

Introduced by

Senator Flakoll

1 A BILL for an Act to amend and reenact sections 57-15-14 and 57-15-14.2 of the North Dakota  
2 Century Code, relating to school district tax levies.

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

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

6 ~~**57-15-14. (Effective for the first two taxable years beginning after December 31, 2012)**~~  
7 **Voter approval of excess levies in school districts.**

8 1. Unless authorized by the electors of the school district in accordance with this section,  
9 a school district may not impose greater levies than those permitted under section  
10 57-15-14.2.

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

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

20 c. After June 30, 2009, in any school district election for approval by electors of  
21 increased levy authority under subsection 1 or 2, the ballot must specify the  
22 number of mills proposed for approval, and the number of taxable years for which  
23 that approval is to apply. After June 30, 2009, approval by electors of increased

1           levy authority under subsection 1 or 2 may not be effective for more than ten  
2           taxable years.

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

10          e.   For taxable years beginning after 2012:

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

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

19           (3)   The authority for a levy of up to a specific number of mills, placed on the  
20           ballot in a school district election for electoral approval of increased levy  
21           authority under subdivision a or b, after June 30, 2013, must be stated as a  
22           specific number of mills of general fund levy authority and must include a  
23           statement that the statutory school district general fund levy limitation is  
24           seventy mills on the dollar of the taxable valuation of the school district  
25           through December 31, 2014, sixty-five mills on the dollar of the taxable  
26           valuation of the school district for the taxable year beginning January 1,  
27           2015, and ending December 31, 2015, and sixty mills on the dollar of the  
28           taxable valuation of the school district for taxable years beginning after  
29           December 31, 2015.

30          f.   The authority for an unlimited levy approved by electors of a school district before  
31          July 1, 2009, is terminated effective for taxable years after 2015. If the electors of

1 a school district subject to this subsection have not approved a levy of up to a  
2 specific number of mills under this section by December 31, 2015, the school  
3 district levy limitation for subsequent years is subject to the limitations under  
4 section 57-15-01.1 or this section.

- 5 2. a. The question of authorizing or discontinuing such specific number of mills  
6 authority in any school district must be submitted to the qualified electors at the  
7 next regular election upon resolution of the school board or upon the filing with  
8 the school board of a petition containing the signatures of qualified electors of the  
9 district equal in number to ten percent of the number of electors who cast votes in  
10 the most recent election in the school district. No fewer than twenty-five  
11 signatures are required.
- 12 b. The approval of discontinuing such authority does not affect the tax levy in the  
13 calendar year in which the election is held.
- 14 c. The election must be held in the same manner and subject to the same  
15 conditions as provided in this section for the first election upon the question of  
16 authorizing the mill levy.

17 ~~(Effective after the first two taxable years beginning after December 31, 2012) General~~  
18 ~~fund levy limitations in school districts.~~ The aggregate amount levied each year for the  
19 purposes listed in section 57-15-14.2 by any school district, except the Fargo school district,  
20 may not exceed the amount in dollars which the school district levied for the prior school year  
21 plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of  
22 the taxable valuation of the district, except that:

- 23 1. In any school district having a total population in excess of four thousand according to  
24 the last federal decennial census there may be levied any specific number of mills that  
25 upon resolution of the school board has been submitted to and approved by a majority  
26 of the qualified electors voting upon the question at any regular or special school  
27 district election.
- 28 2. In any school district having a total population of fewer than four thousand, there may  
29 be levied any specific number of mills that upon resolution of the school board has  
30 been approved by fifty-five percent of the qualified electors voting upon the question at  
31 any regular or special school election.

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- 1       3. ~~After June 30, 2009, in any school district election for approval by electors of~~  
2       increased levy authority under subsection 1 or 2, the ballot must specify the number of  
3       mills proposed for approval, and the number of taxable years for which that approval is  
4       to apply. ~~After June 30, 2009, approval by electors of increased levy authority under~~  
5       subsection 1 or 2 may not be effective for more than ten taxable years.
- 6       4. ~~The authority for a levy of up to a specific number of mills under this section approved~~  
7       by electors of a school district before July 1, 2009, is terminated effective for taxable  
8       years after 2015. If the electors of a school district subject to this subsection have not  
9       approved a levy for taxable years after 2015 of up to a specific number of mills under  
10      this section by December 31, 2015, the school district levy limitation for subsequent  
11      years is subject to the limitations under section 57-15-01.1 or this section.
- 12      5. ~~The authority for an unlimited levy approved by electors of a school district before~~  
13      July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a  
14      school district subject to this subsection have not approved a levy of up to a specific  
15      number of mills under this section by December 31, 2015, the school district levy  
16      limitation for subsequent years is subject to the limitations under section 57-15-01.1 or  
17      this section.

