

**FIRST ENGROSSMENT**

**ENGROSSED 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 sections 15.1-27-04.1, 15.1-27-04.2, and  
4 57-15-01.1, subsection 1 of section 57-15-14, section 57-15-14.2, and subdivision c of  
5 subsection 1 of section 57-20-07.1 of the North Dakota Century Code, relating to the state  
6 school aid funding formula and school district levy authority; to repeal sections 15.1-27-04.3,  
7 15.1-27-15.1, and 15.1-27-20.2 of the North Dakota Century Code, relating to adjustments to  
8 state aid payments; and to provide an effective date.

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

10 **SECTION 1. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **~~15.1-27-04.1. Baseline funding -- Establishment -- Determination of state aid. (Effective~~**  
13 **~~through June 30, 2025) (Retroactive application -- [See note](#))~~**

- 14 4. ~~To determine the amount of state aid payable to each district, the superintendent of~~  
15 ~~public instruction shall establish each district's baseline funding. A district's baseline~~  
16 ~~funding consists of:~~
- 17 a. ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~  
18 ~~2018-19 school year;~~
  - 19 b. ~~An amount equal to the property tax deducted by the superintendent of public~~  
20 ~~instruction to determine the 2018-19 state aid payment;~~
  - 21 c. ~~An amount equal to seventy-five percent of the revenue received by the school~~  
22 ~~district during the 2017-18 school year for the following revenue types:~~

- 1           (1) Revenue reported under code 2000 of the North Dakota school district  
2           financial accounting and reporting manual, as developed by the  
3           superintendent of public instruction in accordance with section 15.1-02-08;
- 4           (2) Mineral revenue received by the school district through direct allocation from  
5           the state treasurer and not reported under code 2000 of the North Dakota  
6           school district financial accounting and reporting manual, as developed by  
7           the superintendent of public instruction in accordance with section  
8           15.1-02-08;
- 9           (3) Tuition reported under code 1300 of the North Dakota school district  
10          financial accounting and reporting manual, as developed by the  
11          superintendent of public instruction in accordance with section 15.1-02-08,  
12          with the exception of revenue received specifically for the operation of an  
13          educational program provided at a residential treatment facility, tuition  
14          received for the provision of an adult farm management program, and  
15          beginning in the 2021-22 school year, seventeen percent of tuition received  
16          under an agreement to educate students from a school district on an  
17          air force base with funding received through federal impact aid, and an  
18          additional seventeen percent of tuition received under an agreement to  
19          educate students from a school district on an air force base with funding  
20          received through federal impact aid each school year thereafter, until the  
21          2024-25 school year when sixty-eight percent of tuition received under an  
22          agreement to educate students from a school district on an air force base  
23          with funding received through federal impact aid must be excluded from the  
24          tuition calculation under this paragraph;
- 25          (4) Revenue from payments in lieu of taxes on the distribution and transmission  
26          of electric power;
- 27          (5) Revenue from payments in lieu of taxes on electricity generated from  
28          sources other than coal; and
- 29          (6) Revenue from the leasing of land acquired by the United States for which  
30          compensation is allocated to the state under 33 U.S.C. 701(c)(3);

- 1           d. An amount equal to the total revenue received by the school district during the  
2           2017-18 school year for the following revenue types:
- 3           (1) Mobile home tax revenue;
- 4           (2) Telecommunications tax revenue; and
- 5           (3) Revenue from payments in lieu of taxes and state reimbursement of the  
6           homestead credit and disabled veterans credit; and
- 7           e. Beginning with the 2020-21 school year, the superintendent shall reduce the  
8           baseline funding for any school district that becomes an elementary district  
9           pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must  
10          be proportional to the number of weighted student units in the grades that are  
11          offered through another school district relative to the total number of weighted  
12          student units the school district offered in the year before the school district  
13          became an elementary district. The reduced baseline funding applies to the  
14          calculation of state aid for the first school year in which the school district  
15          becomes an elementary district and for each year thereafter. For districts that  
16          become an elementary district prior to the 2020-21 school year, the  
17          superintendent shall use the reduced baseline funding to calculate state aid for  
18          the 2020-21 school year and for each year thereafter.
- 19          2. a. The superintendent shall divide the district's baseline funding determined in  
20          subsection 1 by the district's 2017-18 weighted student units to determine the  
21          district's baseline funding per weighted student unit.
- 22          b. For any school district that becomes an elementary district pursuant to section  
23          15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the  
24          district's baseline funding per weighted student unit used to calculate state aid.  
25          The superintendent shall divide the district's baseline funding determined in  
26          subsection 1 by the district's weighted student units after the school district  
27          becomes an elementary district to determine the district's adjusted baseline  
28          funding per weighted student unit. The superintendent shall use the district's  
29          adjusted baseline funding per weighted student unit in the calculation of state aid  
30          for the first school year in which the school district becomes an elementary  
31          district and for each year thereafter.

