

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2363

Introduced by

Senators Erbele, Klein, Myrdal

Representatives D. Anderson, Beltz, Nelson

1 A BILL for an Act to amend and reenact subsection 3 of section 15.1-27-02, sections
2 15.1-27-04.1, 15.1-27-04.2, and 57-15-01.1, paragraph 3 of subdivision e of subsection 1 of
3 section 57-15-14, section 57-15-14.2, and subdivision c of subsection 1 of section 57-20-07.1 of
4 the North Dakota Century Code, relating to the determination of state aid payments, state aid
5 minimum local effort, the protection of taxpayers and taxing districts, voter approval of excess
6 levies in school districts, school district levies, and contents of the property tax statement; and
7 to provide an effective date.

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

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

11 3. On or before December fifteenth, each school district shall file with the superintendent
12 of public instruction the taxable valuation and mill levy certifications, which must be
13 separated by property classification. If a district fails to file the taxable valuation and
14 mill levy certifications by the required date, the superintendent of public instruction
15 may not forward to the district any state aid payments to which the district is entitled,
16 until the taxable valuation and mill levy certifications are filed.

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

1 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective-**
2 **through June 30, 2025) (Retroactive application -- [See note](#))**

3 4. ~~To determine the amount of state aid payable to each district, the superintendent of~~
4 ~~public instruction shall establish each district's baseline funding. A district's baseline~~
5 ~~funding consists of:~~

6 a. ~~All state aid received by the district in accordance with chapter 15.1-27 during the~~
7 ~~2018-19 school year;~~

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

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

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

15 (2) ~~Mineral revenue received by the school district through direct allocation from~~
16 ~~the state treasurer and not reported under code 2000 of the North Dakota~~
17 ~~school district financial accounting and reporting manual, as developed by~~
18 ~~the superintendent of public instruction in accordance with section~~
19 ~~15.1-02-08;~~

20 (3) ~~Tuition reported under code 1300 of the North Dakota school district~~
21 ~~financial accounting and reporting manual, as developed by the~~
22 ~~superintendent of public instruction in accordance with section 15.1-02-08,~~
23 ~~with the exception of revenue received specifically for the operation of an~~
24 ~~educational program provided at a residential treatment facility, tuition~~
25 ~~received for the provision of an adult farm management program, and~~
26 ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~
27 ~~under an agreement to educate students from a school district on an~~
28 ~~air force base with funding received through federal impact aid, and an~~
29 ~~additional seventeen percent of tuition received under an agreement to~~
30 ~~educate students from a school district on an air force base with funding~~
31 ~~received through federal impact aid each school year thereafter, until the~~

1 2024-25 school year when sixty-eight percent of tuition received under an
2 agreement to educate students from a school district on an air force base
3 with funding received through federal impact aid must be excluded from the
4 tuition calculation under this paragraph;

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

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

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

11 d. An amount equal to the total revenue received by the school district during the
12 2017-18 school year for the following revenue types:

13 (1) Mobile home tax revenue;

14 (2) Telecommunications tax revenue; and

15 (3) Revenue from payments in lieu of taxes and state reimbursement of the
16 homestead credit and disabled veterans credit; and

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

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

- 1 b. For any school district that becomes an elementary district pursuant to section
2 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
3 district's baseline funding per weighted student unit used to calculate state aid.
4 The superintendent shall divide the district's baseline funding determined in
5 subsection 1 by the district's weighted student units after the school district
6 becomes an elementary district to determine the district's adjusted baseline
7 funding per weighted student unit. The superintendent shall use the district's
8 adjusted baseline funding per weighted student unit in the calculation of state aid
9 for the first school year in which the school district becomes an elementary
10 district and for each year thereafter.
- 11 e. Beginning with the 2021-22 school year and for each school year thereafter, the
12 superintendent shall reduce the district's baseline funding per weighted student
13 unit. Each year the superintendent shall calculate the amount by which the
14 district's baseline funding per weighted student unit exceeds the payment per
15 weighted student unit provided in subsection 3. For the 2023-24 school year the
16 superintendent shall reduce the district's baseline funding per weighted student
17 unit by forty percent of the amount by which the district's baseline funding per
18 weighted student unit exceeds the payment per weighted student unit for the
19 2023-24 school year. For each year thereafter, the reduction percentage is
20 increased by an additional fifteen percent. However, the district's baseline funding
21 per weighted student unit, after the reduction, may not be less than the payment
22 per weighted student unit provided in subsection 3.
- 23 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the
24 greater of:
- 25 (1) The district's weighted student units multiplied by ten thousand six hundred
26 forty-six dollars;
- 27 (2) One hundred two percent of the district's baseline funding per weighted
28 student unit, as established in subsection 2, multiplied by the district's
29 weighted student units, not to exceed the district's 2017-18 baseline
30 weighted student units, plus any weighted student units in excess of the

