

HOUSE BILL NO. 1168

Introduced by

Representatives Louser, Jonas, Monson, Richter, Sanford, Toman

Senators Burckhard, Thomas

1 A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota
2 Century Code, relating to limitations on property tax levies by taxing districts except school
3 districts without voter approval; to amend and reenact subsection 3 of section 15.1-27-02,
4 sections 15.1-27-04.1, 15.1-27-04.2, and 57-15-01.1, subsection 1 of section 57-15-14, section
5 57-15-14.2, and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota
6 Century Code, relating to required reports, the state school aid funding formula, and school
7 district levy authority; to repeal sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2 of the
8 North Dakota Century Code, relating to adjustments to state aid payments; and to provide an
9 effective date.

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

11 **SECTION 1. AMENDMENT.** Subsection 3 of section 15.1-27-02 of the North Dakota
12 Century Code is amended and reenacted as follows:

13 3. On or before December fifteenth, each school district shall file with the superintendent
14 of public instruction the taxable valuation and mill levy certifications, which must be
15 separated by property classification. If a district fails to file the taxable valuation and
16 mill levy certifications by the required date, the superintendent of public instruction
17 may not forward to the district any state aid payments to which the district is entitled,
18 until the taxable valuation and mill levy certifications are filed.

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

1 **15.1-27-04.1. Baseline funding – Establishment – Determination of state aid. (Effective**
2 **through June 30, 2025) (Retroactive application – [See note](#))**

3 4. ~~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, tuition~~
25 ~~received for the provision of an adult farm management program, and~~
26 ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~
27 ~~under an agreement to educate students from a school district on an~~
28 ~~air force base with funding received through federal impact aid, and an~~
29 ~~additional seventeen percent of tuition received under an agreement to~~
30 ~~educate students from a school district on an air force base with funding~~
31 ~~received through federal impact aid each school year thereafter, until the~~

- 1 2024-25 school year when sixty-eight percent of tuition received under an
2 agreement to educate students from a school district on an air force base
3 with funding received through federal impact aid must be excluded from the
4 tuition calculation under this paragraph;
- 5 (4) Revenue from payments in lieu of taxes on the distribution and transmission
6 of electric power;
- 7 (5) Revenue from payments in lieu of taxes on electricity generated from
8 sources other than coal; and
- 9 (6) Revenue from the leasing of land acquired by the United States for which
10 compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- 11 d. An amount equal to the total revenue received by the school district during the
12 2017-18 school year for the following revenue types:
- 13 (1) Mobile home tax revenue;
- 14 (2) Telecommunications tax revenue; and
- 15 (3) Revenue from payments in lieu of taxes and state reimbursement of the
16 homestead credit and disabled veterans credit; and
- 17 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
18 baseline funding for any school district that becomes an elementary district
19 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
20 be proportional to the number of weighted student units in the grades that are
21 offered through another school district relative to the total number of weighted
22 student units the school district offered in the year before the school district
23 became an elementary district. The reduced baseline funding applies to the
24 calculation of state aid for the first school year in which the school district
25 becomes an elementary district and for each year thereafter. For districts that
26 become an elementary district prior to the 2020-21 school year, the
27 superintendent shall use the reduced baseline funding to calculate state aid for
28 the 2020-21 school year and for each year thereafter.
- 29 2. a. The superintendent shall divide the district's baseline funding determined in
30 subsection 1 by the district's 2017-18 weighted student units to determine the
31 district's baseline funding per weighted student unit.

