

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2363**

Introduced by

Senators Erbele, Klein, Myrdal

Representatives D. Anderson, Beltz, Nelson

1 A BILL ~~for an Act to create and enact a new section to chapter 57-02 of the North Dakota~~  
2 ~~Century Code, relating to a property tax credit for agricultural property owned by an individual or~~  
3 ~~entity that operates a farming or ranching operation; and to provide an effective date.~~for an Act  
4 to amend and reenact subsection 3 of section 15.1-27-02, sections 15.1-27-04.1, 15.1-27-04.2,  
5 and 57-15-01.1, paragraph 3 of subdivision e of subsection 1 of section 57-15-14, section  
6 57-15-14.2, and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota  
7 Century Code, relating to the determination of state aid payments, state aid minimum local  
8 effort, the protection of taxpayers and taxing districts, voter approval of excess levies in school  
9 districts, school district levies, and contents of the property tax statement; and to provide an  
10 effective date.

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

12 ~~— **SECTION 1.** A new section to chapter 57-02 of the North Dakota Century Code is created~~  
13 ~~and enacted as follows:~~

14 ~~— Qualifying farmland or ranchland credit – Qualification – Application – Certification –~~  
15 ~~State reimbursement.~~

16 ~~— 1. A taxpayer is entitled to a credit of one thousand five hundred fifty dollars against the~~  
17 ~~property tax due on the taxpayer's qualifying farmland or ranchland as provided in this~~  
18 ~~section. The credit may not exceed the amount of property tax due against the~~  
19 ~~qualifying farmland or ranchland.~~

- 1 — ~~2. Persons who are co-owners of the property but who are not spouses or dependents~~  
2 ~~each are entitled to a percentage of a credit under subsection 1 equal to their~~  
3 ~~ownership interests in the property.~~
- 4 — ~~3. To apply for the credit under this section, an owner shall sign and file with the tax~~  
5 ~~commissioner by August first of each year an application containing a verified~~  
6 ~~statement of facts establishing the owner's property meets the eligibility requirements~~  
7 ~~to be considered qualifying farmland or ranchland under this section as of the date of~~  
8 ~~the application on a form and in the manner prescribed by the tax commissioner.~~
- 9 — ~~4. By October first of each year, the tax commissioner shall:~~
  - 10 — ~~a. Review the applications received under subsection 3 and determine which~~  
11 ~~applicants qualify for the credit under this section; and~~
  - 12 — ~~b. Provide to each county director of tax equalization a copy of each approved or~~  
13 ~~rejected application which identifies property located in the county.~~
- 14 — ~~5. The tax commissioner may request additional documentation from the applicant when~~  
15 ~~making the determination of eligibility.~~
- 16 — ~~6. Determinations of eligibility for a credit under this section may be appealed through the~~  
17 ~~equalization and abatement process.~~
- 18 — ~~7. The county auditor shall apply the credit under this section to each parcel of qualifying~~  
19 ~~farmland or ranchland on the corresponding property tax statement.~~
- 20 — ~~8. A credit under this section is valid for the entire taxable year for which the claim was~~  
21 ~~approved, without regard to any change of ownership of the property which occurs~~  
22 ~~after the claim was approved for the taxable year.~~
- 23 — ~~9. This section does not reduce the liability of any owner for special assessments levied~~  
24 ~~upon any property.~~
- 25 — ~~10. Before January fifteenth of each year after 2025, the county auditor of each county~~  
26 ~~shall certify to the tax commissioner the sum of the credits which were applied to~~  
27 ~~property taxes owed on qualifying farmland or ranchland in the county for the~~  
28 ~~preceding year.~~
- 29 — ~~11. By March fifteenth of each year after 2025, the tax commissioner shall review the~~  
30 ~~certifications under subsection 10, make any required corrections, and certify to the~~  
31 ~~state treasurer for payment to each county the sum of the credits allowed under this~~

1 ~~section in the county for the preceding year. In reviewing certifications, the tax~~  
2 ~~commissioner may refer to any income tax return information or other information~~  
3 ~~available to the tax commissioner.~~

4 ~~12. Within fourteen days of receiving the payment from the state treasurer, the county~~  
5 ~~treasurer shall apportion and distribute the payment without delay to the county and to~~  
6 ~~the taxing districts of the county on the same basis property taxes under this chapter~~  
7 ~~for the preceding taxable year were apportioned and distributed.~~

