

Sixty-ninth  
Legislative Assembly  
of North Dakota

**SECOND ENGROSSMENT**

**REENGROSSED 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:

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

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
  - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
  - c. An amount equal to seventy-five percent of the revenue received by the school 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);

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

(1) Mobile home tax revenue;

(2) Telecommunications tax revenue; and

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

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

2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the 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 1;~~
- 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) Forty-five mills multiplied by the taxable valuation of agricultural property in  
31                  the school district; and

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

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

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

(2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 20222024 by the school district for sinking and interest relative to the total mills levied in 20222024 by the 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.    Forty-five mills times twenty percent of the state average valuation of agricultural  
25            property per student multiplied by the number of weighted student units in the district;  
26            and
- 27        2.    Sixty mills times twenty percent of the state average valuation of residential,  
28            commercial, and centrally assessed property per student multiplied by the number of  
29            weighted student units in the district.

30        **SECTION 4. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is  
31 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.

- 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 for residential, commercial, and centrally assessed property and forty-five mills for agricultural property, or fiftysixty mills for all property classifications, if the base year is a taxable year before ~~2013~~2025.
  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.
  5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
    - a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
    - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
  6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for the school district's local contribution to the costs of education and general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special

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

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

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

- (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~~2025~~, 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 mills on the dollar of the taxable valuation of residential, commercial, and centrally assessed property in the school district and fifty-five mills on the dollar of the taxable valuation of agricultural property in the school district.

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

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

1. a. The board of a school district may levy a tax ~~not exceeding for the school district's local contribution to the costs of education which may not exceed~~ the amount in dollars that the school district levied for the prior year, plus twelve percent, up-~~to would be generated by~~ a levy of seventy:
- (1) ~~Forty-five~~ mills on the taxable valuation of agricultural property in the district, for any purpose ~~related to the provision of educational services.~~
- (2) Sixty mills on the taxable valuation of residential, commercial, and centrally 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 forty 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 forty-five 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.