- 1 b. For any school district that becomes an elementary district pursuant to section
2 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
3 district's baseline funding per weighted student unit used to calculate state aid.
4 The superintendent shall divide the district's baseline funding determined in
5 subsection 1 by the district's weighted student units after the school district
6 becomes an elementary district to determine the district's adjusted baseline
7 funding per weighted student unit. The superintendent shall use the district's
8 adjusted baseline funding per weighted student unit in the calculation of state aid
9 for the first school year in which the school district becomes an elementary
10 district and for each year thereafter.
- 11 e. Beginning with the 2021-22 school year and for each school year thereafter, the
12 superintendent shall reduce the district's baseline funding per weighted student
13 unit. Each year the superintendent shall calculate the amount by which the
14 district's baseline funding per weighted student unit exceeds the payment per
15 weighted student unit provided in subsection 3. For the 2023-24 school year the
16 superintendent shall reduce the district's baseline funding per weighted student
17 unit by forty percent of the amount by which the district's baseline funding per
18 weighted student unit exceeds the payment per weighted student unit for the
19 2023-24 school year. For each year thereafter, the reduction percentage is
20 increased by an additional fifteen percent. However, the district's baseline funding
21 per weighted student unit, after the reduction, may not be less than the payment
22 per weighted student unit provided in subsection 3.
- 23 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the
24 greater of:
- 25 (1) The district's weighted student units multiplied by ten thousand six hundred
26 forty-six dollars;
- 27 (2) One hundred two percent of the district's baseline funding per weighted
28 student unit, as established in subsection 2, multiplied by the district's
29 weighted student units, not to exceed the district's 2017-18 baseline
30 weighted student units, plus any weighted student units in excess of the

- 1 2017-18 baseline weighted student units multiplied by ten thousand
2 six hundred forty-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 forty percent and
5 then the difference added to the amount determined in paragraph 1.
6 b. For the 2024-25 school year and each school year thereafter, the superintendent
7 shall calculate state aid as the greater of:
8 (1) The district's weighted student units multiplied by eleven thousand
9 seventy-two dollars;
10 (2) One hundred two 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, not to exceed the district's 2017-18 baseline
13 weighted student units, plus any weighted student units in excess of the
14 2017-18 baseline weighted student units multiplied by eleven thousand
15 seventy-two dollars; or
16 (3) The district's baseline funding as established in subsection 1 less the
17 amount in paragraph 1, with the difference reduced by fifty-five percent for
18 the 2024-25 school year and the reduction percentage increasing by fifteen
19 percent each school year thereafter until the difference is reduced to zero,
20 and then the difference added to the amount determined in paragraph 1.
21 4. After determining the product in accordance with subsection 3, the superintendent of
22 public instruction shall:
23 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the
24 school district, except the amount in dollars subtracted for purposes of this
25 subdivision may not exceed the previous year's amount in dollars subtracted for
26 purposes of this subdivision by more than twelve percent, adjusted pursuant to
27 section 15.1-27-04.3; and
28 b. Subtract an amount equal to seventy-five percent of all revenue types listed in
29 subdivisions c and d of subsection 1. Before determining the deduction for
30 seventy-five percent of all revenue types, the superintendent of public instruction
31 shall adjust revenues as follows:

- 1 (1) Tuition revenue shall be adjusted as follows:
- 2 (a) In addition to deducting tuition revenue received specifically for the
- 3 operation of an educational program provided at a residential
- 4 treatment facility, tuition revenue received for the provision of an adult
- 5 farm management program, tuition received for the education of
- 6 high-cost and special education students, and tuition received under
- 7 an agreement to educate students from a school district on an
- 8 air force base with funding received through federal impact aid as
- 9 directed each school year in paragraph 3 of subdivision c of
- 10 subsection 1, the superintendent of public instruction also shall reduce
- 11 the total tuition reported by the school district by the amount of tuition
- 12 revenue received for the education of students not residing in the
- 13 state and for which the state has not entered a cross-border education
- 14 contract; and
- 15 (b) The superintendent of public instruction also shall reduce the total
- 16 tuition reported by admitting school districts meeting the requirements
- 17 of subdivision c of subsection 2 of section 15.1-29-12 by the amount
- 18 of tuition revenue received for the education of students residing in an
- 19 adjacent school district.
- 20 (2) After adjusting tuition revenue as provided in paragraph 1, the
- 21 superintendent shall reduce all remaining revenues from all revenue types
- 22 by the percentage of mills levied in 2022 by the school district for sinking
- 23 and interest relative to the total mills levied in 2022 by the school district for
- 24 all purposes.
- 25 5. The amount remaining after the computation required under subsection 4 is the
- 26 amount of state aid to which a school district is entitled, subject to any other statutory
- 27 requirements or limitations.
- 28 6. On or before June thirtieth of each year, the school board shall certify to the
- 29 superintendent of public instruction the final average daily membership for the current
- 30 school year.