18 ~~The question of authorizing or discontinuing such specific number of mills authority in any~~  
19 ~~school district must be submitted to the qualified electors at the next regular election upon~~  
20 ~~resolution of the school board or upon the filing with the school board of a petition containing~~  
21 ~~the signatures of qualified electors of the district equal in number to ten percent of the number~~  
22 ~~of electors who cast votes in the most recent election in the school district. However, not fewer~~  
23 ~~than twenty-five signatures are required. However, the approval of discontinuing such authority~~  
24 ~~does not affect the tax levy in the calendar year in which the election is held. The election must~~  
25 ~~be held in the same manner and subject to the same conditions as provided in this section for~~  
26 ~~the first election upon the question of authorizing the mill levy.~~

27       **SECTION 2. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
28 amended and reenacted as follows:

1           **57-15-14.2. (Effective for the first two taxable years beginning after December 31,**  
2 **2012) School district levies.**

3           1. ~~For taxable years after 2013, the board of a school district may levy a tax not~~  
4 ~~exceeding the amount in dollars that the school district levied for the prior year, plus~~  
5 ~~twelve percent, up to a levy of seventy mills on the taxable valuation of the district, for~~  
6 ~~any purpose related to the provision of educational services. The proceeds of this levy~~  
7 ~~must be deposited into the school district's general fund and used in accordance with~~  
8 ~~this subsection. The proceeds may not be transferred into any other fund.~~

9           a. Except as otherwise provided, for the taxable year beginning January 1, 2015,  
10 and ending December 31, 2015, the board of a school district may levy a tax not  
11 exceeding the amount in dollars that the school district levied for the prior year,  
12 plus twelve percent, up to a levy of sixty-five mills on the taxable valuation of the  
13 district, for any purpose related to the provision of educational services. The  
14 proceeds of this levy must be deposited into the school district's general fund and  
15 used in accordance with this subsection. The proceeds may not be transferred  
16 into any other fund.

17           b. For taxable years after 2015, the board of a school district may levy a tax not  
18 exceeding the amount in dollars that the school district levied for the prior year,  
19 plus twelve percent, up to a levy of sixty mills on the taxable valuation of the  
20 district, for any purpose related to the provision of educational services. The  
21 proceeds of this levy must be deposited into the school district's general fund and  
22 used in accordance with this subsection. The proceeds may not be transferred  
23 into any other fund.

24           2. For taxable years after 2013, the board of a school district may levy no more than  
25 twelve mills on the taxable valuation of the district, for miscellaneous purposes and  
26 expenses. The proceeds of this levy must be deposited into a special fund known as  
27 the miscellaneous fund and used in accordance with this subsection. The proceeds  
28 may not be transferred into any other fund.

29           3. The board of a school district may levy no more than three mills on the taxable  
30 valuation of the district for deposit into a special reserve fund, in accordance with  
31 chapter 57-19.

- 1           4. The board of a school district may levy no more than the number of mills necessary,  
2           on the taxable valuation of the district, for the payment of tuition, in accordance with  
3           section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
4           known as the tuition fund and used in accordance with this subsection. The proceeds  
5           may not be transferred into any other fund.
- 6           5. Nothing in this section limits the board of a school district from levying:
- 7           a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
8           b. Mills necessary to pay principal and interest on the bonded debt of the district,  
9           including the mills necessary to pay principal and interest on any bonded debt  
10          incurred under section 57-15-17.1 before July 1, 2013.
- 11          6. ~~For the taxable year 2013 only, the board of a school district may levy, for the~~  
12          ~~purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars~~  
13          ~~determined under this subsection, plus twelve percent, up to a combined levy of~~  
14          ~~eighty-two mills. For purposes of this subsection, the allowable increase in dollars is~~  
15          ~~determined by multiplying the 2013 taxable valuation of the district by the sum of sixty~~  
16          ~~mills plus the number of mills levied in 2012 for miscellaneous expenses under~~  
17          ~~sections 57-15-14.5 and 57-15-17.1.~~

