

Introduced by

Senators Schaible, Rust, Weber

Representatives Nathe, Porter, D. Ruby

1 A BILL for an Act to amend and reenact sections 15.1-27-04.1, 15.1-27-04.2, 57-15-01, and
2 57-15-01.1, subsection 1 of section 57-15-14, section 57-15-14.2, subdivision c of subsection 1
3 of section 57-20-07.1, and section 57-20-07.3 of the North Dakota Century Code, relating to the
4 determination of state aid payments, information displayed on property tax statements, school
5 district levy authority, and a credit against payments in lieu of taxes paid by centrally assessed
6 companies; to repeal sections 15.1-27-04.3, 15.1-27-15.1, and 15.1-27-20.2, relating to
7 adjustments to state aid payments; and to provide an effective date.

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

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

11 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (~~Effective~~**
12 **~~through 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 ~~e. 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;~~

- 1 (2) ~~Mineral revenue received by the school district through direct allocation from~~
2 ~~the state treasurer and not reported under code 2000 of the North Dakota~~
3 ~~school district financial accounting and reporting manual, as developed by~~
4 ~~the superintendent of public instruction in accordance with section~~
5 ~~15.1-02-08;~~
- 6 (3) ~~Tuition reported under code 1300 of the North Dakota school district~~
7 ~~financial accounting and reporting manual, as developed by the~~
8 ~~superintendent of public instruction in accordance with section 15.1-02-08,~~
9 ~~with the exception of revenue received specifically for the operation of an~~
10 ~~educational program provided at a residential treatment facility, tuition~~
11 ~~received for the provision of an adult farm management program, and~~
12 ~~beginning in the 2021-22 school year, seventeen percent of tuition received~~
13 ~~under an agreement to educate students from a school district on an~~
14 ~~air force base with funding received through federal impact aid, and an~~
15 ~~additional seventeen percent of tuition received under an agreement to~~
16 ~~educate students from a school district on an air force base with funding~~
17 ~~received through federal impact aid each school year thereafter, until the~~
18 ~~2024-25 school year when sixty-eight percent of tuition received under an~~
19 ~~agreement to educate students from a school district on an air force base~~
20 ~~with funding received through federal impact aid must be excluded from the~~
21 ~~tuition calculation under this paragraph;~~
- 22 (4) ~~Revenue from payments in lieu of taxes on the distribution and transmission~~
23 ~~of electric power;~~
- 24 (5) ~~Revenue from payments in lieu of taxes on electricity generated from~~
25 ~~sources other than coal; and~~
- 26 (6) ~~Revenue from the leasing of land acquired by the United States for which~~
27 ~~compensation is allocated to the state under 33 U.S.C. 701(c)(3);~~
- 28 d. ~~An amount equal to the total revenue received by the school district during the~~
29 ~~2017-18 school year for the following revenue types:~~
- 30 (1) ~~Mobile home tax revenue;~~
- 31 (2) ~~Telecommunications tax revenue; and~~

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

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

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

18 b. ~~For any school district that becomes an elementary district pursuant to section~~
19 ~~15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the~~
20 ~~district's baseline funding per weighted student unit used to calculate state aid.~~
21 ~~The superintendent shall divide the district's baseline funding determined in~~
22 ~~subsection 1 by the district's weighted student units after the school district~~
23 ~~becomes an elementary district to determine the district's adjusted baseline~~
24 ~~funding per weighted student unit. The superintendent shall use the district's~~
25 ~~adjusted baseline funding per weighted student unit in the calculation of state aid~~
26 ~~for the first school year in which the school district becomes an elementary~~
27 ~~district and for each year thereafter.~~

28 c. ~~Beginning with the 2021-22 school year and for each school year thereafter, the~~
29 ~~superintendent shall reduce the district's baseline funding per weighted student~~
30 ~~unit. Each year the superintendent shall calculate the amount by which the~~
31 ~~district's baseline funding per weighted student unit exceeds the payment per~~

1 weighted student unit provided in subsection 3. The superintendent shall reduce
2 the district's baseline funding per weighted student unit by fifteen percent of the
3 amount by which the district's baseline funding per weighted student unit exceeds
4 the payment per weighted student unit for the 2021-22 school year. For each
5 year thereafter, the reduction percentage is increased by an additional fifteen
6 percent. However, the district's baseline funding per weighted student unit, after
7 the reduction, may not be less than the payment per weighted student unit
8 provided in subsection 3.