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

- 1 (1) Tuition revenue shall be adjusted as follows:
- 2 (a) In addition to deducting tuition revenue received specifically for the
- 3 operation of an educational program provided at a residential
- 4 treatment facility, tuition revenue received for the provision of an adult
- 5 farm management program, tuition received for the education of
- 6 high-cost and special education students, and tuition received under
- 7 an agreement to educate students from a school district on an
- 8 air force base with funding received through federal impact aid as
- 9 directed each school year in paragraph 3 of subdivision c of
- 10 subsection 1, the superintendent of public instruction also shall reduce
- 11 the total tuition reported by the school district by the amount of tuition
- 12 revenue received for the education of students not residing in the
- 13 state and for which the state has not entered a cross-border education
- 14 contract; and
- 15 (b) The superintendent of public instruction also shall reduce the total
- 16 tuition reported by admitting school districts meeting the requirements
- 17 of subdivision c of subsection 2 of section 15.1-29-12 by the amount
- 18 of tuition revenue received for the education of students residing in an
- 19 adjacent school district.
- 20 (2) After adjusting tuition revenue as provided in paragraph 1, the
- 21 superintendent shall reduce all remaining revenues from all revenue types
- 22 by the percentage of mills levied in 2022 by the school district for sinking
- 23 and interest relative to the total mills levied in 2022 by the school district for
- 24 all purposes.
- 25 5. The amount remaining after the computation required under subsection 4 is the
- 26 amount of state aid to which a school district is entitled, subject to any other statutory
- 27 requirements or limitations.
- 28 6. On or before June thirtieth of each year, the school board shall certify to the
- 29 superintendent of public instruction the final average daily membership for the current
- 30 school year.

- 1 7. ~~For purposes of the calculation in subsection 4, each county auditor, in collaboration-~~
2 ~~with the school districts, shall report the following to the superintendent of public-~~
3 ~~instruction on an annual basis:~~
- 4 a. ~~The amount of revenue received by each school district in the county during the-~~
5 ~~previous school year for each type of revenue identified in subdivisions c and d of~~
6 ~~subsection 4;~~
- 7 b. ~~The total number of mills levied in the previous calendar year by each school-~~
8 ~~district for all purposes; and~~
- 9 c. ~~The number of mills levied in the previous calendar year by each school district-~~
10 ~~for sinking and interest fund purposes.~~

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

- 13 1. To determine the amount of state aid payable to each district, the superintendent of
14 public instruction shall establish each district's baseline funding. A district's baseline
15 funding consists of:
- 16 a. All state aid received by the district in accordance with chapter 15.1-27 during the
17 2018-19 school year;
- 18 b. An amount equal to the property tax deducted by the superintendent of public
19 instruction to determine the 2018-19 state aid payment;
- 20 c. An amount equal to seventy-five percent of the revenue received by the school
21 district during the 2017-18 school year for the following revenue types:
- 22 (1) Revenue reported under code 2000 of the North Dakota school district
23 financial accounting and reporting manual, as developed by the
24 superintendent of public instruction in accordance with section 15.1-02-08;
- 25 (2) Mineral revenue received by the school district through direct allocation from
26 the state treasurer and not reported under code 2000 of the North Dakota
27 school district financial accounting and reporting manual, as developed by
28 the superintendent of public instruction in accordance with section
29 15.1-02-08;
- 30 (3) Tuition reported under code 1300 of the North Dakota school district
31 financial accounting and reporting manual, as developed by the

- 1 superintendent of public instruction in accordance with section 15.1-02-08,
2 with the exception of revenue received specifically for the operation of an
3 educational program provided at a residential treatment facility, tuition
4 received for the provision of an adult farm management program, and
5 beginning in the 2025-26 school year, eighty-five percent of tuition received
6 under an agreement to educate students from a school district on an
7 air force base with funding received through federal impact aid, until the
8 2026-27 school year, and each school year thereafter, when all tuition
9 received under an agreement to educate students from a school district on
10 an air force base with funding received through federal impact aid must be
11 excluded from the tuition calculation under this paragraph;
- 12 (4) Revenue from payments in lieu of taxes on the distribution and transmission
13 of electric power;
- 14 (5) Revenue from payments in lieu of taxes on electricity generated from
15 sources other than coal; and
- 16 (6) Revenue from the leasing of land acquired by the United States for which
17 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and
- 18 d. An amount equal to the total revenue received by the school district during the
19 2017-18 school year for the following revenue types:
- 20 (1) Mobile home tax revenue;
- 21 (2) Telecommunications tax revenue; and
- 22 (3) Revenue from payments in lieu of taxes and state reimbursement of the
23 homestead credit and disabled veterans credit.
- 24 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
25 baseline funding for any school district that becomes an elementary district
26 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
27 be proportional to the number of weighted student units in the grades that are
28 offered through another school district relative to the total number of weighted
29 student units the school district offered in the year before the school district
30 became an elementary district. The reduced baseline funding applies to the
31 calculation of state aid for the first school year in which the school district