8 ~~13. Supplemental certifications by the county auditor and the tax commissioner and~~  
9 ~~supplemental payments by the state treasurer may be made after the dates prescribed~~  
10 ~~in this section to make corrections necessary because of errors.~~

11 ~~14. The tax commissioner shall prescribe, design, and make available all forms necessary~~  
12 ~~to effectuate this section. Application forms must include the full name and address of~~  
13 ~~the applicant and any other information prescribed by the tax commissioner. The~~  
14 ~~county director of tax equalization shall make these forms available to applicants upon~~  
15 ~~request.~~

16 ~~15. For purposes of this section:~~

17 ~~a. "Farming or ranching" has the same meaning as in section 10-06.1-01.~~

18 ~~b. "Owned" means an individual or entity holds a present ownership interest,~~  
19 ~~including ownership in fee simple, holds a present life estate or other terminable~~  
20 ~~present ownership interest, or is a purchaser under a contract for deed. The term~~  
21 ~~does not include a mere right of occupancy or a tenancy under a lease.~~

22 ~~c. "Qualifying farmland or ranchland" means agricultural property as defined in~~  
23 ~~section 57-02-01 which is owned by an individual or entity that operates a~~  
24 ~~farming or ranching operation.~~

25 ~~**SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after~~  
26 ~~December 31, 2024.~~

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

- 29 3. On or before December fifteenth, each school district shall file with the superintendent  
30 of public instruction the taxable valuation and mill levy certifications, which must be  
31 separated by property classification. If a district fails to file the taxable valuation and

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

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

6 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.** ~~(Effective~~  
7 ~~through June 30, 2025) (Retroactive application - See note)~~

8 ~~1. To determine the amount of state aid payable to each district, the superintendent of~~  
9 ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
10 ~~funding consists of:~~

11 ~~a. All state aid received by the district in accordance with chapter 15.1-27 during the~~  
12 ~~2018-19 school year;~~

13 ~~b. An amount equal to the property tax deducted by the superintendent of public~~  
14 ~~instruction to determine the 2018-19 state aid payment;~~

15 ~~c. An amount equal to seventy-five percent of the revenue received by the school~~  
16 ~~district during the 2017-18 school year for the following revenue types:~~

17 ~~(1) Revenue reported under code 2000 of the North Dakota school district~~  
18 ~~financial accounting and reporting manual, as developed by the~~  
19 ~~superintendent of public instruction in accordance with section 15.1-02-08;~~

20 ~~(2) Mineral revenue received by the school district through direct allocation from~~  
21 ~~the state treasurer and not reported under code 2000 of the North Dakota~~  
22 ~~school district financial accounting and reporting manual, as developed by~~  
23 ~~the superintendent of public instruction in accordance with section~~  
24 ~~15.1-02-08;~~

25 ~~(3) Tuition reported under code 1300 of the North Dakota school district~~  
26 ~~financial accounting and reporting manual, as developed by the~~  
27 ~~superintendent of public instruction in accordance with section 15.1-02-08,~~  
28 ~~with the exception of revenue received specifically for the operation of an~~  
29 ~~educational program provided at a residential treatment facility, tuition~~  
30 ~~received for the provision of an adult farm management program, and~~  
31 ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~

1 under an agreement to educate students from a school district on an  
2 air force base with funding received through federal impact aid, and an  
3 additional seventeen percent of tuition received under an agreement to  
4 educate students from a school district on an air force base with funding  
5 received through federal impact aid each school year thereafter, until the  
6 2024-25 school year when sixty-eight percent of tuition received under an  
7 agreement to educate students from a school district on an air force base  
8 with funding received through federal impact aid must be excluded from the  
9 tuition calculation under this paragraph;

10 ~~(4) Revenue from payments in lieu of taxes on the distribution and transmission~~  
11 ~~of electric power;~~

12 ~~(5) Revenue from payments in lieu of taxes on electricity generated from~~  
13 ~~sources other than coal; and~~

14 ~~(6) Revenue from the leasing of land acquired by the United States for which~~  
15 ~~compensation is allocated to the state under 33 U.S.C. 701(c)(3);~~

16 ~~d. An amount equal to the total revenue received by the school district during the~~  
17 ~~2017-18 school year for the following revenue types:~~