9 3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the
10 greater of:

- 11 (1) The district's weighted student units multiplied by ten thousand one hundred
12 thirty-six dollars;
- 13 (2) One hundred two percent of the district's baseline funding per weighted
14 student unit, as established in subsection 2, multiplied by the district's
15 weighted student units, not to exceed the district's 2017-18 baseline
16 weighted student units, plus any weighted student units in excess of the
17 2017-18 baseline weighted student units multiplied by ten thousand
18 one hundred thirty-six dollars; or
- 19 (3) The district's baseline funding as established in subsection 1 less the
20 amount in paragraph 1, with the difference reduced by fifteen percent and
21 then the difference added to the amount determined in paragraph 1.

22 b. For the 2022-23 school year and each school year thereafter, the superintendent
23 shall calculate state aid as the greater of:

- 24 (1) The district's weighted student units multiplied by ten thousand two hundred
25 thirty-seven dollars;
- 26 (2) One hundred two percent of the district's baseline funding per weighted
27 student unit, as established in subsection 2, multiplied by the district's
28 weighted student units, not to exceed the district's 2017-18 baseline
29 weighted student units, plus any weighted student units in excess of the
30 2017-18 baseline weighted student units multiplied by ten thousand
31 two hundred thirty-seven dollars; or

1 (3) The district's baseline funding as established in subsection 1 less the
2 amount in paragraph 1, with the difference reduced by thirty percent for the
3 2022-23 school year and the reduction percentage increasing by fifteen
4 percent each school year thereafter until the difference is reduced to zero,
5 and then the difference added to the amount determined in paragraph 1.

6 e. The superintendent also shall adjust state aid determined in this subsection to
7 ensure the amount does not exceed the transition maximum as follows:

8 (1) For the 2021-22 school year, the transition maximum rate is one hundred
9 ten percent of the district's baseline funding per weighted student unit, as
10 established in subsection 2, multiplied by the district's weighted student
11 units from the previous school year.

12 (2) For the 2022-23 school year, the transition maximum rate is one hundred
13 ten percent of the district's baseline funding per weighted student unit, as
14 established in subsection 2, multiplied by the district's weighted student
15 units from the previous school year.

16 (3) For the 2023-24 school year, the transition maximum rate is one hundred
17 ten percent of the district's baseline funding per weighted student unit, as
18 established in subsection 2, plus twenty percent of the difference between
19 the rate under paragraph 1 of subdivision b of this subsection and
20 one hundred ten percent of the district's baseline funding per weighted
21 student unit. The transition maximum is determined by multiplying the
22 transition maximum rate, which may not exceed the rate under paragraph 1
23 of subdivision b of this subsection, by the district's weighted student units
24 from the previous school year.

25 (4) For the 2024-25 school year, the transition maximum rate is one hundred
26 ten percent of the district's baseline funding per weighted student unit, as
27 established in subsection 2, plus forty percent of the difference between the
28 rate under paragraph 1 of subdivision b of this subsection and one hundred
29 ten percent of the district's baseline funding per weighted student unit. The
30 transition maximum is determined by multiplying the transition maximum
31 rate, which may not exceed the rate under paragraph 1 of subdivision b of

1 this subsection, by the district's weighted student units from the previous-
2 school year.

3 (5) For the 2025-26 school year, the transition maximum rate is one hundred-
4 ten percent of the district's baseline funding per weighted student unit, as
5 established in subsection 2, plus sixty percent of the difference between the
6 rate under paragraph 1 of subdivision b of this subsection and one hundred
7 ten percent of the district's baseline funding per weighted student unit. The
8 transition maximum is determined by multiplying the transition maximum-
9 rate, which may not exceed the rate under paragraph 1 of subdivision b of
10 this subsection, by the district's weighted student units from the previous-
11 school year.