1 becomes an elementary district and for each year thereafter. For districts that
2 become an elementary district prior to the 2020-21 school year, the
3 superintendent shall use the reduced baseline funding to calculate state aid for
4 the 2020-21 school year and for each year thereafter.

- 5 2. a. The superintendent shall divide the district's baseline funding determined in
6 subsection 1 by the district's 2017-18 weighted student units to determine the
7 district's baseline funding per weighted student unit.
- 8 b. For any school district that becomes an elementary district pursuant to section
9 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
10 district's baseline funding per weighted student unit used to calculate state aid.
11 The superintendent shall divide the district's baseline funding determined in
12 subsection 1 by the district's weighted student units after the school district
13 becomes an elementary district to determine the district's adjusted baseline
14 funding per weighted student unit. The superintendent shall use the district's
15 adjusted baseline funding per weighted student unit in the calculation of state aid
16 for the first school year in which the school district becomes an elementary
17 district and for each year thereafter.
- 18 c. Beginning with the 2021-22 school year and for each school year thereafter, the
19 superintendent shall reduce the district's baseline funding per weighted student
20 unit. Each year the superintendent shall calculate the amount by which the
21 district's baseline funding per weighted student unit exceeds the payment per
22 weighted student unit provided in subsection 3. For the 2023-24 school year the
23 superintendent shall reduce the district's baseline funding per weighted student
24 unit by forty percent of the amount by which the district's baseline funding per
25 weighted student unit exceeds the payment per weighted student unit for the
26 2023-24 school year. For each year thereafter, the reduction percentage is
27 increased by an additional fifteen percent. However, the district's baseline funding
28 per weighted student unit, after the reduction, may not be less than the payment
29 per weighted student unit provided in subsection 3.
- 30 3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the
31 greater of:

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

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

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

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

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

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

26 (2) After adjusting tuition revenue as provided in paragraph 1, the
27 superintendent shall reduce all remaining revenues from all revenue types
28 by the percentage of mills levied in 20222024 by the school district for
29 sinking and interest relative to the total mills levied in 20222024 by the
30 school district for all purposes.

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

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

19 **15.1-27-04.2. State aid - Minimum local effort - Determination.**

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

- 24 1. Thirty mills times twenty percent of the state average valuation of agricultural property
25 per student multiplied by the number of weighted student units in the district; and
- 26 2. Sixty mills times twenty percent of the state average valuation of residential,
27 commercial, and centrally assessed property per student multiplied by the number of
28 weighted student units in the district.

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

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

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

- 4 1. No taxing district may levy more taxes expressed in dollars than the amounts allowed
5 by this section.
- 6 2. For purposes of this section:
 - 7 a. "Base year" means the taxing district's taxable year with the highest amount
8 levied in dollars in property taxes of the three taxable years immediately
9 preceding the budget year;
 - 10 b. "Budget year" means the taxing district's year for which the levy is being
11 determined under this section;
 - 12 c. "Calculated mill rate" means the mill rate that results from dividing the base year
13 taxes levied by the sum of the taxable value of the taxable property in the base
14 year plus the taxable value of the property exempt by local discretion or
15 charitable status, calculated in the same manner as the taxable property; and
 - 16 d. "Property exempt by local discretion or charitable status" means property
17 exempted from taxation as new or expanding businesses under chapter 40-57.1;
18 improvements to property under chapter 57-02.2; or buildings belonging to
19 institutions of public charity, new single-family residential or townhouse or
20 condominium property, property used for early childhood services, or pollution
21 abatement improvements under section 57-02-08.
- 22 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
23 levy under this section must be specifically approved by a resolution approved by the
24 governing body of the taxing district. Before determining the levy limitation under this
25 section, the dollar amount levied in the base year must be:
 - 26 a. Reduced by an amount equal to the sum determined by application of the base
27 year's calculated mill rate for that taxing district to the final base year taxable
28 valuation of any taxable property and property exempt by local discretion or
29 charitable status which is not included in the taxing district for the budget year but
30 was included in the taxing district for the base year.