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

19 ~~(2) Telecommunications tax revenue; and~~

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

22 ~~e. Beginning with the 2020-21 school year, the superintendent shall reduce the~~  
23 ~~baseline funding for any school district that becomes an elementary district~~  
24 ~~pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must~~  
25 ~~be proportional to the number of weighted student units in the grades that are~~  
26 ~~offered through another school district relative to the total number of weighted~~  
27 ~~student units the school district offered in the year before the school district~~  
28 ~~became an elementary district. The reduced baseline funding applies to the~~  
29 ~~calculation of state aid for the first school year in which the school district~~  
30 ~~becomes an elementary district and for each year thereafter. For districts that~~  
31 ~~become an elementary district prior to the 2020-21 school year, the~~

1           superintendent shall use the reduced baseline funding to calculate state aid for  
2           the 2020-21 school year and for each year thereafter.

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

6     ~~b. For any school district that becomes an elementary district pursuant to section~~  
7           ~~15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the~~  
8           ~~district's baseline funding per weighted student unit used to calculate state aid.~~  
9           ~~The superintendent shall divide the district's baseline funding determined in~~  
10          ~~subsection 1 by the district's weighted student units after the school district~~  
11          ~~becomes an elementary district to determine the district's adjusted baseline~~  
12          ~~funding per weighted student unit. The superintendent shall use the district's~~  
13          ~~adjusted baseline funding per weighted student unit in the calculation of state aid~~  
14          ~~for the first school year in which the school district becomes an elementary~~  
15          ~~district and for each year thereafter.~~

16     ~~c. Beginning with the 2021-22 school year and for each school year thereafter, the~~  
17          ~~superintendent shall reduce the district's baseline funding per weighted student~~  
18          ~~unit. Each year the superintendent shall calculate the amount by which the~~  
19          ~~district's baseline funding per weighted student unit exceeds the payment per~~  
20          ~~weighted student unit provided in subsection 3. For the 2023-24 school year the~~  
21          ~~superintendent shall reduce the district's baseline funding per weighted student~~  
22          ~~unit by forty percent of the amount by which the district's baseline funding per~~  
23          ~~weighted student unit exceeds the payment per weighted student unit for the~~  
24          ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
25          ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
26          ~~per weighted student unit, after the reduction, may not be less than the payment~~  
27          ~~per weighted student unit provided in subsection 3.~~

28     ~~3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the~~  
29          ~~greater of:~~

30     ~~(1) The district's weighted student units multiplied by ten thousand six hundred~~  
31          ~~forty six dollars;~~

- 1 ~~(2) One hundred two percent of the district's baseline funding per weighted~~  
2 ~~student unit, as established in subsection 2, multiplied by the district's~~  
3 ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
4 ~~weighted student units, plus any weighted student units in excess of the~~  
5 ~~2017-18 baseline weighted student units multiplied by ten thousand~~  
6 ~~six hundred forty six dollars; or~~
- 7 ~~(3) The district's baseline funding as established in subsection 1 less the~~  
8 ~~amount in paragraph 1, with the difference reduced by forty percent and~~  
9 ~~then the difference added to the amount determined in paragraph 1.~~
- 10 ~~b. For the 2024-25 school year and each school year thereafter, the superintendent~~  
11 ~~shall calculate state aid as the greater of:~~
- 12 ~~(1) The district's weighted student units multiplied by eleven thousand~~  
13 ~~seventy two dollars;~~
- 14 ~~(2) One hundred two percent of the district's baseline funding per weighted~~  
15 ~~student unit, as established in subsection 2, multiplied by the district's~~  
16 ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
17 ~~weighted student units, plus any weighted student units in excess of the~~  
18 ~~2017-18 baseline weighted student units multiplied by eleven thousand~~  
19 ~~seventy two dollars; or~~
- 20 ~~(3) The district's baseline funding as established in subsection 1 less the~~  
21 ~~amount in paragraph 1, with the difference reduced by fifty five percent for~~  
22 ~~the 2024-25 school year and the reduction percentage increasing by fifteen~~  
23 ~~percent each school year thereafter until the difference is reduced to zero,~~  
24 ~~and then the difference added to the amount determined in paragraph 1.~~
- 25 ~~4. After determining the product in accordance with subsection 3, the superintendent of~~  
26 ~~public instruction shall:~~
- 27 ~~a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the~~  
28 ~~school district, except the amount in dollars subtracted for purposes of this~~  
29 ~~subdivision may not exceed the previous year's amount in dollars subtracted for~~  
30 ~~purposes of this subdivision by more than twelve percent, adjusted pursuant to~~  
31 ~~section 15.1-27-04.3; 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 c 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 by the school district for sinking~~  
27 ~~and interest relative to the total mills levied in 2022 by the school district for~~  
28 ~~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 4;~~