12 (6) For the 2026-27 school year, the transition maximum rate is one hundred-
13 ten percent of the district's baseline funding per weighted student unit, as
14 established in subsection 2, plus eighty percent of the difference between-
15 the rate under paragraph 1 of subdivision b of this subsection and
16 one hundred ten percent of the district's baseline funding per weighted
17 student unit. The transition maximum is determined by multiplying the
18 transition maximum rate, which may not exceed the rate under paragraph 1-
19 of subdivision b of this subsection, by the district's weighted student units
20 from the previous school year.

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, and tuition received under an agreement
- 6 to educate students from a school district on an air force base with
- 7 funding received through federal impact aid as directed each school
- 8 year in paragraph 3 of subdivision c of subsection 1, the
- 9 superintendent of public instruction also shall reduce the total tuition
- 10 reported by the school district by the amount of tuition revenue
- 11 received for the education of students not residing in the state and for
- 12 which the state has not entered a cross-border education contract;
- 13 and
- 14 (b) The superintendent of public instruction also shall reduce the total
- 15 tuition reported by admitting school districts meeting the requirements
- 16 of subdivision e of subsection 2 of section 15.1-29-12 by the amount
- 17 of tuition revenue received for the education of students residing in an
- 18 adjacent school district.
- 19 (2) After adjusting tuition revenue as provided in paragraph 1, the
- 20 superintendent shall reduce all remaining revenues from all revenue types
- 21 by the percentage of mills levied in 2020 by the school district for sinking
- 22 and interest relative to the total mills levied in 2020 by the school district for
- 23 all purposes.
- 24 5. The amount remaining after the computation required under subsection 4 is the
- 25 amount of state aid to which a school district is entitled, subject to any other statutory
- 26 requirements or limitations.
- 27 6. On or before June thirtieth of each year, the school board shall certify to the
- 28 superintendent of public instruction the final average daily membership for the current
- 29 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;

3 (a) Revenue received specifically for the operation of an educational
4 program provided at a residential treatment facility; ~~tuition;~~

5 (b) Tuition received for the provision of an adult farm management
6 program; ~~and beginning~~

7 (c) Beginning in the:

8 [1] 2023-24 school year, fifty-one percent of tuition received under
9 an agreement to educate students from a school district on an air
10 force base with funding received through federal impact aid;

11 [2] 2024-25 school year, sixty-eight percent of tuition received under
12 an agreement to educate students from a school district on an air
13 force base with funding received through federal impact aid;

14 [3] 2025-26 school year, eighty-five percent of tuition received under
15 an agreement to educate students from a school district on an
16 air force base with funding received through federal impact aid,
17 ~~until the; and~~

18 [4] 2026-27 school year, and each school year thereafter, ~~when~~ all
19 tuition received under an agreement to educate students from a
20 school district on an air force base with funding received through
21 federal impact aid ~~must be excluded from the tuition calculation~~
22 ~~under this paragraph;~~

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

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

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

29 d. An amount equal to the total revenue received by the school district during the
30 2017-18 school year for the following revenue types:

31 (1) Mobile home tax revenue;

- 1 (2) Telecommunications tax revenue; and
- 2 (3) Revenue from payments in lieu of taxes and state reimbursement of the
- 3 homestead credit and disabled veterans credit; and
- 4 e. Beginning with the 2020-21 school year, the superintendent shall reduce the
- 5 baseline funding for any school district that becomes an elementary district
- 6 pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must
- 7 be proportional to the number of weighted student units in the grades that are
- 8 offered through another school district relative to the total number of weighted
- 9 student units the school district offered in the year before the school district
- 10 became an elementary district. The reduced baseline funding applies to the
- 11 calculation of state aid for the first school year in which the school district
- 12 becomes an elementary district and for each year thereafter. For districts that
- 13 become an elementary district prior to the 2020-21 school year, the
- 14 superintendent shall use the reduced baseline funding to calculate state aid for
- 15 the 2020-21 school year and for each year thereafter.
- 16 2. a. The superintendent shall divide the district's baseline funding determined in
- 17 subsection 1 by the district's 2017-18 weighted student units to determine the
- 18 district's baseline funding per weighted student unit.
- 19 b. For any school district that becomes an elementary district pursuant to section
- 20 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the
- 21 district's baseline funding per weighted student unit used to calculate state aid.
- 22 The superintendent shall divide the district's baseline funding determined in
- 23 subsection 1 by the district's weighted student units after the school district
- 24 becomes an elementary district to determine the district's adjusted baseline
- 25 funding per weighted student unit. The superintendent shall use the district's
- 26 adjusted baseline funding per weighted student unit in the calculation of state aid
- 27 for the first school year in which the school district becomes an elementary
- 28 district and for each year thereafter.
- 29 c. Beginning with the 2021-22 school year and for each school year thereafter, the
- 30 superintendent shall reduce the district's baseline funding per weighted student
- 31 unit. Each year the superintendent shall calculate the amount by which the

