

Property tax relief bill draft examples

Selected school districts

	Emerado	Westhope	Fargo	Dickinson	Grafton	Glenburn
GF levy in mills	291.93	151.78	288.19	185.00	185.00	132.83

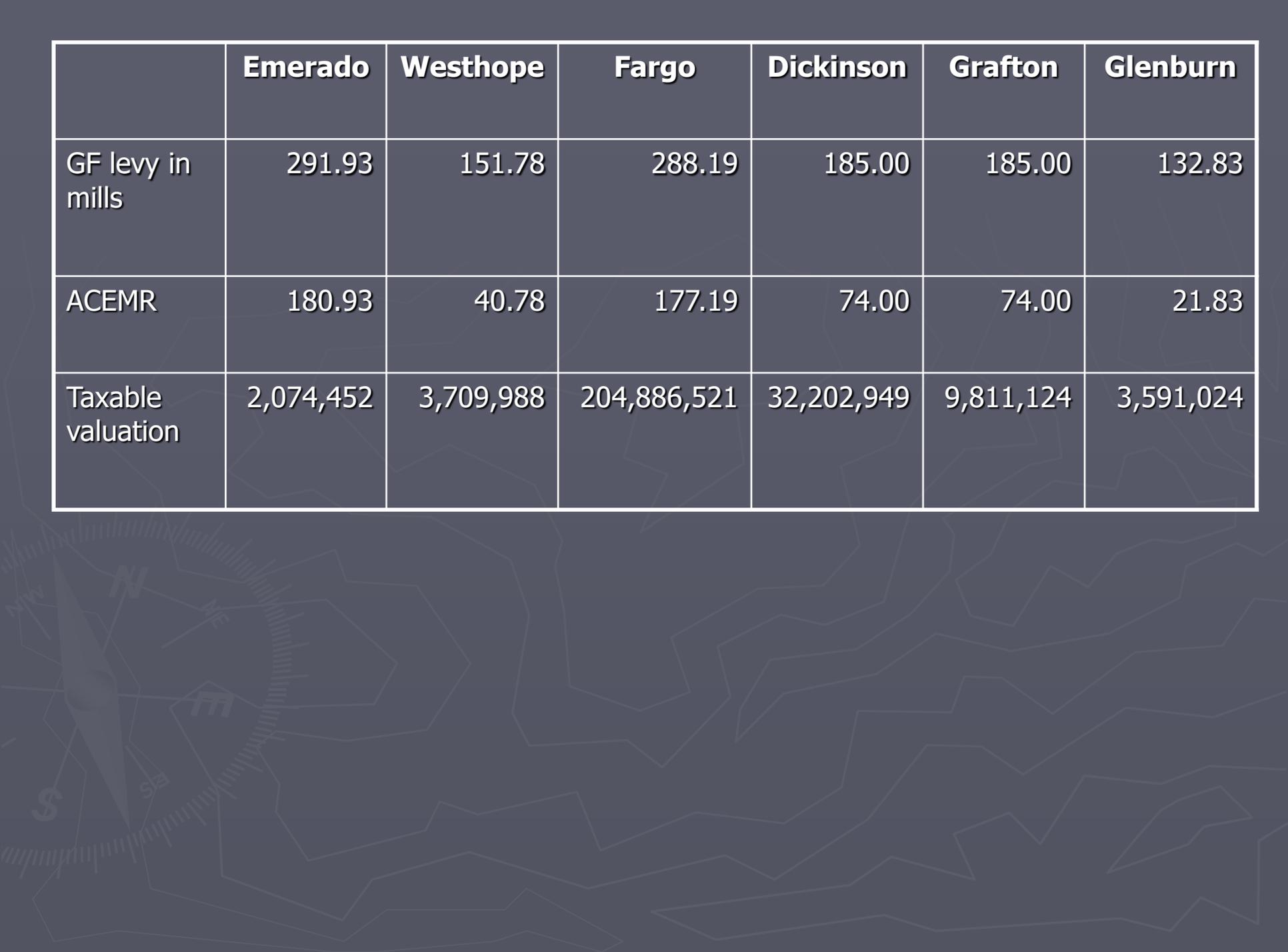
General fund levy in mills is the total of mills levied for the general fund and high school tuition and high school transportation.

For this example, the school district mill rate is reduced by 60% of the maximum number of general fund mills under NDCC 57-15-14--- 185 mills. Sixty percent of 185 mills is 111 mills. This amount is subtracted from consideration for each school district. This adjustment eliminates eight school districts from consideration to receive property tax relief.