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

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

14 ~~**Baseline funding – Establishment – Determination of state aid. (Effective after**~~  
15 ~~**June 30, 2025)**~~

16 1. To determine the amount of state aid payable to each district, the superintendent of  
17 public instruction shall establish each district's baseline funding. A district's baseline  
18 funding consists of:

19 a. All state aid received by the district in accordance with chapter 15.1-27 during the  
20 2018-19 school year;

21 b. An amount equal to the property tax deducted by the superintendent of public  
22 instruction to determine the 2018-19 state aid payment;

23 c. An amount equal to seventy-five percent of the revenue received by the school  
24 district during the 2017-18 school year for the following revenue types:

25 (1) Revenue reported under code 2000 of the North Dakota school district  
26 financial accounting and reporting manual, as developed by the

27 superintendent of public instruction in accordance with section 15.1-02-08;

28 (2) Mineral revenue received by the school district through direct allocation from  
29 the state treasurer and not reported under code 2000 of the North Dakota  
30 school district financial accounting and reporting manual, as developed by

1 the superintendent of public instruction in accordance with section  
2 15.1-02-08;

3 (3) Tuition reported under code 1300 of the North Dakota school district  
4 financial accounting and reporting manual, as developed by the  
5 superintendent of public instruction in accordance with section 15.1-02-08,  
6 with the exception of revenue received specifically for the operation of an  
7 educational program provided at a residential treatment facility, tuition  
8 received for the provision of an adult farm management program, and  
9 beginning in the 2025-26 school year, eighty-five percent of tuition received  
10 under an agreement to educate students from a school district on an  
11 air force base with funding received through federal impact aid, until the  
12 2026-27 school year, and each school year thereafter, when all tuition  
13 received under an agreement to educate students from a school district on  
14 an air force base with funding received through federal impact aid must be  
15 excluded from the tuition calculation under this paragraph;

16 (4) Revenue from payments in lieu of taxes on the distribution and transmission  
17 of electric power;

18 (5) Revenue from payments in lieu of taxes on electricity generated from  
19 sources other than coal; and

20 (6) Revenue from the leasing of land acquired by the United States for which  
21 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

22 d. An amount equal to the total revenue received by the school district during the  
23 2017-18 school year for the following revenue types:

24 (1) Mobile home tax revenue;

25 (2) Telecommunications tax revenue; and

26 (3) Revenue from payments in lieu of taxes and state reimbursement of the  
27 homestead credit and disabled veterans credit.

28 e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
29 baseline funding for any school district that becomes an elementary district  
30 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
31 be proportional to the number of weighted student units in the grades that are

1 offered through another school district relative to the total number of weighted  
2 student units the school district offered in the year before the school district  
3 became an elementary district. The reduced baseline funding applies to the  
4 calculation of state aid for the first school year in which the school district  
5 becomes an elementary district and for each year thereafter. For districts that  
6 become an elementary district prior to the 2020-21 school year, the  
7 superintendent shall use the reduced baseline funding to calculate state aid for  
8 the 2020-21 school year and for each year thereafter.

- 9 2. a. The superintendent shall divide the district's baseline funding determined in  
10 subsection 1 by the district's 2017-18 weighted student units to determine the  
11 district's baseline funding per weighted student unit.
- 12 b. For any school district that becomes an elementary district pursuant to section  
13 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
14 district's baseline funding per weighted student unit used to calculate state aid.  
15 The superintendent shall divide the district's baseline funding determined in  
16 subsection 1 by the district's weighted student units after the school district  
17 becomes an elementary district to determine the district's adjusted baseline  
18 funding per weighted student unit. The superintendent shall use the district's  
19 adjusted baseline funding per weighted student unit in the calculation of state aid  
20 for the first school year in which the school district becomes an elementary  
21 district and for each year thereafter.
- 22 c. Beginning with the 2021-22 school year and for each school year thereafter, the  
23 superintendent shall reduce the district's baseline funding per weighted student  
24 unit. Each year the superintendent shall calculate the amount by which the  
25 district's baseline funding per weighted student unit exceeds the payment per  
26 weighted student unit provided in subsection 3. For the 2023-24 school year the  
27 superintendent shall reduce the district's baseline funding per weighted student  
28 unit by forty percent of the amount by which the district's baseline funding per  
29 weighted student unit exceeds the payment per weighted student unit for the  
30 2023-24 school year. For each year thereafter, the reduction percentage is  
31 increased by an additional fifteen percent. However, the district's baseline funding