1 district's baseline funding per weighted student unit exceeds the payment per
2 weighted student unit provided in subsection 3. The superintendent shall reduce
3 the district's baseline funding per weighted student unit by fifteen percent of the
4 amount by which the district's baseline funding per weighted student unit exceeds
5 the payment per weighted student unit for the 2021-22 school year. For each
6 year thereafter, the reduction percentage is increased by an additional fifteen
7 percent. However, the district's baseline funding per weighted student unit, after
8 the reduction, may not be less than the payment per weighted student unit
9 provided in subsection 3.

10 3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the
11 greater of:

12 (1) The district's weighted student units multiplied by ten thousand one hundred
13 thirty-six dollars;

14 (2) One hundred two percent of the district's baseline funding per weighted
15 student unit, as established in subsection 2, multiplied by the district's
16 weighted student units, not to exceed the district's 2017-18 baseline
17 weighted student units, plus any weighted student units in excess of the
18 2017-18 baseline weighted student units multiplied by ten thousand
19 one hundred thirty-six dollars; or

20 (3) The district's baseline funding as established in subsection 1 less the
21 amount in paragraph 1, with the difference reduced by fifteen percent and
22 then the difference added to the amount determined in paragraph 1.

23 b. For the 2022-23 school year and each school year thereafter, the superintendent
24 shall calculate state aid as the greater of:

25 (1) The district's weighted student units multiplied by ten thousand two hundred
26 thirty-seven 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 two hundred thirty-seven 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 thirty percent for the
5 2022-23 school year and the reduction percentage increasing by fifteen
6 percent each school year thereafter until the difference is reduced to zero,
7 and then the difference added to the amount determined in paragraph 1.

8 c. The superintendent also shall adjust state aid determined in this subsection to
9 ensure the amount does not exceed the transition maximum as follows:

10 (1) ~~For the 2021-22 school year, the transition maximum rate is one hundred~~
11 ~~ten percent of the district's baseline funding per weighted student unit, as~~
12 ~~established in subsection 2, multiplied by the district's weighted student~~
13 ~~units from the previous school year.~~

14 (2) ~~For the 2022-23 school year, the transition maximum rate is one hundred~~
15 ~~ten percent of the district's baseline funding per weighted student unit, as~~
16 ~~established in subsection 2, multiplied by the district's weighted student~~
17 ~~units from the previous school year.~~

18 (3) For the 2023-24 school year, the transition maximum rate is one hundred
19 ten percent of the district's baseline funding per weighted student unit, as
20 established in subsection 2, plus twenty percent of the difference between
21 the rate under paragraph 1 of subdivision b of this subsection and
22 one hundred ten percent of the district's baseline funding per weighted
23 student unit. The transition maximum is determined by multiplying the
24 transition maximum rate, which may not exceed the rate under paragraph 1
25 of subdivision b of this subsection, by the district's weighted student units
26 from the previous school year.

27 (4)(2) For the 2024-25 school year, the transition maximum rate is one hundred
28 ten percent of the district's baseline funding per weighted student unit, as
29 established in subsection 2, plus forty percent of the difference between the
30 rate under paragraph 1 of subdivision b of this subsection and one hundred
31 ten percent of the district's baseline funding per weighted student unit. The

1 transition maximum is determined by multiplying the transition maximum
2 rate, which may not exceed the rate under paragraph 1 of subdivision b of
3 this subsection, by the district's weighted student units from the previous
4 school year.