18           ~~**(Effective after the first two taxable years beginning after December 31, 2012) Mill**~~  
19           ~~**levies requiring board action -- Proceeds to general fund account.**~~

- 20          1. ~~A school board of any school district may levy an amount sufficient to cover general~~  
21          ~~expenses, including the costs of the following:~~
- 22          a. ~~Board and lodging for high school students as provided in section 15.1-30-04.~~  
23          b. ~~The teachers' retirement fund as provided in section 15-39.1-28.~~  
24          c. ~~Tuition for students in grades seven through twelve as provided in section~~  
25          ~~15.1-29-15.~~  
26          d. ~~Special education program as provided in section 15.1-32-20.~~  
27          e. ~~The establishment and maintenance of an insurance reserve fund for insurance~~  
28          ~~purposes as provided in section 32-12.1-08.~~  
29          f. ~~A final judgment obtained against a school district.~~  
30          g. ~~The district's share of contribution to the old age survivors' fund and matching~~  
31          ~~contribution for the social security fund as provided by chapter 52-09 and to~~

- 1 provide the district's share of contribution to the old-age survivors' fund and  
2 matching contribution for the social security fund for contracted employees of a  
3 multidistrict special education board.
- 4 h. The rental or leasing of buildings, property, or classroom space. Minimum state  
5 standards for health and safety applicable to school building construction shall  
6 apply to any rented or leased buildings, property, or classroom space.
- 7 i. Unemployment compensation benefits.
- 8 j. The removal of asbestos substances from school buildings or the abatement of  
9 asbestos substances in school buildings under any method approved by the  
10 United States environmental protection agency and any repair, replacement, or  
11 remodeling that results from such removal or abatement, any remodeling  
12 required to meet specifications set by the Americans with Disabilities Act  
13 accessibility guidelines for buildings and facilities as contained in the appendix to  
14 28 CFR 36, any remodeling required to meet requirements set by the state fire  
15 marshal during the inspection of a public school, and for providing an alternative  
16 education program as provided in section 57-15-17.1.
- 17 k. Participating in cooperative career and technical education programs approved  
18 by the state board.
- 19 l. Maintaining a career and technical education program approved by the state  
20 board and established only for that school district.
- 21 m. Paying the cost of purchasing, contracting, operating, and maintaining  
22 schoolbuses.
- 23 n. Establishing and maintaining school library services.
- 24 o. Equipping schoolbuses with two-way communications and central station  
25 equipment and providing for the installation and maintenance of such equipment.
- 26 p. Establishing free public kindergartens in connection with the public schools of the  
27 district for the instruction of resident children below school age during the regular  
28 school term.
- 29 q. Establishing, maintaining, and conducting a public recreation system.
- 30 r. The district's share of contribution to finance an interdistrict cooperative  
31 agreement authorized by section 15-1-09-40.

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- 1           2.    ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of~~  
2                   ~~subsection 1. If a school district maintained a levy to finance either its participation in a~~  
3                   ~~cooperative career and technical education program or its sponsorship of~~  
4                   ~~single district career and technical education programs prior to July 1, 1983, and the~~  
5                   ~~district discontinues its participation in or sponsorship of those career and technical~~  
6                   ~~education programs, that district must reduce the proposed aggregated expenditure~~  
7                   ~~amount for which its general fund levy is used by the dollar amount raised by its prior~~  
8                   ~~levy for the funding of those programs.~~
- 9           3.    ~~All proceeds of any levy established pursuant to this section must be placed in the~~  
10                   ~~school district's general fund account and may be expended to achieve the purposes~~  
11                   ~~for which the taxes authorized by this section are levied. Proceeds from levies~~  
12                   ~~established pursuant to this section and funds provided to school districts pursuant to~~  
13                   ~~chapter 15.1-27 may not be transferred to the building fund within the school district.~~