1 per weighted student unit, after the reduction, may not be less than the payment  
2 per weighted student unit provided in subsection 3.

3 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the  
4 greater of:

5 (1) The district's weighted student units multiplied by ten thousand six hundred  
6 forty-six dollars;

7 (2) One hundred two percent of the district's baseline funding per weighted  
8 student unit, as established in subsection 2, multiplied by the district's  
9 weighted student units, not to exceed the district's 2017-18 baseline  
10 weighted student units, plus any weighted student units in excess of the  
11 2017-18 baseline weighted student units multiplied by ten thousand  
12 six hundred forty-six dollars; or

13 (3) The district's baseline funding as established in subsection 1 less the  
14 amount in paragraph 1, with the difference reduced by forty percent and  
15 then the difference added to the amount determined in paragraph 1.

16 b. For the 2024-25 school year and each school year thereafter, the superintendent  
17 shall calculate state aid as the greater of:

18 (1) The district's weighted student units multiplied by eleven thousand  
19 seventy-two dollars;

20 (2) One hundred two percent of the district's baseline funding per weighted  
21 student unit, as established in subsection 2, multiplied by the district's  
22 weighted student units, not to exceed the district's 2017-18 baseline  
23 weighted student units, plus any weighted student units in excess of the  
24 2017-18 baseline weighted student units multiplied by eleven thousand  
25 seventy-two dollars; or

26 (3) The district's baseline funding as established in subsection 1 less the  
27 amount in paragraph 1, with the difference reduced by fifty-five percent for  
28 the 2024-25 school year and the reduction percentage increasing by fifteen  
29 percent each school year thereafter until the difference is reduced to zero,  
30 and then the difference added to the amount determined in paragraph 1.

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

3 a. Subtract an amount equal to ~~sixty~~ the sum of:

4 (1) Thirty mills multiplied by the taxable valuation of agricultural property in the  
5 school district; and

6 (2) Sixty mills multiplied by the taxable valuation of residential, commercial, and  
7 centrally assessed property in the school district.

8 b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
9 subdivisions c and d of subsection 1. Before determining the deduction for  
10 seventy-five percent of all revenue types, the superintendent of public instruction  
11 shall adjust revenues as follows:

12 (1) Tuition revenue shall be adjusted as follows:

13 (a) In addition to deducting tuition revenue received specifically for the  
14 operation of an educational program provided at a residential  
15 treatment facility, tuition revenue received for the provision of an adult  
16 farm management program, tuition received for the education of  
17 high-cost and special education students, and tuition received under  
18 an agreement to educate students from a school district on an  
19 air force base with funding received through federal impact aid as  
20 directed each school year in paragraph 3 of subdivision c of  
21 subsection 1, the superintendent of public instruction also shall reduce  
22 the total tuition reported by the school district by the amount of tuition  
23 revenue received for the education of students not residing in the  
24 state and for which the state has not entered a cross-border education  
25 contract; and

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

1 (2) After adjusting tuition revenue as provided in paragraph 1, the  
2 superintendent shall reduce all remaining revenues from all revenue types  
3 by the percentage of mills levied in ~~2022~~2024 by the school district for  
4 sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
5 school district for all purposes.

- 6 5. The amount remaining after the computation required under subsection 4 is the  
7 amount of state aid to which a school district is entitled, subject to any other statutory  
8 requirements or limitations.
- 9 6. On or before June thirtieth of each year, the school board shall certify to the  
10 superintendent of public instruction the final average daily membership for the current  
11 school year.
- 12 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration  
13 with the school districts, shall report the following to the superintendent of public  
14 instruction on an annual basis:
- 15 a. The amount of revenue received by each school district in the county during the  
16 previous school year for each type of revenue identified in subdivisions c and d of  
17 subsection 1;
- 18 b. The total number of mills levied in the previous calendar year by each school  
19 district for all purposes, separated by property classification; and
- 20 c. The number of mills levied in the previous calendar year by each school district  
21 for sinking and interest fund purposes, separated by property classification.