5 ~~(5)(3)~~ For the 2025-26 school year, the transition maximum rate is one hundred
6 ten percent of the district's baseline funding per weighted student unit, as
7 established in subsection 2, plus sixty percent of the difference between the
8 rate under paragraph 1 of subdivision b of this subsection and one hundred
9 ten percent of the district's baseline funding per weighted student unit. The
10 transition maximum is determined by multiplying the transition maximum
11 rate, which may not exceed the rate under paragraph 1 of subdivision b of
12 this subsection, by the district's weighted student units from the previous
13 school year.

14 ~~(6)(4)~~ For the 2026-27 school year, the transition maximum rate is one hundred
15 ten percent of the district's baseline funding per weighted student unit, as
16 established in subsection 2, plus eighty percent of the difference between
17 the rate under paragraph 1 of subdivision b of this subsection and
18 one hundred ten percent of the district's baseline funding per weighted
19 student unit. The transition maximum is determined by multiplying the
20 transition maximum rate, which may not exceed the rate under paragraph 1
21 of subdivision b of this subsection, by the district's weighted student units
22 from the previous school year.

23 4. After determining the product in accordance with subsection 3, the superintendent of
24 public instruction shall:
25 a. Subtract an amount equal to ~~sixty~~thirty mills multiplied by the taxable valuation of
26 the school district. For purposes of this subdivision, "taxable valuation" means,
27 for taxable year 2023, the 2022 taxable valuation of the school district, and for
28 taxable year 2024 and each year thereafter, the 2022 taxable valuation increased
29 by five percent per year, beginning with taxable year 2024 and each year
30 thereafter; 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, and tuition received under an agreement
10 to educate students from a school district on an air force base with
11 funding received through federal impact aid as directed each school
12 year in paragraph 3 of subdivision c of subsection 1, the
13 superintendent of public instruction also shall reduce the total tuition
14 reported by the school district by the amount of tuition revenue
15 received for the education of students not residing in the state and for
16 which the state has not entered a cross-border education contract;
17 and
- 18 (b) The superintendent of public instruction also shall reduce the total
19 tuition reported by admitting school districts meeting the requirements
20 of subdivision e of subsection 2 of section 15.1-29-12 by the amount
21 of tuition revenue received for the education of students residing in an
22 adjacent school district.
- 23 (2) After adjusting tuition revenue as provided in paragraph 1, the
24 superintendent shall reduce all remaining revenues from all revenue types
25 by the percentage of mills levied in ~~2020~~2022 by the school district for
26 sinking and interest relative to the total mills levied in ~~2020~~2022 by the
27 school district for all purposes.
- 28 5. The amount remaining after the computation required under subsection 4 is the
29 amount of state aid to which a school district is entitled, subject to any other statutory
30 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; and

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

14 **SECTION 2. 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 per student is less than twenty percent of the state average
18 valuation per student, the superintendent of public instruction, for purposes of determining state
19 aid in accordance with subsection 4 of section 15.1-27-04.1, shall utilize an amount equal to
20 ~~sixty~~thirty mills times twenty percent of the state average valuation per student multiplied by the
21 number of weighted student units in the district.

22 **SECTION 3. AMENDMENT.** Section 57-15-01 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **57-15-01. Levy in specific amounts - Exceptions.**

25 With the exception of special assessment taxes and such general taxes as may be
26 definitely fixed by law, all state, county, city, township, school district, and park district taxes
27 must be levied or voted in specific amounts of money. For purposes of communicating with the
28 public and comparing the amount levied in the current taxable year to the amount levied in the
29 preceding taxable year, taxing districts shall express levies in terms of dollars rather than mills.

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; and
 - 22 e. "Taxing district" means any political subdivision, other than a school district,
23 empowered by law to levy taxes.
- 24 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
25 levy under this section must be specifically approved by a resolution approved by the
26 governing body of the taxing district. Before determining the levy limitation under this
27 section, the dollar amount levied in the base year must be:
 - 28 a. Reduced by an amount equal to the sum determined by application of the base
29 year's calculated mill rate for that taxing district to the final base year taxable
30 valuation of any taxable property and property exempt by local discretion or

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

1 ~~apply subsection 3 to the total amount levied in dollars in the base year for both the~~
2 ~~general fund and special fund accounts. School district levies under any section other~~
3 ~~than section 57-15-14 may be made within applicable limitations but those levies are~~
4 ~~not subject to subsection 3.~~