- 1 7. ~~For purposes of the calculation in subsection 4, each county auditor, in collaboration~~
2 ~~with the school districts, shall report the following to the superintendent of public~~
3 ~~instruction on an annual basis:~~
- 4 a. ~~The amount of revenue received by each school district in the county during the~~
5 ~~previous school year for each type of revenue identified in subdivisions c and d of~~
6 ~~subsection 4;~~
- 7 b. ~~The total number of mills levied in the previous calendar year by each school~~
8 ~~district for all purposes; and~~
- 9 c. ~~The number of mills levied in the previous calendar year by each school district~~
10 ~~for sinking and interest fund purposes.~~

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

- 13 1. To determine the amount of state aid payable to each district, the superintendent of
14 public instruction shall establish each district's baseline funding. A district's baseline
15 funding consists of:
- 16 a. All state aid received by the district in accordance with chapter 15.1-27 during the
17 2018-19 school year;
- 18 b. An amount equal to the property tax deducted by the superintendent of public
19 instruction to determine the 2018-19 state aid payment;
- 20 c. An amount equal to seventy-five percent of the revenue received by the school
21 district during the 2017-18 school year for the following revenue types:
- 22 (1) Revenue reported under code 2000 of the North Dakota school district
23 financial accounting and reporting manual, as developed by the
24 superintendent of public instruction in accordance with section 15.1-02-08;
- 25 (2) Mineral revenue received by the school district through direct allocation from
26 the state treasurer and not reported under code 2000 of the North Dakota
27 school district financial accounting and reporting manual, as developed by
28 the superintendent of public instruction in accordance with section
29 15.1-02-08;
- 30 (3) Tuition reported under code 1300 of the North Dakota school district
31 financial accounting and reporting manual, as developed by the

- 1 superintendent of public instruction in accordance with section 15.1-02-08,
2 with the exception of revenue received specifically for the operation of an
3 educational program provided at a residential treatment facility, tuition
4 received for the provision of an adult farm management program, and
5 beginning in the 2025-26 school year, eighty-five percent of tuition received
6 under an agreement to educate students from a school district on an
7 air force base with funding received through federal impact aid, until the
8 2026-27 school year, and each school year thereafter, when all tuition
9 received under an agreement to educate students from a school district on
10 an air force base with funding received through federal impact aid must be
11 excluded from the tuition calculation under this paragraph;
- 12 (4) Revenue from payments in lieu of taxes on the distribution and transmission
13 of electric power;
- 14 (5) Revenue from payments in lieu of taxes on electricity generated from
15 sources other than coal; and
- 16 (6) Revenue from the leasing of land acquired by the United States for which
17 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 18 d. An amount equal to the total revenue received by the school district during the
19 2017-18 school year for the following revenue types:
- 20 (1) Mobile home tax revenue;
- 21 (2) Telecommunications tax revenue; and
- 22 (3) Revenue from payments in lieu of taxes and state reimbursement of the
23 homestead credit and disabled veterans credit.
- 24 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
25 baseline funding for any school district that becomes an elementary district
26 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
27 be proportional to the number of weighted student units in the grades that are
28 offered through another school district relative to the total number of weighted
29 student units the school district offered in the year before the school district
30 became an elementary district. The reduced baseline funding applies to the
31 calculation of state aid for the first school year in which the school district

1 becomes an elementary district and for each year thereafter. For districts that
2 become an elementary district prior to the 2020-21 school year, the
3 superintendent shall use the reduced baseline funding to calculate state aid for
4 the 2020-21 school year and for each year thereafter.