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

24 **15.1-27-04.2. State aid - Minimum local effort - Determination.**

25 If a district's taxable valuation per student is less than twenty percent of the state average  
26 valuation per student, the superintendent of public instruction, for purposes of determining state  
27 aid in accordance with subsection 4 of section 15.1-27-04.1, shall ~~utilize an amount equal to~~  
28 ~~sixty~~ deduct the sum of the following:

- 29 1. Thirty mills times twenty percent of the state average valuation of agricultural property  
30 per student multiplied by the number of weighted student units in the district; and

1 2. Sixty mills times twenty percent of the state average valuation of residential,  
2 commercial, and centrally assessed property per student multiplied by the number of  
3 weighted student units in the district.

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

6 **57-15-01.1. Protection of taxpayers and taxing districts.**

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

- 9 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed  
10 by this section.
- 11 2. For purposes of this section:
- 12 a. "Base year" means the taxing district's taxable year with the highest amount  
13 levied in dollars in property taxes of the three taxable years immediately  
14 preceding the budget year;
- 15 b. "Budget year" means the taxing district's year for which the levy is being  
16 determined under this section;
- 17 c. "Calculated mill rate" means the mill rate that results from dividing the base year  
18 taxes levied by the sum of the taxable value of the taxable property in the base  
19 year plus the taxable value of the property exempt by local discretion or  
20 charitable status, calculated in the same manner as the taxable property; and
- 21 d. "Property exempt by local discretion or charitable status" means property  
22 exempted from taxation as new or expanding businesses under chapter 40-57.1;  
23 improvements to property under chapter 57-02.2; or buildings belonging to  
24 institutions of public charity, new single-family residential or townhouse or  
25 condominium property, property used for early childhood services, or pollution  
26 abatement improvements under section 57-02-08.
- 27 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
28 levy under this section must be specifically approved by a resolution approved by the  
29 governing body of the taxing district. Before determining the levy limitation under this  
30 section, the dollar amount levied in the base year must be:

- 1 a. Reduced by an amount equal to the sum determined by application of the base  
2 year's calculated mill rate for that taxing district to the final base year taxable  
3 valuation of any taxable property and property exempt by local discretion or  
4 charitable status which is not included in the taxing district for the budget year but  
5 was included in the taxing district for the base year.
- 6 b. Increased by an amount equal to the sum determined by the application of the  
7 base year's calculated mill rate for that taxing district to the final budget year  
8 taxable valuation of any taxable property or property exempt by local discretion or  
9 charitable status which was not included in the taxing district for the base year  
10 but which is included in the taxing district for the budget year.
- 11 c. Reduced to reflect expired temporary mill levy increases authorized by the  
12 electors of the taxing district. For purposes of this subdivision, an expired  
13 temporary mill levy increase does not include a school district general fund mill  
14 rate exceeding one hundred ten mills which has expired or has not received  
15 approval of electors for an extension under subsection 2 of section 57-64-03.
- 16 d. Reduced by the amount of state aid under chapter 15.1-27, which is determined  
17 by multiplying the budget year taxable valuation of the school district by the  
18 lesser of the base year mill rate of the school district minus sixty mills for  
19 residential, commercial, and centrally assessed property and thirty mills for  
20 agricultural property, or ~~forty~~ ~~sixty~~ mills for all property classifications, if the base  
21 year is a taxable year before ~~2013~~ 2025.
- 22 4. In addition to any other levy limitation factor under this section, a taxing district may  
23 increase its levy in dollars to reflect new or increased mill levies authorized by the  
24 legislative assembly or authorized by the electors of the taxing district.
- 25 5. Under this section a taxing district may supersede any applicable mill levy limitations  
26 otherwise provided by law, or a taxing district may levy up to the mill levy limitations  
27 otherwise provided by law without reference to this section, but the provisions of this  
28 section do not apply to the following:
  - 29 a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of  
30 article X of the Constitution of North Dakota.



1           b. The one-mill levy for the state medical center authorized by section 10 of article X  
2           of the Constitution of North Dakota.