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

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

- 10 1. Unless authorized by the electors of the school district in accordance with this section,
11 a school district may not impose greater levies than those permitted under section
12 57-15-14.2.
- 13 a. In any school district having a total population in excess of four thousand
14 according to the last federal decennial census there may be levied any specific
15 number of mills that upon resolution of the school board has been submitted to
16 and approved by a majority of the qualified electors voting upon the question at
17 any regular or special school district election.
- 18 b. In any school district having a total population of fewer than four thousand, there
19 may be levied any specific number of mills that upon resolution of the school
20 board has been approved by fifty-five percent of the qualified electors voting
21 upon the question at any regular or special school election.
- 22 c. After June 30, 2009, in any school district election for approval by electors of
23 increased levy authority under subsection 1 or 2, the ballot must specify the
24 number of mills proposed for approval, and the number of taxable years for which
25 that approval is to apply. After June 30, 2009, approval by electors of increased
26 levy authority under subsection 1 or 2 may not be effective for more than ten
27 taxable years.
- 28 d. The authority for a levy of up to a specific number of mills under this section
29 approved by electors of a school district before July 1, 2009, is terminated
30 effective for taxable years after 2015. If the electors of a school district subject to
31 this subsection have not approved a levy for taxable years after 2015 of up to a

1 specific number of mills under this section by December 31, 2015, the school
2 district levy limitation for subsequent years is subject to the limitations under
3 ~~section 57-15-01.1 or~~ this section.

4 e. For taxable years beginning after 2012:

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

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

13 (3) The authority for a levy of up to a specific number of mills, placed on the
14 ballot in a school district election for electoral approval of increased levy
15 authority under subdivision a or b, after June 30, ~~2013~~2022, must be stated
16 as a specific number of mills of general fund levy authority and must include
17 a statement that the statutory school district general fund levy limitation is
18 ~~seventy~~forty mills on the dollar of the taxable valuation of the school district.

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

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

27 **57-15-14.2. School district levies. (~~Effective for taxable years through December 31,~~**
28 **~~2024~~)**

29 1. ~~The board of a school district may levy a tax not exceeding the amount in dollars that~~
30 ~~the school district levied for the prior year, plus twelve percent and the dollar amount~~
31 ~~of the adjustment required in section 15.1-27-04.3, up to a levy of seventy mills on the~~

1 taxable valuation of the district, for any purpose related to the provision of educational
2 services. The proceeds of this levy must be deposited into the school district's general
3 fund and used in accordance with this subsection. The proceeds may not be
4 transferred into any other fund.

5 2. The board of a school district may levy no more than twelve mills on the taxable
6 valuation of the district, for miscellaneous purposes and expenses. The proceeds of
7 this levy must be deposited into a special fund known as the miscellaneous 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 three mills on the taxable
11 valuation of the district for deposit into a special reserve fund, in accordance with
12 chapter 57-19.

13 4. The board of a school district may levy no more than the number of mills necessary,
14 on the taxable valuation of the district, for the payment of tuition, in accordance with
15 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
16 known as the tuition fund and used in accordance with this subsection. The proceeds
17 may not be transferred into any other fund.

18 5. The board of a school district may levy no more than five mills on the taxable valuation
19 of the district, pursuant to section 57-15-15.1, for purposes of developing a school
20 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be
21 deposited into a special fund known as the school safety plan fund and used in
22 accordance with this subsection.

23 6. Nothing in this section limits the board of a school district from levying:

24 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and

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

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

29 1. The board of a school district may levy a tax not exceeding the amount in dollars that
30 the school district levied for the prior year, plus twelve percent, up to would be
31 generated by a levy of seventythree mills on the taxable valuation of the district, for

1 ~~any purpose related to the provision of educational services~~the school district's local
2 contribution to the costs of education. For purposes of this subsection, "taxable
3 valuation" means, for taxable year 2023, the 2022 taxable valuation of the school
4 district, and for taxable year 2024 and each year thereafter, the 2022 taxable valuation
5 increased by five percent per year, beginning with taxable year 2024 and each year
6 thereafter. The proceeds of this levy must be deposited into the school district's
7 general fund and may be used in accordance with this subsection~~for any purposes~~
8 related to the provision of educational services. The proceeds may not be transferred
9 into any other fund.