- 5 2. a. The superintendent shall divide the district's baseline funding determined in
6 subsection 1 by the district's 2017-18 weighted student units to determine the
7 district's baseline funding per weighted student unit.
- 8 b. For any school district that becomes an elementary district pursuant to section
9 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
10 district's baseline funding per weighted student unit used to calculate state aid.
11 The superintendent shall divide the district's baseline funding determined in
12 subsection 1 by the district's weighted student units after the school district
13 becomes an elementary district to determine the district's adjusted baseline
14 funding per weighted student unit. The superintendent shall use the district's
15 adjusted baseline funding per weighted student unit in the calculation of state aid
16 for the first school year in which the school district becomes an elementary
17 district and for each year thereafter.
- 18 c. Beginning with the 2021-22 school year and for each school year thereafter, the
19 superintendent shall reduce the district's baseline funding per weighted student
20 unit. Each year the superintendent shall calculate the amount by which the
21 district's baseline funding per weighted student unit exceeds the payment per
22 weighted student unit provided in subsection 3. For the 2023-24 school year the
23 superintendent shall reduce the district's baseline funding per weighted student
24 unit by forty percent of the amount by which the district's baseline funding per
25 weighted student unit exceeds the payment per weighted student unit for the
26 2023-24 school year. For each year thereafter, the reduction percentage is
27 increased by an additional fifteen percent. However, the district's baseline funding
28 per weighted student unit, after the reduction, may not be less than the payment
29 per weighted student unit provided in subsection 3.
- 30 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the
31 greater of:

- 1 (1) The district's weighted student units multiplied by ten thousand six hundred
2 forty-six dollars;
- 3 (2) One hundred two percent of the district's baseline funding per weighted
4 student unit, as established in subsection 2, multiplied by the district's
5 weighted student units, not to exceed the district's 2017-18 baseline
6 weighted student units, plus any weighted student units in excess of the
7 2017-18 baseline weighted student units multiplied by ten thousand
8 six hundred forty-six dollars; or
- 9 (3) The district's baseline funding as established in subsection 1 less the
10 amount in paragraph 1, with the difference reduced by forty percent and
11 then the difference added to the amount determined in paragraph 1.
- 12 b. For the 2024-25 school year and each school year thereafter, the superintendent
13 shall calculate state aid as the greater of:
- 14 (1) The district's weighted student units multiplied by eleven thousand
15 seventy-two dollars;
- 16 (2) One hundred two percent of the district's baseline funding per weighted
17 student unit, as established in subsection 2, multiplied by the district's
18 weighted student units, not to exceed the district's 2017-18 baseline
19 weighted student units, plus any weighted student units in excess of the
20 2017-18 baseline weighted student units multiplied by eleven thousand
21 seventy-two dollars; or
- 22 (3) The district's baseline funding as established in subsection 1 less the
23 amount in paragraph 1, with the difference reduced by fifty-five percent for
24 the 2024-25 school year and the reduction percentage increasing by fifteen
25 percent each school year thereafter until the difference is reduced to zero,
26 and then the difference added to the amount determined in paragraph 1.
- 27 4. After determining the product in accordance with subsection 3, the superintendent of
28 public instruction shall:
- 29 a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of
30 agricultural, commercial, and centrally assessed property in the school district;
31 and

- 1 b. Subtract an amount equal to seventy-five percent of all revenue types listed in
2 subdivisions c and d of subsection 1. Before determining the deduction for
3 seventy-five percent of all revenue types, the superintendent of public instruction
4 shall adjust revenues as follows:
- 5 (1) Tuition revenue shall be adjusted as follows:
- 6 (a) In addition to deducting tuition revenue received specifically for the
7 operation of an educational program provided at a residential
8 treatment facility, tuition revenue received for the provision of an adult
9 farm management program, tuition received for the education of
10 high-cost and special education students, and tuition received under
11 an agreement to educate students from a school district on an
12 air force base with funding received through federal impact aid as
13 directed each school year in paragraph 3 of subdivision c of
14 subsection 1, the superintendent of public instruction also shall reduce
15 the total tuition reported by the school district by the amount of tuition
16 revenue received for the education of students not residing in the
17 state and for which the state has not entered a cross-border education
18 contract; and
- 19 (b) The superintendent of public instruction also shall reduce the total
20 tuition reported by admitting school districts meeting the requirements
21 of subdivision e of subsection 2 of section 15.1-29-12 by the amount
22 of tuition revenue received for the education of students residing in an
23 adjacent school district.
- 24 (2) After adjusting tuition revenue as provided in paragraph 1, the
25 superintendent shall reduce all remaining revenues from all revenue types
26 by the percentage of mills levied in ~~2022~~2024 by the school district for
27 sinking and interest relative to the total mills levied in ~~2022~~2024 by the
28 school district for all purposes.
- 29 5. The amount remaining after the computation required under subsection 4 is the
30 amount of state aid to which a school district is entitled, subject to any other statutory
31 requirements or limitations.

