

**HOUSE BILL NO. 1168**

Introduced by

Representatives Louser, Jonas, Monson, Richter, Sanford, Toman

Senators Burckhard, Thomas

1 A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota  
2 Century Code, relating to limitations on property tax levies by taxing districts except school  
3 districts without voter approval; to amend and reenact subsection 3 of section 15.1-27-02,  
4 sections 15.1-27-04.1, 15.1-27-04.2, and 57-15-01.1, subsection 1 of section 57-15-14, section  
5 57-15-14.2, and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota  
6 Century Code, relating to required reports, the state school aid funding formula, and school  
7 district levy authority; to repeal sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2 of the  
8 North Dakota Century Code, relating to adjustments to state aid payments; and to provide an  
9 effective date.

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

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

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

19 **SECTION 2. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
20 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 mills multiplied by the taxable valuation of  
30           agricultural, commercial, and centrally assessed property in the school district;  
31           and

- 1           b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
2           subdivisions c and d of subsection 1. Before determining the deduction for  
3           seventy-five percent of all revenue types, the superintendent of public instruction  
4           shall adjust revenues as follows:
- 5           (1) Tuition revenue shall be adjusted as follows:
- 6                 (a) In addition to deducting tuition revenue received specifically for the  
7                 operation of an educational program provided at a residential  
8                 treatment facility, tuition revenue received for the provision of an adult  
9                 farm management program, tuition received for the education of  
10                high-cost and special education students, and tuition received under  
11                an agreement to educate students from a school district on an  
12                air force base with funding received through federal impact aid as  
13                directed each school year in paragraph 3 of subdivision c of  
14                subsection 1, the superintendent of public instruction also shall reduce  
15                the total tuition reported by the school district by the amount of tuition  
16                revenue received for the education of students not residing in the  
17                state and for which the state has not entered a cross-border education  
18                contract; and
- 19                (b) The superintendent of public instruction also shall reduce the total  
20                tuition reported by admitting school districts meeting the requirements  
21                of subdivision e of subsection 2 of section 15.1-29-12 by the amount  
22                of tuition revenue received for the education of students residing in an  
23                adjacent school district.
- 24           (2) After adjusting tuition revenue as provided in paragraph 1, the  
25           superintendent shall reduce all remaining revenues from all revenue types  
26           by the percentage of mills levied in ~~2022~~2024 by the school district for  
27           sinking and interest relative to the total mills levied in ~~2022~~2024 by the  
28           school district for all purposes.
- 29         5. The amount remaining after the computation required under subsection 4 is the  
30         amount of state aid to which a school district is entitled, subject to any other statutory  
31         requirements or limitations.

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

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

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

10          b. The total number of mills levied in the previous calendar year by each school  
11          district for all purposes, separated by property classification; and

12          c. The number of mills levied in the previous calendar year by each school district  
13          for sinking and interest fund purposes, separated by property classification.

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

16          **15.1-27-04.2. State aid - Minimum local effort - Determination.**

17          If a district's taxable valuation of agricultural, commercial, and centrally assessed property  
18          per student is less than twenty percent of the state average valuation of agricultural,  
19          commercial, and centrally assessed property per student, the superintendent of public  
20          instruction, for purposes of determining state aid in accordance with subsection 4 of section  
21          15.1-27-04.1, shall ~~utilize~~use an amount equal to sixty mills times twenty percent of the state  
22          average valuation of agricultural, commercial, and centrally assessed property per student  
23          multiplied by the number of weighted student units in the district.

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

26          **57-15-01.1. Protection of taxpayers and taxing districts.**

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

29          1. No taxing district may levy more taxes expressed in dollars than the amounts allowed  
30          by this section.

