

Introduced by

Senators Walen, Magrum

Representatives Kasper, Koppelman

1 A BILL for an Act to create and enact a new section to chapter 15.1-27 of the North Dakota
2 Century Code, relating to state education funding for all students in the state; to amend and
3 reenact sections 15.1-27-02 and 57-15-01.1, subsection 1 of section 57-15-14, section
4 57-15-14.2, and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota
5 Century Code, relating to required reports, school district levy authority, and information
6 displayed on property tax statements; to repeal sections 15.1-27-04.1, 15.1-27-04.2,
7 15.1-27-04.3, 15.1-27-15.1, 15.1-27-20.2, and 15.1-29-15 of the North Dakota Century Code,
8 relating to adjustments to state aid payments and a property tax levy for tuition payments; and
9 to provide an effective date.

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

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

13 **15.1-27-02. Per student payments - Required reports.**

- 14 1. The superintendent of public instruction may not forward state aid payments to a
15 school district beyond the September payment unless the district has filed the
16 September tenth fall enrollment report with the superintendent.
- 17 2. The superintendent of public instruction may not forward state aid payments to a
18 school district beyond the October payment unless the district has filed the following
19 with the superintendent:
- 20 a. The June thirtieth student membership and attendance report;
- 21 b. An annual school district financial report; and
- 22 c. The personnel report forms for licensed and nonlicensed employees.
- 23 3. ~~On or before December fifteenth, each school district shall file with the superintendent~~
24 ~~of public instruction the taxable valuation and mill levy certifications. If a district fails to~~

1 ~~file the taxable valuation and mill levy certifications by the required date, the~~
2 ~~superintendent of public instruction may not forward to the district any state aid~~
3 ~~payments to which the district is entitled, until the taxable valuation and mill levy~~
4 ~~certifications are filed.~~

5 **SECTION 2.** A new section to chapter 15.1-27 of the North Dakota Century Code is created
6 and enacted as follows:

7 **State aid payments for public schools, nonpublic schools, and students receiving**
8 **home education.**

9 1. As used in this section:

10 a. "Cost per student" means the statewide average educational cost per
11 kindergarten through grade twelve student for the previous school year.

12 b. "Registered student" means a kindergarten through grade twelve student who
13 has registered with the student's school district of residence to receive state aid.

14 c. "Student" means a student or the parent or legal guardian of the student as
15 applicable.

16 2. A student who receives home education in the state or who is enrolled in a nonpublic
17 school in the state shall register with the student's school district of residence in the
18 manner prescribed by the superintendent of public instruction if the student wishes to
19 receive state aid for the education of the student.

20 3. The superintendent of public instruction shall determine the amount of state aid
21 payable to each school district by multiplying the cost per student by the sum of:

22 a. The weighted average daily membership for the school district; and

23 b. The number of registered students who receive home education under chapter
24 15.1-23, or are enrolled at an approved nonpublic school under section
25 15.1-06-06.1.

26 4. To provide state aid to a registered student, a school district shall forward:

27 a. To a nonpublic school in the state, seventy-five percent of the cost per student.

28 b. To the parent or guardian of a student receiving home education in the state, fifty
29 percent of the cost per student.

30 **SECTION 3. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **57-15-01.1. Protection of taxpayers and taxing districts.**

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

4 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed
5 by this section.

6 2. For purposes of this section:

7 a. "Base year" means the taxing district's taxable year with the highest amount
8 levied in dollars in property taxes of the three taxable years immediately
9 preceding the budget year; ~~and~~

10 b. "Budget year" means the taxing district's year for which the levy is being
11 determined under this section; ~~and~~

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

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

22 e. "Taxing district" means any political subdivision, other than a school district,
23 empowered by law to levy taxes.

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

28 a. Reduced by an amount equal to the sum determined by application of the base
29 year's calculated mill rate for that taxing district to the final base year taxable
30 valuation of any taxable property and property exempt by local discretion or

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

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

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

8 **SECTION 4. AMENDMENT.** Subsection 1 of section 57-15-14 of the North Dakota Century
9 Code is amended and reenacted as follows:

- 10 1. Unless authorized by the electors of the school district in accordance with this section,
11 a school district may not impose greater levies than those permitted under section
12 57-15-14.2.
- 13 a. In any school district having a total population in excess of four thousand
14 according to the last federal decennial census there may be levied any specific
15 number of mills that upon resolution of the school board has been submitted to
16 and approved by a majority of the qualified electors voting upon the question at
17 any regular or special school district election.
- 18 b. In any school district having a total population of fewer than four thousand, there
19 may be levied any specific number of mills that upon resolution of the school
20 board has been approved by fifty-five percent of the qualified electors voting
21 upon the question at any regular or special school election.
- 22 c. After June 30, 2009, in any school district election for approval by electors of
23 increased levy authority under subsection 1 or 2, the ballot must specify the
24 number of mills proposed for approval, and the number of taxable years for which
25 that approval is to apply. After June 30, 2009, approval by electors of increased
26 levy authority under subsection 1 or 2 may not be effective for more than ten
27 taxable years.
- 28 d. The authority for a levy of up to a specific number of mills under this section
29 approved by electors of a school district before July 1, 2009, is terminated
30 effective for taxable years after 2015. If the electors of a school district subject to
31 this subsection have not approved a levy for taxable years after 2015 of up to a

1 specific number of mills under this section by December 31, 2015, the school
2 district levy limitation for subsequent years is subject to the limitations under
3 ~~section 57-15-01.1 or~~ this section.

4 e. For taxable years beginning after 2012:

5 (1) The authority for a levy of up to a specific number of mills, approved by
6 electors of a school district for any period of time that includes a taxable
7 year before 2009, must be reduced by one hundred fifteen mills as a
8 precondition of receiving state aid in accordance with chapter 15.1-27.

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

13 (3) The authority for a levy of up to a specific number of mills, placed on the
14 ballot in a school district election for electoral approval of increased levy
15 authority under subdivision a or b, after June 30, ~~2013~~2024, must be stated
16 as a specific number of mills of ~~general fund~~ levy authority and must include
17 a statement ~~that~~including the specific statutory school district ~~general fund~~
18 ~~levy limitation is seventy mills on the dollar of the taxable valuation of the~~
19 ~~school district~~authority under section 57-15-14.2 that is proposed to be
20 increased under this section.

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

27 **SECTION 5. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **57-15-14.2. School district levies.**

30 1. ~~The board of a school district may levy a tax not exceeding the amount in dollars that~~
31 ~~the school district levied for the prior year, plus twelve percent, up to a levy of seventy~~

1 mills on the taxable valuation of the district, for any purpose related to the provision of
2 educational services. The proceeds of this levy must be deposited into the school
3 district's general fund and used in accordance with this subsection. The proceeds may
4 not be transferred into any other fund.

5 2. The board of a school district may levy no more than twelve mills on the taxable
6 valuation of the district, for miscellaneous purposes and expenses. The proceeds of
7 this levy must be deposited into a special fund known as the miscellaneous fund and
8 used in accordance with this subsection. The proceeds may not be transferred into
9 any other fund.

10 3. The board of a school district may levy no more than three mills on the taxable
11 valuation of the district for deposit into a special reserve fund, in accordance with
12 chapter 57-19.

13 4. The board of a school district may levy no more than the number of mills necessary,
14 on the taxable valuation of the district, for the payment of tuition, in accordance with
15 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
16 known as the tuition fund and used in accordance with this subsection. The proceeds
17 may not be transferred into any other fund.

18 ~~5.2.~~ The board of a school district may levy no more than five mills on the taxable valuation
19 of the district, pursuant to section 57-15-15.1, for purposes of developing a school
20 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be
21 deposited into a special fund known as the school safety plan fund and used in
22 accordance with this subsection.

23 ~~6.3.~~ Nothing in this section limits the board of a school district from levying:

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

28 **SECTION 6. AMENDMENT.** Subdivision c of subsection 1 of section 57-20-07.1 of the
29 North Dakota Century Code is amended and reenacted as follows:

- 30 c. 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 one~~
10 ~~hundred eighty-five mills or the sum of:~~

11 (a) ~~Fifty mills~~The number of mills of mill levy reduction grant under
12 chapter 57-64 for the 2012 taxable year; orand

13 (b) The 2012 taxable year mill rate of the school district ~~minus 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 7. REPEAL.** Sections 15.1-27-04.1, 15.1-27-04.2, 15.1-27-04.3, 15.1-27-15.1,
20 and 15.1-27-20.2 of the North Dakota Century Code are repealed.

21 **SECTION 8. REPEAL.** Section 15.1-29-15 of the North Dakota Century Code is repealed.

22 **SECTION 9. EFFECTIVE DATE.** Sections 3, 4, 5, and 8 of this Act are effective for taxable
23 years beginning after December 31, 2024.