- 1 6. On or before June thirtieth of each year, the school board shall certify to the
2 superintendent of public instruction the final average daily membership for the current
3 school year.
- 4 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
5 with the school districts, shall report the following to the superintendent of public
6 instruction on an annual basis:
- 7 a. The amount of revenue received by each school district in the county during the
8 previous school year for each type of revenue identified in subdivisions c and d of
9 subsection 1;
- 10 b. The total number of mills levied in the previous calendar year by each school
11 district for all purposes, separated by property classification; and
- 12 c. The number of mills levied in the previous calendar year by each school district
13 for sinking and interest fund purposes, separated by property classification.

14 **SECTION 3. AMENDMENT.** Section 15.1-27-04.2 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **15.1-27-04.2. State aid - Minimum local effort - Determination.**

17 If a district's taxable valuation of agricultural, commercial, and centrally assessed property
18 per student is less than twenty percent of the state average valuation of agricultural,
19 commercial, and centrally assessed property per student, the superintendent of public
20 instruction, for purposes of determining state aid in accordance with subsection 4 of section
21 15.1-27-04.1, shall ~~utilize~~use an amount equal to sixty mills times twenty percent of the state
22 average valuation of agricultural, commercial, and centrally assessed property per student
23 multiplied by the number of weighted student units in the district.

24 **SECTION 4. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **57-15-01.1. Protection of taxpayers and taxing districts.**

27 Each taxing district may levy the lesser of the amount in dollars as certified in the budget of
28 the governing body, or the amount in dollars as allowed in this section, subject to the following:

- 29 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed
30 by this section.
- 31 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; ~~and~~
- 4 b. "Budget year" means the taxing district's year for which the levy is being
5 determined under this section; ~~and~~
- 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 e. "Taxing district" means any political subdivision, other than a school district,
17 empowered by law to levy taxes.
- 18 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
19 levy under this section must be specifically approved by a resolution approved by the
20 governing body of the taxing district. Before determining the levy limitation under this
21 section, the dollar amount levied in the base year must be:
- 22 a. Reduced by an amount equal to the sum determined by application of the base
23 year's calculated mill rate for that taxing district to the final base year taxable
24 valuation of any taxable property and property exempt by local discretion or
25 charitable status which is not included in the taxing district for the budget year but
26 was included in the taxing district for the base year.
- 27 b. Increased by an amount equal to the sum determined by the application of the
28 base year's calculated mill rate for that taxing district to the final budget year
29 taxable valuation of any taxable property or property exempt by local discretion or
30 charitable status which was not included in the taxing district for the base year
31 but which is included in the taxing district for the budget year.

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

1 **SECTION 5. AMENDMENT.** Subsection 1 of section 57-15-14 of the North Dakota Century
2 Code is amended and reenacted as follows:

3 1. Unless authorized by the electors of the school district in accordance with this section,
4 a school district may not impose greater levies than those permitted under section
5 57-15-14.2.

6 a. In any school district having a total population in excess of four thousand
7 according to the last federal decennial census there may be levied any specific
8 number of mills that upon resolution of the school board has been submitted to
9 and approved by a majority of the qualified electors voting upon the question at
10 any regular or special school district election.

11 b. In any school district having a total population of fewer than four thousand, there
12 may be levied any specific number of mills that upon resolution of the school
13 board has been approved by fifty-five percent of the qualified electors voting
14 upon the question at any regular or special school election.

15 c. After June 30, 2009, in any school district election for approval by electors of
16 increased levy authority under subsection 1 or 2, the ballot must specify the
17 number of mills proposed for approval, and the number of taxable years for which
18 that approval is to apply. After June 30, 2009, approval by electors of increased
19 levy authority under subsection 1 or 2 may not be effective for more than ten
20 taxable years.