- 1 e. ~~Beginning with the 2021-22 school year and for each school year thereafter, the~~  
2 ~~superintendent shall reduce the district's baseline funding per weighted student~~  
3 ~~unit. Each year the superintendent shall calculate the amount by which the~~  
4 ~~district's baseline funding per weighted student unit exceeds the payment per~~  
5 ~~weighted student unit provided in subsection 3. For the 2023-24 school year the~~  
6 ~~superintendent shall reduce the district's baseline funding per weighted student~~  
7 ~~unit by forty percent of the amount by which the district's baseline funding per~~  
8 ~~weighted student unit exceeds the payment per weighted student unit for the~~  
9 ~~2023-24 school year. For each year thereafter, the reduction percentage is~~  
10 ~~increased by an additional fifteen percent. However, the district's baseline funding~~  
11 ~~per weighted student unit, after the reduction, may not be less than the payment~~  
12 ~~per weighted student unit provided in subsection 3.~~
- 13 3. a. ~~For the 2023-24 school year, the superintendent shall calculate state aid as the~~  
14 ~~greater of:~~
- 15 (1) ~~The district's weighted student units multiplied by ten thousand six hundred~~  
16 ~~forty-six dollars;~~
- 17 (2) ~~One hundred two percent of the district's baseline funding per weighted~~  
18 ~~student unit, as established in subsection 2, multiplied by the district's~~  
19 ~~weighted student units, not to exceed the district's 2017-18 baseline~~  
20 ~~weighted student units, plus any weighted student units in excess of the~~  
21 ~~2017-18 baseline weighted student units multiplied by ten thousand~~  
22 ~~six hundred forty-six dollars; or~~
- 23 (3) ~~The district's baseline funding as established in subsection 1 less the~~  
24 ~~amount in paragraph 1, with the difference reduced by forty percent and~~  
25 ~~then the difference added to the amount determined in paragraph 1.~~
- 26 b. ~~For the 2024-25 school year and each school year thereafter, the superintendent~~  
27 ~~shall calculate state aid as the greater of:~~
- 28 (1) ~~The district's weighted student units multiplied by eleven thousand~~  
29 ~~seventy-two dollars;~~
- 30 (2) ~~One hundred two percent of the district's baseline funding per weighted~~  
31 ~~student unit, as established in subsection 2, multiplied by the district's~~

- 1                    weighted student units, not to exceed the district's 2017-18 baseline-  
2                    weighted student units, plus any weighted student units in excess of the  
3                    2017-18 baseline weighted student units multiplied by eleven thousand  
4                    seventy-two dollars; or
- 5                    (3) The district's baseline funding as established in subsection 1 less the  
6                    amount in paragraph 1, with the difference reduced by fifty-five percent for  
7                    the 2024-25 school year and the reduction percentage increasing by fifteen  
8                    percent each school year thereafter until the difference is reduced to zero,  
9                    and then the difference added to the amount determined in paragraph 1.
- 10                  4. After determining the product in accordance with subsection 3, the superintendent of  
11                  public instruction shall:
- 12                  a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
13                  school district, except the amount in dollars subtracted for purposes of this  
14                  subdivision may not exceed the previous year's amount in dollars subtracted for  
15                  purposes of this subdivision by more than twelve percent, adjusted pursuant to  
16                  section 15.1-27-04.3; and
- 17                  b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
18                  subdivisions c and d of subsection 1. Before determining the deduction for  
19                  seventy-five percent of all revenue types, the superintendent of public instruction  
20                  shall adjust revenues as follows:
- 21                  (1) Tuition revenue shall be adjusted as follows:
- 22                        (a) In addition to deducting tuition revenue received specifically for the  
23                        operation of an educational program provided at a residential-  
24                        treatment facility, tuition revenue received for the provision of an adult-  
25                        farm management program, tuition received for the education of  
26                        high-cost and special education students, and tuition received under  
27                        an agreement to educate students from a school district on an  
28                        air force base with funding received through federal impact aid as  
29                        directed each school year in paragraph 3 of subdivision c of  
30                        subsection 1, the superintendent of public instruction also shall reduce  
31                        the total tuition reported by the school district by the amount of tuition

