies the dollar amount of property tax savings
2 realized by the taxpayer under chapter 50-34 for taxable years before 2019,
3 chapter 50-35 for taxable years after 2018, and chapter 15.1-27.

4 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27
5 is determined by multiplying the taxable value for the taxable year for each
6 parcel shown on the tax statement by the number of mills of mill levy
7 reduction grant under chapter 57-64 for the 2012 taxable year plus the
8 number of mills determined by subtracting from the 2012 taxable year mill
9 rate of the school district in which the parcel is located the lesser of:

10 (a) Fifty mills; or

11 (b) The 2012 taxable year mill rate of the school district minus sixty mills.

12 (2) Legislative tax relief under chapter 50-35 is determined by multiplying the
13 taxable value for the taxable year for each parcel shown on the tax
14 statement by the number of mills of relief determined by dividing the amount
15 calculated in subsection 1 of section 50-35-03 for a human service zone by
16 the taxable value of taxable property in the zone for the taxable year.

17 2. Failure of an owner to receive a statement will not relieve that owner of liability, nor
18 extend the discount privilege past the February fifteenth deadline.

19 **SECTION 15. REPEAL.** Sections 15-39.1-28, 15.1-09-47, 15.1-09-49, 15.1-12-16.1,
20 15.1-27-04.2, 15.1-27-04.3, 15.1-27-20.2, 15.1-29-15, 57-15-13, 57-15-14, 57-15-15.1,
21 57-15-16, 57-19-02, 57-19-03, 57-19-05, 57-19-09, and 57-19-11 of the North Dakota Century
22 Code are repealed.

23 **SECTION 16. EFFECTIVE DATE.** Sections 5 through 15 of this Act are effective for taxable
24 years beginning after December 31, 2020.