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

28 e. For taxable years beginning after 2012:

29 (1) The authority for a levy of up to a specific number of mills, approved by
30 electors of a school district for any period of time that includes a taxable

1 year before 2009, must be reduced by one hundred fifteen mills as a
2 precondition of receiving state aid in accordance with chapter 15.1-27.

3 (2) The authority for a levy of up to a specific number of mills, approved by
4 electors of a school district for any period of time that does not include a
5 taxable year before 2009, must be reduced by forty mills as a precondition
6 of receiving state aid in accordance with chapter 15.1-27.

7 (3) The authority for a levy of up to a specific number of mills, placed on the
8 ballot in a school district election for electoral approval of increased levy
9 authority under subdivision a or b, after June 30, ~~2013~~2024, must be stated
10 as a specific number of mills of general fund levy authority and must include
11 a statement that the statutory school district general fund levy limitation is
12 seventyten mills on the dollar of the taxable valuation of the school district
13 and sixty mills on the dollar of the taxable valuation of agricultural,
14 commercial, and centrally assessed property in the school district.

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

21 **SECTION 6. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-15-14.2. School district levies. (~~Effective for taxable years through December 31,~~**
24 **~~2024~~)**

25 1. ~~The board of a school district may levy a tax not exceeding the amount in dollars that~~
26 ~~the school district levied for the prior year, plus twelve percent and the dollar amount~~
27 ~~of the adjustment required in section 15.1-27-04.3, up to a levy of seventy mills on the~~
28 ~~taxable valuation of the district, for any purpose related to the provision of educational~~
29 ~~services. The proceeds of this levy must be deposited into the school district's general~~
30 ~~fund and used in accordance with this subsection. The proceeds may not be~~
31 ~~transferred into any other fund.~~

- 1 2. ~~The board of a school district may levy no more than twelve mills on the taxable-~~
2 ~~valuation of the district, for miscellaneous purposes and expenses. The proceeds of-~~
3 ~~this levy must be deposited into a special fund known as the miscellaneous fund and-~~
4 ~~used in accordance with this subsection. The proceeds may not be transferred into-~~
5 ~~any other fund.~~
- 6 3. ~~The board of a school district may levy no more than three mills on the taxable-~~
7 ~~valuation of the district for deposit into a special reserve fund, in accordance with-~~
8 ~~chapter 57-19.~~
- 9 4. ~~The board of a school district may levy no more than the number of mills necessary,-~~
10 ~~on the taxable valuation of the district, for the payment of tuition, in accordance with-~~
11 ~~section 15.1-29-15. The proceeds of this levy must be deposited into a special fund-~~
12 ~~known as the tuition fund and used in accordance with this subsection. The proceeds-~~
13 ~~may not be transferred into any other fund.~~
- 14 5. ~~The board of a school district may levy no more than five mills on the taxable valuation-~~
15 ~~of the district, pursuant to section 57-15-15.1, for purposes of developing a school-~~
16 ~~safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be-~~
17 ~~deposited into a special fund known as the school safety plan fund and used in-~~
18 ~~accordance with this subsection.~~
- 19 6. ~~Nothing in this section limits the board of a school district from levying:~~
 - 20 a. ~~Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and~~
 - 21 b. ~~Mills necessary to pay principal and interest on the bonded debt of the district,-~~
22 ~~including the mills necessary to pay principal and interest on any bonded debt-~~
23 ~~incurred under section 57-15-17.1 before July 1, 2013.~~

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

- 25 1. The board of a school district may levy a tax not exceeding the amount in dollars that
26 the school district levied for the prior year, plus twelve percent, up to would be
27 generated by a levy of seventysixty mills on the taxable valuation of agricultural,
28 commercial, and centrally assessed property in the district, for any purpose related to
29 the provision of educational services the school district's local contribution to the costs
30 of education. The proceeds of this levy must be deposited into the school district's
31 general fund and may be used in accordance with this subsection for any purposes