1 revenue received for the education of students not residing in the  
2 state and for which the state has not entered a cross-border education  
3 contract; and

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

9 (2) After adjusting tuition revenue as provided in paragraph 1, the  
10 superintendent shall reduce all remaining revenues from all revenue types  
11 by the percentage of mills levied in 2022 by the school district for sinking  
12 and interest relative to the total mills levied in 2022 by the school district for  
13 all purposes.

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

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

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

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

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

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

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

- 1           1. To determine the amount of state aid payable to each district, the superintendent of  
2           public instruction shall establish each district's baseline funding. A district's baseline  
3           funding consists of:
- 4           a. All state aid received by the district in accordance with chapter 15.1-27 during the  
5           2018-19 school year;
- 6           b. An amount equal to the property tax deducted by the superintendent of public  
7           instruction to determine the 2018-19 state aid payment;
- 8           c. An amount equal to seventy-five percent of the revenue received by the school  
9           district during the 2017-18 school year for the following revenue types:
- 10          (1) Revenue reported under code 2000 of the North Dakota school district  
11          financial accounting and reporting manual, as developed by the  
12          superintendent of public instruction in accordance with section 15.1-02-08;
- 13          (2) Mineral revenue received by the school district through direct allocation from  
14          the state treasurer and not reported under code 2000 of the North Dakota  
15          school district financial accounting and reporting manual, as developed by  
16          the superintendent of public instruction in accordance with section  
17          15.1-02-08;
- 18          (3) Tuition reported under code 1300 of the North Dakota school district  
19          financial accounting and reporting manual, as developed by the  
20          superintendent of public instruction in accordance with section 15.1-02-08,  
21          with the exception of revenue received specifically for the operation of an  
22          educational program provided at a residential treatment facility, tuition  
23          received for the provision of an adult farm management program, and  
24          beginning in the 2025-26 school year, eighty-five percent of tuition received  
25          under an agreement to educate students from a school district on an  
26          air force base with funding received through federal impact aid, until the  
27          2026-27 school year, and each school year thereafter, when all tuition  
28          received under an agreement to educate students from a school district on  
29          an air force base with funding received through federal impact aid must be  
30          excluded from the tuition calculation under this paragraph;

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



1 subsection 1 by the district's weighted student units after the school district  
2 becomes an elementary district to determine the district's adjusted baseline  
3 funding per weighted student unit. The superintendent shall use the district's  
4 adjusted baseline funding per weighted student unit in the calculation of state aid  
5 for the first school year in which the school district becomes an elementary  
6 district and for each year thereafter.

7 c. Beginning with the 2021-22 school year and for each school year thereafter, the  
8 superintendent shall reduce the district's baseline funding per weighted student  
9 unit. Each year the superintendent shall calculate the amount by which the  
10 district's baseline funding per weighted student unit exceeds the payment per  
11 weighted student unit provided in subsection 3. For the 2023-24 school year the  
12 superintendent shall reduce the district's baseline funding per weighted student  
13 unit by forty percent of the amount by which the district's baseline funding per  
14 weighted student unit exceeds the payment per weighted student unit for the  
15 2023-24 school year. For each year thereafter, the reduction percentage is  
16 increased by an additional fifteen percent. However, the district's baseline funding  
17 per weighted student unit, after the reduction, may not be less than the payment  
18 per weighted student unit provided in subsection 3.