31          2. For purposes of this section:

- 1           a. "Base year" means the taxing district's taxable year with the highest amount  
2           levied in dollars in property taxes of the three taxable years immediately  
3           preceding the budget year; ~~and~~
- 4           b. "Budget year" means the taxing district's year for which the levy is being  
5           determined under this section; ~~and~~
- 6           c. "Calculated mill rate" means the mill rate that results from dividing the base year  
7           taxes levied by the sum of the taxable value of the taxable property in the base  
8           year plus the taxable value of the property exempt by local discretion or  
9           charitable status, calculated in the same manner as the taxable property; ~~and~~
- 10          d. "Property exempt by local discretion or charitable status" means property  
11          exempted from taxation as new or expanding businesses under chapter 40-57.1;  
12          improvements to property under chapter 57-02.2; or buildings belonging to  
13          institutions of public charity, new single-family residential or townhouse or  
14          condominium property, property used for early childhood services, or pollution  
15          abatement improvements under section 57-02-08.
- 16          e. "Taxing district" means any political subdivision, other than a school district,  
17          empowered by law to levy taxes.
- 18          3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
19          levy under this section must be specifically approved by a resolution approved by the  
20          governing body of the taxing district. Before determining the levy limitation under this  
21          section, the dollar amount levied in the base year must be:
- 22               a. Reduced by an amount equal to the sum determined by application of the base  
23               year's calculated mill rate for that taxing district to the final base year taxable  
24               valuation of any taxable property and property exempt by local discretion or  
25               charitable status which is not included in the taxing district for the budget year but  
26               was included in the taxing district for the base year.
- 27               b. Increased by an amount equal to the sum determined by the application of the  
28               base year's calculated mill rate for that taxing district to the final budget year  
29               taxable valuation of any taxable property or property exempt by local discretion or  
30               charitable status which was not included in the taxing district for the base year  
31               but which is included in the taxing district for the budget year.

- 1           c. Reduced to reflect expired temporary mill levy increases authorized by the  
2           electors of the taxing district. ~~For purposes of this subdivision, an expired~~  
3           ~~temporary mill levy increase does not include a school district general fund mill-~~  
4           ~~rate exceeding one hundred ten mills which has expired or has not received~~  
5           ~~approval of electors for an extension under subsection 2 of section 57-64-03.~~
- 6           d. ~~Reduced by the amount of state aid under chapter 15.1-27, which is determined~~  
7           ~~by multiplying the budget year taxable valuation of the school district by the~~  
8           ~~lesser of the base year mill rate of the school district minus sixty mills or fifty~~  
9           ~~mills, if the base year is a taxable year before 2013.~~
- 10          4. In addition to any other levy limitation factor under this section, a taxing district may  
11          increase its levy in dollars to reflect new or increased mill levies authorized by the  
12          legislative assembly or authorized by the electors of the taxing district.
- 13          5. Under this section a taxing district may supersede any applicable mill levy limitations  
14          otherwise provided by law, or a taxing district may levy up to the mill levy limitations  
15          otherwise provided by law without reference to this section, but the provisions of this  
16          section do not apply to the following:
- 17           a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of  
18           article X of the Constitution of North Dakota.
- 19           b. The one-mill levy for the state medical center authorized by section 10 of article X  
20           of the Constitution of North Dakota.
- 21          6. ~~A school district choosing to determine its levy authority under this section may apply~~  
22          ~~subsection 3 only to the amount in dollars levied for general fund purposes under~~  
23          ~~section 57-15-14 or, if the levy in the base year included separate general fund and~~  
24          ~~special fund levies under sections 57-15-14 and 57-15-14.2, the school district may~~  
25          ~~apply subsection 3 to the total amount levied in dollars in the base year for both the~~  
26          ~~general fund and special fund accounts. School district levies under any section other~~  
27          ~~than section 57-15-14 may be made within applicable limitations but those levies are~~  
28          ~~not subject to subsection 3.~~
- 29          7. Optional levies under this section may be used by any city or county that has adopted  
30          a home rule charter unless the provisions of the charter supersede state laws related  
31          to property tax levy limitations.