- 1 related to the provision of educational services. The proceeds may not be transferred
2 into any other fund.
- 3 2. The board of a school district may levy no more than ten mills on the taxable valuation
4 of the district, for any purpose related to the provision of educational services. The
5 proceeds of this levy must be deposited into the school district's general fund and
6 used in accordance with this subsection. The proceeds may not be transferred into
7 any other fund.
- 8 3. The board of a school district may levy no more than twelve mills on the taxable
9 valuation of the district, for miscellaneous purposes and expenses. The proceeds of
10 this levy must be deposited into a special fund known as the miscellaneous fund and
11 used in accordance with this subsection. The proceeds may not be transferred into
12 any other fund.
- 13 ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable
14 valuation of the district for deposit into a special reserve fund, in accordance with
15 chapter 57-19.
- 16 4.5. The board of a school district may levy no more than the number of mills necessary,
17 on the taxable valuation of the district, for the payment of tuition, in accordance with
18 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
19 known as the tuition fund and used in accordance with this subsection. The proceeds
20 may not be transferred into any other fund.
- 21 ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation
22 of the district, pursuant to section 57-15-15.1, for purposes of developing a school
23 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be
24 deposited into a special fund known as the school safety plan fund and used in
25 accordance with this subsection.
- 26 ~~6.7.~~ Nothing in this section limits the board of a school district from levying:
27 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
28 b. Mills necessary to pay principal and interest on the bonded debt of the district,
29 including the mills necessary to pay principal and interest on any bonded debt
30 incurred under section 57-15-17.1 before July 1, 2013.

1 **SECTION 7.** A new section to chapter 57-15 of the North Dakota Century Code is created
2 and enacted as follows:

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

4 1. a. Notwithstanding that a taxing district may have unused or excess levy authority
5 under any other provision of law, this section supersedes and limits that authority.
6 This section may not be interpreted as authority to increase any property tax levy
7 authority otherwise provided by law and must be applied to limit any property tax
8 levy authority to which a taxing district may otherwise be entitled. Property taxes
9 levied in dollars by a taxing district may not exceed the amount the taxing district
10 levied in dollars in the preceding taxable year by more than three percent,
11 except:

12 (1) When property and improvements to property which were not taxable in the
13 preceding taxable year are taxable in the current year, the amount levied in
14 dollars in the preceding taxable year by the taxing district must be increased
15 for purposes of this section to reflect the taxes that would have been
16 imposed against the additional taxable valuation attributable to that property
17 at the mill rate applied to all property in the preceding taxable year.

18 (2) When a property tax exemption existed in the preceding taxable year which
19 has been reduced or no longer exists for the current taxable year, the
20 amount levied in dollars in the preceding taxable year by the taxing district
21 must be increased for purposes of this section to reflect the taxes that would
22 have been imposed against the portion of the taxable valuation of the
23 property which is no longer exempt at the mill rate applied to all property in
24 the preceding taxable year.

25 (3) When property that was taxable in the preceding taxable year is not taxable
26 for the current taxable year, the amount levied in dollars in the preceding
27 taxable year by the taxing district must be reduced for purposes of this
28 section by the amount of taxes that were imposed against the taxable
29 valuation of that property in the preceding taxable year.

30 (4) When a temporary mill levy increase, excluding an increase under this
31 section, authorized by the electors of the taxing district or mill levy

1 imposition authority under state law existed in the previous taxable year but
2 is no longer applicable or has been reduced, the amount levied in dollars in
3 the previous taxable year by the taxing district must be adjusted to reflect
4 the expired temporary mill levy increase and the eliminated or reduced mill
5 levy under state law before the percentage increase allowable under this
6 subsection is applied.

7 b. If the actual increase in property taxes levied in dollars by a taxing district
8 compared to the property taxes levied in the preceding taxable year is less than
9 the limitation under subdivision a, the taxing district may carry forward the excess
10 percentage increase to the succeeding taxable year. A taxing district may not
11 carry forward any amount of unused excess percentage increase beyond the
12 taxable year succeeding the taxable year during which the excess percentage
13 increase accumulated.

14 2. The limitation on the total amount levied by a taxing district under subsection 1 does
15 not apply to:

16 a. New or increased property tax levy authority that was not available to the taxing
17 district in the preceding taxable year, including property tax levy authority
18 provided by state law or approved by the electors of the taxing district.