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

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

23 (2) One hundred two percent of the district's baseline funding per weighted  
24 student unit, as established in subsection 2, multiplied by the district's  
25 weighted student units, not to exceed the district's 2017-18 baseline  
26 weighted student units, plus any weighted student units in excess of the  
27 2017-18 baseline weighted student units multiplied by ten thousand  
28 six hundred forty-six dollars; or

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

- 1           b. For the 2024-25 school year and each school year thereafter, the superintendent  
2           shall calculate state aid as the greater of:
- 3           (1) The district's weighted student units multiplied by eleven thousand  
4           seventy-two dollars;
- 5           (2) One hundred two percent of the district's baseline funding per weighted  
6           student unit, as established in subsection 2, multiplied by the district's  
7           weighted student units, not to exceed the district's 2017-18 baseline  
8           weighted student units, plus any weighted student units in excess of the  
9           2017-18 baseline weighted student units multiplied by eleven thousand  
10          seventy-two dollars; or
- 11          (3) The district's baseline funding as established in subsection 1 less the  
12          amount in paragraph 1, with the difference reduced by fifty-five percent for  
13          the 2024-25 school year and the reduction percentage increasing by fifteen  
14          percent each school year thereafter until the difference is reduced to zero,  
15          and then the difference added to the amount determined in paragraph 1.
- 16          4. After determining the product in accordance with subsection 3, the superintendent of  
17          public instruction shall:
- 18               a. Subtract an amount equal to ~~sixty~~fifty mills multiplied by the taxable valuation of  
19               the school district; and
- 20               b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
21               subdivisions c and d of subsection 1. Before determining the deduction for  
22               seventy-five percent of all revenue types, the superintendent of public instruction  
23               shall adjust revenues as follows:
- 24                   (1) Tuition revenue shall be adjusted as follows:
- 25                           (a) In addition to deducting tuition revenue received specifically for the  
26                           operation of an educational program provided at a residential  
27                           treatment facility, tuition revenue received for the provision of an adult  
28                           farm management program, tuition received for the education of  
29                           high-cost and special education students, and tuition received under  
30                           an agreement to educate students from a school district on an  
31                           air force base with funding received through federal impact aid as

1 directed each school year in paragraph 3 of subdivision c of  
2 subsection 1, the superintendent of public instruction also shall reduce  
3 the total tuition reported by the school district by the amount of tuition  
4 revenue received for the education of students not residing in the  
5 state and for which the state has not entered a cross-border education  
6 contract; and

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

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

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

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

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

26 a. The amount of revenue received by each school district in the county during the  
27 previous school year for each type of revenue identified in subdivisions c and d of  
28 subsection 1;

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

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

3           **SECTION 2. AMENDMENT.** Section 15.1-27-04.2 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **15.1-27-04.2. State aid - Minimum local effort - Determination.**

6           If a district's taxable valuation per student is less than twenty percent of the state average  
7 valuation per student, the superintendent of public instruction, for purposes of determining state  
8 aid in accordance with subsection 4 of section 15.1-27-04.1, shall ~~utilize~~use an amount equal to  
9 ~~sixty~~fifty mills times twenty percent of the state average valuation per student multiplied by the  
10 number of weighted student units in the district.

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

13          **57-15-01.1. Protection of taxpayers and taxing districts.**

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

- 16          1. No taxing district may levy more taxes expressed in dollars than the amounts allowed  
17             by this section.
- 18          2. For purposes of this section:
- 19             a. "Base year" means the taxing district's taxable year with the highest amount  
20                levied in dollars in property taxes of the three taxable years immediately  
21                preceding the budget year;;
- 22             b. "Budget year" means the taxing district's year for which the levy is being  
23                determined under this section;;
- 24             c. "Calculated mill rate" means the mill rate that results from dividing the base year  
25                taxes levied by the sum of the taxable value of the taxable property in the base  
26                year plus the taxable value of the property exempt by local discretion or  
27                charitable status, calculated in the same manner as the taxable property;~~and~~;
- 28             d. "Property exempt by local discretion or charitable status" means property  
29                exempted from taxation as new or expanding businesses under chapter 40-57.1;  
30                improvements to property under chapter 57-02.2; or buildings belonging to  
31                institutions of public charity, new single-family residential or townhouse or

1 condominium property, property used for early childhood services, or pollution  
2 abatement improvements under section 57-02-08.

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

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

9 a. Reduced by an amount equal to the sum determined by application of the base  
10 year's calculated mill rate for that taxing district to the final base year taxable  
11 valuation of any taxable property and property exempt by local discretion or  
12 charitable status which is not included in the taxing district for the budget year but  
13 was included in the taxing district for the base year.