1           **SECTION 5. AMENDMENT.** Subsection 1 of section 57-15-14 of the North Dakota Century  
2 Code is amended and reenacted as follows:

3           1. Unless authorized by the electors of the school district in accordance with this section,  
4 a school district may not impose greater levies than those permitted under section  
5 57-15-14.2.

6           a. In any school district having a total population in excess of four thousand  
7 according to the last federal decennial census there may be levied any specific  
8 number of mills that upon resolution of the school board has been submitted to  
9 and approved by a majority of the qualified electors voting upon the question at  
10 any regular or special school district election.

11           b. In any school district having a total population of fewer than four thousand, there  
12 may be levied any specific number of mills that upon resolution of the school  
13 board has been approved by fifty-five percent of the qualified electors voting  
14 upon the question at any regular or special school election.

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

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

28           e. For taxable years beginning after 2012:

29           (1) The authority for a levy of up to a specific number of mills, approved by  
30 electors of a school district for any period of time that includes a taxable

1 year before 2009, must be reduced by one hundred fifteen mills as a  
2 precondition of receiving state aid in accordance with chapter 15.1-27.

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

7 (3) The authority for a levy of up to a specific number of mills, placed on the  
8 ballot in a school district election for electoral approval of increased levy  
9 authority under subdivision a or b, after June 30, ~~2013~~2024, must be stated  
10 as a specific number of mills of general fund levy authority and must include  
11 a statement that the statutory school district general fund levy limitation is  
12 seventyten mills on the dollar of the taxable valuation of the school district  
13 and sixty mills on the dollar of the taxable valuation of agricultural,  
14 commercial, and centrally assessed property in the school district.

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

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

23 **57-15-14.2. School district levies. (~~Effective for taxable years through December 31,~~**  
24 **~~2024~~)**

25 1. ~~The board of a school district may levy a tax not exceeding the amount in dollars that~~  
26 ~~the school district levied for the prior year, plus twelve percent and the dollar amount~~  
27 ~~of the adjustment required in section 15.1-27-04.3, up to a levy of seventy mills on the~~  
28 ~~taxable valuation of the district, for any purpose related to the provision of educational~~  
29 ~~services. The proceeds of this levy must be deposited into the school district's general~~  
30 ~~fund and used in accordance with this subsection. The proceeds may not be~~  
31 ~~transferred into any other fund.~~



- 1       2.    ~~The board of a school district may levy no more than twelve mills on the taxable-~~  
2           ~~valuation of the district, for miscellaneous purposes and expenses. The proceeds of-~~  
3           ~~this levy must be deposited into a special fund known as the miscellaneous fund and-~~  
4           ~~used in accordance with this subsection. The proceeds may not be transferred into-~~  
5           ~~any other fund.~~
- 6       3.    ~~The board of a school district may levy no more than three mills on the taxable-~~  
7           ~~valuation of the district for deposit into a special reserve fund, in accordance with-~~  
8           ~~chapter 57-19.~~
- 9       4.    ~~The board of a school district may levy no more than the number of mills necessary,-~~  
10          ~~on the taxable valuation of the district, for the payment of tuition, in accordance with-~~  
11          ~~section 15.1-29-15. The proceeds of this levy must be deposited into a special fund-~~  
12          ~~known as the tuition fund and used in accordance with this subsection. The proceeds-~~  
13          ~~may not be transferred into any other fund.~~
- 14       5.    ~~The board of a school district may levy no more than five mills on the taxable valuation-~~  
15          ~~of the district, pursuant to section 57-15-15.1, for purposes of developing a school-~~  
16          ~~safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be-~~  
17          ~~deposited into a special fund known as the school safety plan fund and used in-~~  
18          ~~accordance with this subsection.~~
- 19       6.    ~~Nothing in this section limits the board of a school district from levying:~~
  - 20           a.    ~~Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and~~
  - 21           b.    ~~Mills necessary to pay principal and interest on the bonded debt of the district,-~~  
22                ~~including the mills necessary to pay principal and interest on any bonded debt-~~  
23                ~~incurred under section 57-15-17.1 before July 1, 2013.~~