19 b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of
20 article X of the Constitution of North Dakota. Any tax levied for this purpose must
21 be excluded from the mill rate applied under paragraphs 1 through 3 of
22 subdivision a of subsection 1.

23 c. The one-mill levy for the state medical center authorized by section 10 of article X
24 of the Constitution of North Dakota. Any tax levied for this purpose must be
25 excluded from the mill rate applied under paragraphs 1 through 3 of subdivision a
26 of subsection 1.

27 d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,
28 authorized by section 57-15-26.8.

29 e. Taxes or special assessments levied to pay the principal and interest on any
30 obligations of any political subdivision, including taxes levied for deficiencies in

- 1 special assessment and improvement district funds and revenue bond and
2 reserve funds.
- 3 f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for
4 a special improvement project by general taxation.
- 5 g. Taxes levied under sections 40-24-10, 40-43-01, and 57-15-41, and chapter
6 61-16.1.
- 7 3. A levy exceeding the percentage increase limitation under subsection 1 may be
8 imposed upon approval of a ballot measure, stating the percentage of the proposed
9 property tax levy increase percentage compared to the percentage limitation under
10 subsection 1, by at least sixty percent of the qualified electors of the taxing district
11 voting on the question at a regular or special election of the taxing district. A levy
12 exceeding the percentage increase limitation under subsection 1 may be approved by
13 electors for not more than five taxable years at a time.
- 14 4. A city or county may not supersede or modify the application of the provisions of this
15 section under home rule authority.
- 16 5. For purposes of this section:
- 17 a. "Excess percentage increase" means the difference between the limitation under
18 subdivision a of subsection 1 for a taxable year and the actual increase in
19 property taxes levied in dollars by a taxing district in the taxable year compared
20 to the preceding taxable year.
- 21 b. "Taxing district" means any political subdivision, other than a school district,
22 empowered to levy taxes.

23 **SECTION 8. AMENDMENT.** Subdivision c of subsection 1 of section 57-20-07.1 of the
24 North Dakota Century Code is amended and reenacted as follows:

- 25 c. Provide information identifying the property tax savings provided by the state of
26 North Dakota. The tax statement must include a line item that is entitled
27 "legislative tax relief" and identifies the dollar amount of property tax savings
28 realized by the taxpayer under chapter 50-34 for taxable years before 2019,
29 chapter 50-35 for taxable years after 2018, and chapter 15.1-27.

30 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27
31 is determined by ~~multiplying~~ as follows:

- 1 (a) ~~For residential property, the taxable value for the taxable year for each~~
2 parcel shown on the tax statement ~~multiplied by the number~~ lesser of
3 ~~one hundred eighty-five mills or the sum of the mill levy reduction~~
4 grant under chapter 57-64 for the 2012 taxable year ~~plus the number~~
5 ~~of mills determined by subtracting from~~ and the 2012 taxable year mill
6 rate of the school district in which the parcel is located ~~the lesser of:~~
7 (a) ~~Fifty mills; or,~~
8 (b) ~~The~~ For agricultural, commercial, and centrally assessed property, the
9 taxable value for the taxable year for each parcel shown on the tax
10 statement multiplied by the lesser of one hundred twenty-five mills or
11 the sum of the mill levy reduction grant under chapter 57-64 for the
12 2012 taxable year and the 2012 taxable year mill rate of the school
13 district ~~minus, excluding sixty mills.~~
14 (2) Legislative tax relief under chapter 50-35 is determined by multiplying the
15 taxable value for the taxable year for each parcel shown on the tax
16 statement by the number of mills of relief determined by dividing the amount
17 calculated in subsection 1 of section 50-35-03 for a human service zone by
18 the taxable value of taxable property in the zone for the taxable year.

19 **SECTION 9. REPEAL.** Sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2 of the North
20 Dakota Century Code are repealed.

21 **SECTION 10. EFFECTIVE DATE.** Sections 4, 5, 6, and 7 of this Act are effective for taxable
22 years beginning after December 31, 2024.