14 b. Increased by an amount equal to the sum determined by the application of the  
15 base year's calculated mill rate for that taxing district to the final budget year  
16 taxable valuation of any taxable property or property exempt by local discretion or  
17 charitable status which was not included in the taxing district for the base year  
18 but which is included in the taxing district for the budget year.

19 c. Reduced to reflect expired temporary mill levy increases authorized by the  
20 electors of the taxing district. ~~For purposes of this subdivision, an expired~~  
21 ~~temporary mill levy increase does not include a school district general fund mill~~  
22 ~~rate exceeding one hundred ten mills which has expired or has not received~~  
23 ~~approval of electors for an extension under subsection 2 of section 57-64-03.~~

24 d. ~~Reduced by the amount of state aid under chapter 15.1-27, which is determined~~  
25 ~~by multiplying the budget year taxable valuation of the school district by the~~  
26 ~~lesser of the base year mill rate of the school district minus sixty mills or fifty~~  
27 ~~mills, if the base year is a taxable year before 2013.~~

28 4. In addition to any other levy limitation factor under this section, a taxing district may  
29 increase its levy in dollars to reflect new or increased mill levies authorized by the  
30 legislative assembly or authorized by the electors of the taxing district.

- 1           5. Under this section a taxing district may supersede any applicable mill levy limitations  
2           otherwise provided by law, or a taxing district may levy up to the mill levy limitations  
3           otherwise provided by law without reference to this section, but the provisions of this  
4           section do not apply to the following:
- 5           a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of  
6           article X of the Constitution of North Dakota.
- 7           b. The one-mill levy for the state medical center authorized by section 10 of article X  
8           of the Constitution of North Dakota.
- 9           6. ~~A school district choosing to determine its levy authority under this section may apply~~  
10          ~~subsection 3 only to the amount in dollars levied for general fund purposes under~~  
11          ~~section 57-15-14 or, if the levy in the base year included separate general fund and~~  
12          ~~special fund levies under sections 57-15-14 and 57-15-14.2, the school district may~~  
13          ~~apply subsection 3 to the total amount levied in dollars in the base year for both the~~  
14          ~~general fund and special fund accounts. School district levies under any section other~~  
15          ~~than section 57-15-14 may be made within applicable limitations but those levies are~~  
16          ~~not subject to subsection 3.~~
- 17          7. Optional levies under this section may be used by any city or county that has adopted  
18          a home rule charter unless the provisions of the charter supersede state laws related  
19          to property tax levy limitations.

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

- 22          1. Unless authorized by the electors of the school district in accordance with this section,  
23          a school district may not impose greater levies than those permitted under section  
24          57-15-14.2.
- 25          a. In any school district having a total population in excess of four thousand  
26          according to the last federal decennial census there may be levied any specific  
27          number of mills that upon resolution of the school board has been submitted to  
28          and approved by a majority of the qualified electors voting upon the question at  
29          any regular or special school district election.
- 30          b. In any school district having a total population of fewer than four thousand, there  
31          may be levied any specific number of mills that upon resolution of the school

- 1 board has been approved by fifty-five percent of the qualified electors voting  
2 upon the question at any regular or special school election.
- 3 c. After June 30, 2009, in any school district election for approval by electors of  
4 increased levy authority under subsection 1 or 2, the ballot must specify the  
5 number of mills proposed for approval, and the number of taxable years for which  
6 that approval is to apply. After June 30, 2009, approval by electors of increased  
7 levy authority under subsection 1 or 2 may not be effective for more than ten  
8 taxable years.
- 9 d. The authority for a levy of up to a specific number of mills under this section  
10 approved by electors of a school district before July 1, 2009, is terminated  
11 effective for taxable years after 2015. If the electors of a school district subject to  
12 this subsection have not approved a levy for taxable years after 2015 of up to a  
13 specific number of mills under this section by December 31, 2015, the school  
14 district levy limitation for subsequent years is subject to the limitations under  
15 ~~section 57-15-01.1~~ or this section.
- 16 e. For taxable years beginning after 2012:
- 17 (1) The authority for a levy of up to a specific number of mills, approved by  
18 electors of a school district for any period of time that includes a taxable  
19 year before 2009, must be reduced by one hundred fifteen mills as a  
20 precondition of receiving state aid in accordance with chapter 15.1-27.
- 21 (2) The authority for a levy of up to a specific number of mills, approved by  
22 electors of a school district for any period of time that does not include a  
23 taxable year before 2009, must be reduced by forty mills as a precondition  
24 of receiving state aid in accordance with chapter 15.1-27.
- 25 (3) The authority for a levy of up to a specific number of mills, placed on the  
26 ballot in a school district election for electoral approval of increased levy  
27 authority under subdivision a or b, after June 30, ~~2013~~2025, must be stated  
28 as a specific number of mills of general fund levy authority and must include  
29 a statement that the statutory school district general fund levy limitation is  
30 ~~seventy~~sixty mills on the dollar of the taxable valuation of the school district.

