

Sixty-ninth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2279

Introduced by

Senators Schaible, Klein, Wanzek

Representatives Kempenich, Weisz

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-27-04.2, and 57-15-01.1,
2 subsection 1 of section 57-15-14, section 57-15-14.2, and subdivision c of subsection 1 of
3 section 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid
4 payments, state aid minimum local effort, the protection of taxpayers and taxing districts, voter
5 approval of excess levies in school districts, school district levies, and information displayed on
6 property tax statements; to repeal sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2 of the
7 North Dakota Century Code, relating to adjustments to state aid payments, isolated school
8 district transition payments, and taxable valuation impact on state aid; and to provide an
9 effective date.

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

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

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

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

- (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
- (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
- (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the 2024-25 school year when sixty-eight percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
- (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
- (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
- (6) Revenue from the leasing of land acquired by the United States for which 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~~

weighted student units, not to exceed the district's 2017-18 baseline

weighted student units, plus any weighted student units in excess of the

2017-18 baseline weighted student units multiplied by eleven thousand

seventy-two dollars; or

(3) The district's baseline funding as established in subsection 1 less the

amount in paragraph 1, with the difference reduced by fifty-five percent for

the 2024-25 school year and the reduction percentage increasing by fifteen

percent each school year thereafter until the difference is reduced to zero,

and then the difference added to the amount determined in paragraph 1.

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

a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and

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

(1) Tuition revenue shall be adjusted as follows:

(a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce 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 c 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

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

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

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

- (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
- (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
- (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by forty percent and then the difference added to the amount determined in paragraph 1.

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

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

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

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

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

a. Subtract an amount equal to ~~sixty~~forty-five mills multiplied by the taxable valuation of the school district; and

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

(1) Tuition revenue shall be adjusted as follows:

(a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under an agreement to educate students from a school district on an 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-fourty-five~~ mills times twenty percent of the state average valuation per student multiplied by
10 the 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

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

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

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

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

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

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

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

4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the 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 irrepealable 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

board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

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

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

e. For taxable years beginning after 2012:

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

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

(3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, ~~2013~~2024, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is ~~seventy~~fifty-five 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 seventyfourty-five mills on the taxable valuation of the district, for~~
13 ~~any 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. AMENDMENT.** Subdivision c of subsection 1 of section 57-20-07.1 of the
17 North Dakota Century Code is amended and reenacted as follows:

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

- 23 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27
24 is determined by multiplying the taxable value for the taxable year for each
25 parcel shown on the tax statement by ~~the number of mills of mill levy-~~
26 ~~reduction grant under chapter 57-64 for the 2012 taxable year plus the~~
27 ~~number of mills determined by subtracting from the 2012 taxable year mill-~~
28 ~~rate of the school district in which the parcel is located the lesser of one~~
29 ~~hundred forty mills or the sum of:~~

- 30 (a) Fifty~~The number of~~ mills of mill levy reduction grant under chapter
31 57-64 for the 2012 taxable year; or and

1 (b) The 2012 taxable year mill rate of the school district ~~minus, excluding~~
2 ~~sixty~~forty-five mills.

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

8 **SECTION 7. REPEAL.** Sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2 of the North
9 Dakota Century Code are repealed.

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