24       **School district levies. (Effective for taxable years beginning after December 31, 2024)**

- 25       1.    The board of a school district may levy a tax not exceeding the amount in dollars that  
26           the school district levied for the prior year, plus twelve percent, up to would be  
27           generated by a levy of seventysixty mills on the taxable valuation of agricultural,  
28           commercial, and centrally assessed property in the district, for any purpose related to  
29           the provision of educational servicesthe school district's local contribution to the costs  
30           of education. The proceeds of this levy must be deposited into the school district's  
31           general fund and may be used in accordance with this subsection for any purposes

- 1           related to the provision of educational services. The proceeds may not be transferred  
2           into any other fund.
- 3           2. The board of a school district may levy no more than ten mills on the taxable valuation  
4           of the district, for any purpose related to the provision of educational services. The  
5           proceeds of this levy must be deposited into the school district's general fund and  
6           used in accordance with this subsection. The proceeds may not be transferred into  
7           any other fund.
- 8           3. The board of a school district may levy no more than twelve mills on the taxable  
9           valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
10          this levy must be deposited into a special fund known as the miscellaneous fund and  
11          used in accordance with this subsection. The proceeds may not be transferred into  
12          any other fund.
- 13          ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable  
14          valuation of the district for deposit into a special reserve fund, in accordance with  
15          chapter 57-19.
- 16          ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary,  
17          on the taxable valuation of the district, for the payment of tuition, in accordance with  
18          section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
19          known as the tuition fund and used in accordance with this subsection. The proceeds  
20          may not be transferred into any other fund.
- 21          ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation  
22          of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
23          safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
24          deposited into a special fund known as the school safety plan fund and used in  
25          accordance with this subsection.
- 26          ~~6.7.~~ Nothing in this section limits the board of a school district from levying:
- 27               a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- 28               b. Mills necessary to pay principal and interest on the bonded debt of the district,  
29               including the mills necessary to pay principal and interest on any bonded debt  
30               incurred under section 57-15-17.1 before July 1, 2013.

1       **SECTION 7.** A new section to chapter 57-15 of the North Dakota Century Code is created  
2 and enacted as follows:

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

4       1.   a.   Notwithstanding that a taxing district may have unused or excess levy authority  
5           under any other provision of law, this section supersedes and limits that authority.  
6           This section may not be interpreted as authority to increase any property tax levy  
7           authority otherwise provided by law and must be applied to limit any property tax  
8           levy authority to which a taxing district may otherwise be entitled. Property taxes  
9           levied in dollars by a taxing district may not exceed the amount the taxing district  
10          levied in dollars in the preceding taxable year by more than three percent,  
11          except:

12          (1)   When property and improvements to property which were not taxable in the  
13             preceding taxable year are taxable in the current year, the amount levied in  
14             dollars in the preceding taxable year by the taxing district must be increased  
15             for purposes of this section to reflect the taxes that would have been  
16             imposed against the additional taxable valuation attributable to that property  
17             at the mill rate applied to all property in the preceding taxable year.

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

25          (3)   When property that was taxable in the preceding taxable year is not taxable  
26             for the current taxable year, the amount levied in dollars in the preceding  
27             taxable year by the taxing district must be reduced for purposes of this  
28             section by the amount of taxes that were imposed against the taxable  
29             valuation of that property in the preceding taxable year.

30          (4)   When a temporary mill levy increase, excluding an increase under this  
31             section, authorized by the electors of the taxing district or mill levy

1 imposition authority under state law existed in the previous taxable year but  
2 is no longer applicable or has been reduced, the amount levied in dollars in  
3 the previous taxable year by the taxing district must be adjusted to reflect  
4 the expired temporary mill levy increase and the eliminated or reduced mill  
5 levy under state law before the percentage increase allowable under this  
6 subsection is applied.