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

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

9 **57-15-14.2. School district levies.**

- 10 1. The board of a school district may levy a tax not exceeding the amount in dollars that  
11 ~~the school district levied for the prior year, plus twelve percent, up to~~ would be  
12 generated by a levy of seventyfifty mills on the taxable valuation of the district, for any  
13 purpose related to the provision of educational services the school district's local  
14 contribution to the costs of education. The proceeds of this levy must be deposited into  
15 the school district's general fund and may be ~~used in accordance with this~~  
16 ~~subsection~~ for any purposes related to the provision of educational services. The  
17 proceeds may not be transferred into any other fund.
- 18 2. The board of a school district may levy no more than ten mills on the taxable valuation  
19 of the district, for any purpose related to the provision of educational services. The  
20 proceeds of this levy must be deposited into the school district's general fund and  
21 used in accordance with this subsection. The proceeds may not be transferred into  
22 any other fund.
- 23 3. The board of a school district may levy no more than twelve mills on the taxable  
24 valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
25 this levy must be deposited into a special fund known as the miscellaneous fund and  
26 used in accordance with this subsection. The proceeds may not be transferred into  
27 any other fund.
- 28 ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable  
29 valuation of the district for deposit into a special reserve fund, in accordance with  
30 chapter 57-19.



1     ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary,  
2           on the taxable valuation of the district, for the payment of tuition, in accordance with  
3           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
4           known as the tuition fund and used in accordance with this subsection. The proceeds  
5           may not be transferred into any other fund.

6     ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation  
7           of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
8           safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
9           deposited into a special fund known as the school safety plan fund and used in  
10          accordance with this subsection.

11    ~~6.7.~~ Nothing in this section limits the board of a school district from levying:  
12          a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
13          b. Mills necessary to pay principal and interest on the bonded debt of the district,  
14             including the mills necessary to pay principal and interest on any bonded debt  
15             incurred under section 57-15-17.1 before July 1, 2013.

16          **SECTION 6.** A new section to chapter 57-15 of the North Dakota Century Code is created  
17    and enacted as follows:

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

19          1. a. Notwithstanding that a taxing district may have unused or excess levy authority  
20             under any other provision of law, this section supersedes and limits that authority.  
21             This section may not be interpreted as authority to increase any property tax levy  
22             authority otherwise provided by law and must be applied to limit any property tax  
23             levy authority to which a taxing district may otherwise be entitled. Property taxes  
24             levied in dollars by a taxing district may not exceed the amount the taxing district  
25             levied in dollars in the preceding taxable year by more than three percent,  
26             except:  
27             (1) When property and improvements to property which were not taxable in the  
28                preceding taxable year are taxable in the current year, the amount levied in  
29                dollars in the preceding taxable year by the taxing district must be increased  
30                for purposes of this section to reflect the taxes that would have been

1 imposed against the additional taxable valuation attributable to that property  
2 at the mill rate applied to all property in the preceding taxable year.

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

10 (3) When property that was taxable in the preceding taxable year is not taxable  
11 for the current taxable year, the amount levied in dollars in the preceding  
12 taxable year by the taxing district must be reduced for purposes of this  
13 section by the amount of taxes that were imposed against the taxable  
14 valuation of that property in the preceding taxable year.

15 (4) When a temporary mill levy increase, excluding an increase under this  
16 section, authorized by the electors of the taxing district or mill levy  
17 imposition authority under state law existed in the previous taxable year but  
18 is no longer applicable or has been reduced, the amount levied in dollars in  
19 the previous taxable year by the taxing district must be adjusted to reflect  
20 the expired temporary mill levy increase and the eliminated or reduced mill  
21 levy under state law before the percentage increase allowable under this  
22 subsection is applied.