	Emerado	Westhope	Fargo	Dickinson	Grafton	Glenburn
GF levy in mills	291.93	151.78	288.19	185.00	185.00	132.83
ACEMR	180.93	40.78	177.19	74.00	74.00	21.83

Adjusted combined education mill rate (ACEMR) is the number of mills for the school district which will be considered in property tax relief calculations.

The ACEMR is multiplied times the taxable valuation of property in the school district to determine the property taxes in dollars levied by the school district which will be considered in property tax relief calculations.



	Emerado	Westhope	Fargo	Dickinson	Grafton	Glenburn
GF levy in mills	291.93	151.78	288.19	185.00	185.00	132.83
ACEMR	180.93	40.78	177.19	74.00	74.00	21.83
Taxable valuation	2,074,452	3,709,988	204,886,521	32,202,949	9,811,124	3,591,024

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Taxable valuation	2,074,452	3,709,988	204,886,521	32,202,949	9,811,124	3,591,024
ACEL dollars	\$375,331	\$151,293	\$36,303,843	\$2,383,018	\$726,023	\$78,392

Adjusted combined education levy (ACEL) amounts for each school district are totaled to determine the statewide dollar amount levied which will be considered in property tax relief calculations.

Statewide ACEL is divided into the school district's ACEL to derive a percentage for each school district that is the school district's share of the property tax relief available.

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Taxable valuation	2,074,452	3,709,988	204,886,521	32,202,949	9,811,124	3,591,024
ACEL dollars	\$375,331	\$151,293	\$36,303,843	\$2,383,018	\$726,023	\$78,392
% of statewide ACEL dollars	.258	.104	24.974	1.639	.499	.054

	Emerado	Westhope	Fargo	Dickinson	Grafton	Glenburn
% applied to available funds	\$92,684	\$37,360	\$8,964,809	\$588,458	\$179,283	\$19,358

In this example, there is \$35,897,132 available for property tax relief allocations. For Emerado, the school district percentage of ACEL dollars (0.258%) is multiplied times the total available (\$35,897,132) to determine Emerado's tentative allocation of \$92,684.

	Emerado	Westhope	Fargo	Dickinson	Grafton	Glenburn
% applied to available funds	\$92,684	\$37,360	\$8,964,809	\$588,458	\$179,283	\$19,358
Adjustment factor	1.25	0.75	0.90	1.25	1.25	0.84

To recognize the greater reliance on property taxes in districts with lower than average taxable valuation per student, an adjustment to allocations is made.

Taxable valuation per student for the district (\$12,203 for Emerado) is divided into the statewide average taxable valuation per student (\$16,185) to determine an adjustment factor (1.326 for Emerado). However, the adjustment factor may not be less than .75 or more than 1.25.

The adjustment factor is then multiplied times the tentative allocation of the school district to determine adjusted property tax relief for the school district.

	Emerado	Westhope	Fargo	Dickinson	Grafton	Glenburn
% applied to available funds	\$92,684	\$37,360	\$8,964,809	\$588,458	\$179,283	\$19,358
Adjustment factor	1.25	0.75	0.90	1.25	1.25	0.84
Final adjusted tax relief	\$120,293	\$29,094	\$8,341,907	\$763,757	\$232,690	\$16,850

Because adjustment factors are limited to the range .75 to 1.25, application of the factors makes it almost impossible to allocate 100% of available funds without further adjustment. Therefore, adjusted property tax relief payments must be prorated to allocate the full amount available. The prorated amount is the "Final adjusted tax relief" for the school district.

Final adjusted tax relief divided by taxable valuation of the school district and multiplied by 1000 equals the number of mills of property tax relief for each school district.

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Adjustment factor	1.25	0.75	0.90	1.25	1.25	0.84
Final adjusted tax relief	\$120,293	\$29,094	\$8,341,907	\$763,757	\$232,690	\$16,850
Tax relief in mills	57.99	7.84	40.71	23.72	23.72	4.69

Property tax relief for a parcel of taxable property in a school district can be determined by multiplying the taxable valuation of the parcel (4.5% of true and full value for residential property) times property tax relief in mills divided by 1000. For a \$100,000 true and full value residential property in Emerado, this is \$4500 taxable value times .05799 equals \$260.96 property tax reduction.

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Adjustment factor	1.25	0.75	0.90	1.25	1.25	0.84
Final adjusted tax relief	\$120,293	\$29,094	\$8,341,907	\$763,757	\$232,690	\$16,850
Tax relief in mills	57.99	7.84	40.71	23.72	23.72	4.69
Tax relief for 100,000 T&F residential	\$260.96	\$35.28	\$211.95	\$106.74	\$106.74	\$21.11