3           6. A school district choosing to determine its levy authority under this section may apply  
4           subsection 3 only to the amount in dollars levied for the school district's local  
5           contribution to the costs of education and general fund purposes under section  
6           57-15-14 or, if the levy in the base year included separate general fund and special  
7           fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply  
8           subsection 3 to the total amount levied in dollars in the base year for ~~both~~ the school  
9           district's local contribution to the costs of education, general fund, and special fund  
10          accounts. School district levies under any section other than section 57-15-14 may be  
11          made within applicable limitations but those levies are not subject to subsection 3.

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

15          **SECTION 5. AMENDMENT.** Paragraph 3 of subdivision e of subsection 1 of section  
16          57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

17               (3) The authority for a levy of up to a specific number of mills, placed on the  
18               ballot in a school district election for electoral approval of increased levy  
19               authority under subdivision a or b, after June 30, ~~2013~~2025, must be stated  
20               as a specific number of mills of general fund levy authority and must include  
21               a statement that the statutory school district general fund levy limitation is  
22               seventy mills on the dollar of the taxable valuation of residential,  
23               commercial, and centrally assessed property in the school district and forty  
24               mills on the dollar of the taxable valuation of agricultural property in the  
25               school district.

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

28          **57-15-14.2. School district levies.**

29               1. a. The board of a school district may levy a tax ~~not exceeding~~ for the school district's  
30               local contribution to the costs of education which may not exceed the amount in

1 dollars that ~~the school district levied for the prior year, plus twelve percent, up-~~  
2 ~~to~~ would be generated by a levy of seventy:

3 (1) Thirty mills on the taxable valuation of agricultural property in the district, for  
4 any purpose related to the provision of educational services.

5 (2) Sixty mills on the taxable valuation of residential, commercial, and centrally  
6 assessed property in the district.

7 b. The proceeds of this levy must be deposited into the school district's general fund  
8 and may be used in accordance with this subsection for any purposes related to  
9 the provision of educational services. The proceeds may not be transferred into  
10 any other fund.

11 2. The board of a school district may levy no more than ten mills on the taxable valuation  
12 of the district for any purpose related to the provision of educational services. The  
13 proceeds of this levy must be deposited into the school district's general fund and  
14 used in accordance with this subsection. The proceeds may not be transferred into  
15 any other fund.

16 3. The board of a school district may levy no more than twelve mills on the taxable  
17 valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
18 this levy must be deposited into a special fund known as the miscellaneous fund and  
19 used in accordance with this subsection. The proceeds may not be transferred into  
20 any other fund.

21 ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable  
22 valuation of the district for deposit into a special reserve fund, in accordance with  
23 chapter 57-19.

24 ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary,  
25 on the taxable valuation of the district, for the payment of tuition, in accordance with  
26 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
27 known as the tuition fund and used in accordance with this subsection. The proceeds  
28 may not be transferred into any other fund.

29 ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation  
30 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
31 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be

1 deposited into a special fund known as the school safety plan fund and used in  
2 accordance with this subsection.

3 ~~6.7.~~ Nothing in this section limits the board of a school district from levying:

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

8 **SECTION 7. AMENDMENT.** Subdivision c of subsection 1 of section 57-20-07.1 of the  
9 North Dakota Century Code is amended and reenacted as follows:

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

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

17 (a) For agricultural property, the taxable value for the taxable year for  
18 each parcel shown on the tax statement multiplied by the  
19 number lesser of one hundred fifty-five mills or the sum of the mill levy  
20 reduction grant under chapter 57-64 for the 2012 taxable year plus and  
21 the number of mills determined by subtracting from the 2012 taxable  
22 year mill rate of the school district in which the parcel is located the  
23 lesser of:

24 ~~(a) Fifty mills; or~~ excluding thirty mills.

25 (b) ~~The~~ For residential, commercial, and centrally assessed property, the  
26 taxable value for the taxable year for each parcel shown on the tax  
27 statement multiplied by the lesser of one hundred twenty-five mills or  
28 the sum of the mill levy reduction grant under chapter 57-64 for the  
29 2012 taxable year and the 2012 taxable year mill rate of the school  
30 district minus excluding sixty mills.

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

6                   **SECTION 8. EFFECTIVE DATE.** Sections 4, 5, and 6 of this Act are effective for taxable  
7                   years beginning after December 31, 2024.