23 b. If the actual percentage increase in property taxes levied in dollars by a taxing  
24 district compared to the property taxes levied in the preceding taxable year is  
25 less than the percentage increase limitation under subdivision a, the taxing  
26 district may carry forward the excess percentage increase to the succeeding  
27 taxable year. A taxing district may not carry forward any amount of unused  
28 excess percentage increase beyond the taxable year succeeding the taxable  
29 year during which the excess percentage increase accumulated.

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

- 1           a. New or increased property tax levy authority that was not available to the taxing  
2           district in the preceding taxable year, including property tax levy authority  
3           provided by state law or approved by the electors of the taxing district.
- 4           b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of  
5           article X of the Constitution of North Dakota. Any tax levied for this purpose must  
6           be excluded from the mill rate applied under paragraphs 1 through 3 of  
7           subdivision a of subsection 1.
- 8           c. The one-mill levy for the state medical center authorized by section 10 of article X  
9           of the Constitution of North Dakota. Any tax levied for this purpose must be  
10           excluded from the mill rate applied under paragraphs 1 through 3 of subdivision a  
11           of subsection 1.
- 12           d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
13           authorized by section 57-15-26.8.
- 14           e. Taxes or special assessments levied to pay the principal and interest on any  
15           obligations of any political subdivision, including taxes levied for deficiencies in  
16           special assessment and improvement district funds and revenue bond and  
17           reserve funds.
- 18           f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
19           a special improvement project by general taxation.
- 20           g. Taxes levied under sections 40-24-10, 40-43-01, and 57-15-41, and chapter  
21           61-16.1.
- 22           3. A levy exceeding the percentage increase limitation under subsection 1 may be  
23           imposed upon approval of a ballot measure, stating the percentage of the proposed  
24           property tax levy increase percentage compared to the percentage limitation under  
25           subsection 1, by at least sixty percent of the qualified electors of the taxing district  
26           voting on the question at a regular or special election of the taxing district. A levy  
27           exceeding the percentage increase limitation under subsection 1 may be approved by  
28           electors for not more than five taxable years at a time.
- 29           4. A city or county may not supersede or modify the application of the provisions of this  
30           section under home rule authority.
- 31           5. For purposes of this section:

- 1           a. "Excess percentage increase" means the difference between the percentage  
2           increase limitation under subdivision a of subsection 1 for a taxable year and the  
3           actual percentage increase in property taxes levied in dollars by a taxing district  
4           in the taxable year compared to the preceding taxable year.  
5           b. "Taxing district" means any political subdivision, other than a school district,  
6           empowered to levy taxes.

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

- 9           c. Provide information identifying the property tax savings provided by the state of  
10           North Dakota. The tax statement must include a line item that is entitled  
11           "legislative tax relief" and identifies the dollar amount of property tax savings  
12           realized by the taxpayer under chapter 50-34 for taxable years before 2019,  
13           chapter 50-35 for taxable years after 2018, and chapter 15.1-27.
- 14           (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27  
15           is determined by multiplying the taxable value for the taxable year for each  
16           parcel shown on the tax statement by ~~the number of mills of mill levy~~  
17           ~~reduction grant under chapter 57-64 for the 2012 taxable year plus the~~  
18           ~~number of mills determined by subtracting from the 2012 taxable year mill~~  
19           ~~rate of the school district in which the parcel is located the lesser of one~~  
20           hundred thirty-five mills or the sum of:  
21           (a) ~~Fifty~~The number of mills of mill levy reduction grant under chapter  
22           57-64 for the 2012 taxable year; or  
23           (b) ~~The 2012 taxable year mill rate of the school district minus, excluding~~  
24           ~~sixtyfifty~~ mills.
- 25           (2) Legislative tax relief under chapter 50-35 is determined by multiplying the  
26           taxable value for the taxable year for each parcel shown on the tax  
27           statement by the number of mills of relief determined by dividing the amount  
28           calculated in subsection 1 of section 50-35-03 for a human service zone by  
29           the taxable value of taxable property in the zone for the taxable year.

30           **SECTION 8. REPEAL.** Sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2 of the North  
31 Dakota Century Code are repealed.

1        **SECTION 9. EFFECTIVE DATE.** Sections 3, 4, 5, and 6 of this Act are effective for taxable  
2 years beginning after December 31, 2024.