- 1 b. Increased by an amount equal to the sum determined by the application of the
2 base year's calculated mill rate for that taxing district to the final budget year
3 taxable valuation of any taxable property or property exempt by local discretion or
4 charitable status which was not included in the taxing district for the base year
5 but which is included in the taxing district for the budget year.
- 6 c. Reduced to reflect expired temporary mill levy increases authorized by the
7 electors of the taxing district. For purposes of this subdivision, an expired
8 temporary mill levy increase does not include a school district general fund mill
9 rate exceeding one hundred ten mills which has expired or has not received
10 approval of electors for an extension under subsection 2 of section 57-64-03.
- 11 d. Reduced by the amount of state aid under chapter 15.1-27, which is determined
12 by multiplying the budget year taxable valuation of the school district by the
13 lesser of the base year mill rate of the school district minus sixty mills for
14 residential, commercial, and centrally assessed property and thirty mills for
15 agricultural property, or fiftysixty mills for all property classifications, if the base
16 year is a taxable year before ~~2013~~2025.
- 17 4. In addition to any other levy limitation factor under this section, a taxing district may
18 increase its levy in dollars to reflect new or increased mill levies authorized by the
19 legislative assembly or authorized by the electors of the taxing district.
- 20 5. Under this section a taxing district may supersede any applicable mill levy limitations
21 otherwise provided by law, or a taxing district may levy up to the mill levy limitations
22 otherwise provided by law without reference to this section, but the provisions of this
23 section do not apply to the following:
- 24 a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of
25 article X of the Constitution of North Dakota.
- 26 b. The one-mill levy for the state medical center authorized by section 10 of article X
27 of the Constitution of North Dakota.
- 28 6. A school district choosing to determine its levy authority under this section may apply
29 subsection 3 only to the amount in dollars levied for the school district's local
30 contribution to the costs of education and general fund purposes under section
31 57-15-14 or, if the levy in the base year included separate general fund and special

1 fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply
2 subsection 3 to the total amount levied in dollars in the base year for ~~both the school~~
3 district's local contribution to the costs of education, general fund, and special fund
4 accounts. School district levies under any section other than section 57-15-14 may be
5 made within applicable limitations but those levies are not subject to subsection 3.

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

9 **SECTION 5. AMENDMENT.** Paragraph 3 of subdivision e of subsection 1 of section
10 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

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

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

22 **57-15-14.2. School district levies.**

23 1. a. The board of a school district may levy a tax ~~not exceeding for the school district's~~
24 local contribution to the costs of education which may not exceed the amount in
25 dollars that ~~the school district levied for the prior year, plus twelve percent, up-~~
26 ~~to~~would be generated by a levy of seventy:

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

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

- 1 **b.** The proceeds of this levy must be deposited into the school district's general fund
2 and may be used in accordance with this subsection for any purposes related to
3 the provision of educational services. The proceeds may not be transferred into
4 any other fund.
- 5 **2.** The board of a school district may levy no more than ten mills on the taxable valuation
6 of the district for any purpose related to the provision of educational services. The
7 proceeds of this levy must be deposited into the school district's general fund and
8 used in accordance with this subsection. The proceeds may not be transferred into
9 any other fund.
- 10 **3.** The board of a school district may levy no more than twelve mills on the taxable
11 valuation of the district, for miscellaneous purposes and expenses. The proceeds of
12 this levy must be deposited into a special fund known as the miscellaneous fund and
13 used in accordance with this subsection. The proceeds may not be transferred into
14 any other fund.
- 15 ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable
16 valuation of the district for deposit into a special reserve fund, in accordance with
17 chapter 57-19.
- 18 ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary,
19 on the taxable valuation of the district, for the payment of tuition, in accordance with
20 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
21 known as the tuition fund and used in accordance with this subsection. The proceeds
22 may not be transferred into any other fund.
- 23 ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation
24 of the district, pursuant to section 57-15-15.1, for purposes of developing a school
25 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be
26 deposited into a special fund known as the school safety plan fund and used in
27 accordance with this subsection.
- 28 ~~6.7.~~ Nothing in this section limits the board of a school district from levying:
29 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and

- 1 b. Mills necessary to pay principal and interest on the bonded debt of the district,
2 including the mills necessary to pay principal and interest on any bonded debt
3 incurred under section 57-15-17.1 before July 1, 2013.

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

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

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

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

- 20 ~~(a) Fifty mills; or excluding thirty mills.~~

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

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

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