7 b. If the actual increase in property taxes levied in dollars by a taxing district  
8 compared to the property taxes levied in the preceding taxable year is less than  
9 the limitation under subdivision a, the taxing district may carry forward the excess  
10 percentage increase to the succeeding taxable year. A taxing district may not  
11 carry forward any amount of unused excess percentage increase beyond the  
12 taxable year succeeding the taxable year during which the excess percentage  
13 increase accumulated.

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

16 a. New or increased property tax levy authority that was not available to the taxing  
17 district in the preceding taxable year, including property tax levy authority  
18 provided by state law or approved by the electors of the taxing district.

19 b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of  
20 article X of the Constitution of North Dakota. Any tax levied for this purpose must  
21 be excluded from the mill rate applied under paragraphs 1 through 3 of  
22 subdivision a of subsection 1.

23 c. The one-mill levy for the state medical center authorized by section 10 of article X  
24 of the Constitution of North Dakota. Any tax levied for this purpose must be  
25 excluded from the mill rate applied under paragraphs 1 through 3 of subdivision a  
26 of subsection 1.

27 d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
28 authorized by section 57-15-26.8.

29 e. Taxes or special assessments levied to pay the principal and interest on any  
30 obligations of any political subdivision, including taxes levied for deficiencies in

- 1           special assessment and improvement district funds and revenue bond and  
2           reserve funds.
- 3           f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
4           a special improvement project by general taxation.
- 5           g. Taxes levied under sections 40-24-10, 40-43-01, and 57-15-41, and chapter  
6           61-16.1.
- 7           3. A levy exceeding the percentage increase limitation under subsection 1 may be  
8           imposed upon approval of a ballot measure, stating the percentage of the proposed  
9           property tax levy increase percentage compared to the percentage limitation under  
10           subsection 1, by at least sixty percent of the qualified electors of the taxing district  
11           voting on the question at a regular or special election of the taxing district. A levy  
12           exceeding the percentage increase limitation under subsection 1 may be approved by  
13           electors for not more than five taxable years at a time.
- 14           4. A city or county may not supersede or modify the application of the provisions of this  
15           section under home rule authority.
- 16           5. For purposes of this section:
- 17           a. "Excess percentage increase" means the difference between the limitation under  
18           subdivision a of subsection 1 for a taxable year and the actual increase in  
19           property taxes levied in dollars by a taxing district in the taxable year compared  
20           to the preceding taxable year.
- 21           b. "Taxing district" means any political subdivision, other than a school district,  
22           empowered to levy taxes.

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

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

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

- 1                   (a) ~~For residential property, the taxable value for the taxable year for each~~  
2                   parcel shown on the tax statement ~~multiplied by the number~~ lesser of  
3                   ~~one hundred eighty-five mills or the sum of the mill levy reduction~~  
4                   grant under chapter 57-64 for the 2012 taxable year ~~plus the number~~  
5                   ~~of mills determined by subtracting from~~ and the 2012 taxable year mill  
6                   rate of the school district in which the parcel is located ~~the lesser of:~~  
7                   (a) ~~Fifty mills; or,~~  
8                   (b) ~~The~~ For agricultural, commercial, and centrally assessed property, the  
9                   taxable value for the taxable year for each parcel shown on the tax  
10                  statement multiplied by the lesser of one hundred twenty-five mills or  
11                  the sum of the mill levy reduction grant under chapter 57-64 for the  
12                  2012 taxable year and the 2012 taxable year mill rate of the school  
13                  district ~~minus, excluding sixty mills.~~  
14                  (2) Legislative tax relief under chapter 50-35 is determined by multiplying the  
15                  taxable value for the taxable year for each parcel shown on the tax  
16                  statement by the number of mills of relief determined by dividing the amount  
17                  calculated in subsection 1 of section 50-35-03 for a human service zone by  
18                  the taxable value of taxable property in the zone for the taxable year.

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

21                  **SECTION 10. EFFECTIVE DATE.** Sections 4, 5, 6, and 7 of this Act are effective for taxable  
22                  years beginning after December 31, 2024.