10 2. The board of a school district may levy no more than ten mills on the taxable valuation
11 of the district, for any purpose related to the provision of educational services. The
12 proceeds of this levy must be deposited into the school district's general fund and
13 used in accordance with this subsection. The proceeds may not be transferred into
14 any other fund.

15 3. The board of a school district may levy no more than twelve mills on the taxable
16 valuation of the district, for miscellaneous purposes and expenses. The proceeds of
17 this levy must be deposited into a special fund known as the miscellaneous fund and
18 used in accordance with this subsection. The proceeds may not be transferred into
19 any other fund.

20 ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable
21 valuation of the district for deposit into a special reserve fund, in accordance with
22 chapter 57-19.

23 ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary,
24 on the taxable valuation of the district, for the payment of tuition, in accordance with
25 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund
26 known as the tuition fund and used in accordance with this subsection. The proceeds
27 may not be transferred into any other fund.

28 ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation
29 of the district, pursuant to section 57-15-15.1, for purposes of developing a school
30 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be

1 deposited into a special fund known as the school safety plan fund and used in
2 accordance with this subsection.

3 ~~6-7.~~ Nothing in this section limits the board of a school district from levying:

- 4 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
5 b. Mills necessary to pay principal and interest on the bonded debt of the district,
6 including the mills necessary to pay principal and interest on any bonded debt
7 incurred under section 57-15-17.1 before July 1, 2013.

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

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

15 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27
16 is determined by multiplying the taxable value for the taxable year for each
17 parcel shown on the tax statement by the number of mills of mill levy
18 reduction grant under chapter 57-64 for the 2012 taxable year plus the
19 ~~number of mills determined by subtracting from the 2012 taxable year mill-~~
20 ~~rate of the school district in which the parcel is located~~ the lesser of:

- 21 (a) ~~Fifty~~Eighty mills; or
22 (b) The 2012 taxable year mill rate of the school district minus ~~sixty~~thirty
23 mills.

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

29 **SECTION 8. AMENDMENT.** Section 57-20-07.3 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **57-20-07.3. Centrally assessed company credit against payments in lieu of taxes.**

2 1. The owner, operator, or lessee of transmission lines, for which payments in lieu of
3 property taxes are assessed by the state board of equalization under section
4 57-06-17.3, is entitled to a credit against tax in the amount provided in subsection 3.
5 The credit for each transmission company must be allocated to the counties in the
6 same manner as the tax collected from that company is allocated.

7 2. The owner, operator, or lessee of electric transmission or distribution property, for
8 which payments in lieu of property taxes are assessed by the state board of
9 equalization under sections 57-33.2-02 or 57-33.2-03, is entitled to a credit against the
10 transmission or distribution tax in the amount provided in subsection 3. The credit for
11 each transmission or distribution company must be allocated and distributed to
12 counties in the same manner as the tax collected from that company is allocated.

13 3. The amount of credit is ~~determined by multiplying the sum of the following:~~
14 a. The company's assessed tax multiplied by a fraction, the numerator of which is
15 the total of all formula payments calculated for the subsequent calendar year
16 under section 50-35-03 and the denominator of which is the total statewide ad
17 valorem property tax levied in the prior taxable year; and
18 b. The company's assessed tax multiplied by a fraction, the numerator of which is
19 equal to thirty mills multiplied by the taxable valuation of property in all school
20 districts and the denominator of which is the total statewide ad valorem property
21 tax levied in the prior taxable year. For purposes of this subdivision, "taxable
22 valuation" means, for taxable year 2023, the 2022 taxable valuation of the school
23 district, and for taxable year 2024 and each year thereafter, the 2022 taxable
24 valuation increased by five percent per year, beginning with taxable year 2024
25 and each year thereafter.

26 4. The tax commissioner shall annually calculate the amount of credit to which a
27 company is entitled under this section.

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

30 **SECTION 10. EFFECTIVE DATE.** Sections 4, 5, 6, and 8 of this Act are effective for taxable
31 years beginning after December 31, 2022.