

15.0291.09000

Sixty-fourth  
Legislative Assembly  
of North Dakota

**SECOND ENGROSSMENT  
with Conference Committee Amendments  
REENGROSSED SENATE BILL NO. 2031**

Introduced by

Legislative Management

(Education Funding Committee)

1 A BILL for an Act to create and enact a new section to chapter 15.1-06, a new section to chapter  
2 15.1-13, and section 15.1-09.1-02.2 of the North Dakota Century Code, relating to school  
3 district calendars, regional education associations, and the education standards and practices  
4 board; to amend and reenact sections 15-39.1-28, 15.1-06-04, 15.1-09-47, 15.1-09-48,  
5 15.1-27-03.1, 15.1-27-03.2, 15.1-27-04.1, 15.1-27-04.2, 15.1-27-23, 15.1-27-35.3, 15.1-27-45,  
6 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-17,  
7 57-15-31, 57-19-01, 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the  
8 determination of state aid payable to school districts; to repeal sections 15.1-27-04,  
9 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20,  
10 57-15-14.4, 57-15-14.5, 57-15-17.1, and 57-19-04 and chapter 57-64 of the North Dakota  
11 Century Code, relating to the determination of state aid payable to school districts, school  
12 district levies, and mill levy reduction grants; to provide for a school district reporting review  
13 committee study; to provide for legislative management studies; to provide grants; to provide  
14 exemptions; to provide for contingent funding; to provide an effective date; and to declare an  
15 emergency.

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

17 **SECTION 1. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **15-39.1-28. (~~Effective for the first two taxable years beginning after December 31,~~**  
20 **2012) Tax levy for teachers' retirement.**

21 Any school district by a resolution of its school board may use the proceeds of levies, as  
22 permitted by section 57-15-14.2, for the purposes of meeting the district's contribution to the  
23 fund arising under this chapter and to provide the district's share, if any, of contribution to the

1 fund for contracted employees of either a multidistrict special education board or another school  
2 district where the contracted employees are also providing services to the taxing school district.

3 ~~(Effective after the first two taxable years beginning after December 31, 2012) Tax~~  
4 ~~levy for teachers' retirement.~~ Any school district by a resolution of its school board may levy a  
5 tax pursuant to subdivision b of subsection 1 of section 57-15-14.2, the proceeds to be used for  
6 the purposes of meeting the district's contribution to the fund arising under this chapter and to  
7 provide the district's share, if any, of contribution to the fund for contracted employees of either  
8 a multidistrict special education board or another school district where the contracted  
9 employees are also providing services to the taxing school district.

10 **SECTION 2. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **15.1-06-04. School calendar - Length.**

- 13 1. ~~During the 2009-10 school year, a school district shall provide for a school calendar of~~  
14 ~~at least one hundred eighty days.~~
- 15 a. ~~One hundred seventy three days must be used for instruction;~~
  - 16 b. ~~Three days must be used for holidays, as selected by the school board in~~  
17 ~~consultation with district teachers from the list provided for in subdivisions b~~  
18 ~~through j of subsection 1 of section 15.1-06-02;~~
  - 19 e. ~~Up to two days must be used for:~~
    - 20 ~~(1) Parent teacher conferences; or~~
    - 21 ~~(2) Compensatory time for parent teacher conferences held outside regular~~  
22 ~~school hours; and~~
  - 23 d. ~~Two days must be used for professional development.~~
- 24 2. ~~During the 2010-11 school year, a school district shall provide for a school calendar of~~  
25 ~~at least one hundred eighty one days.~~
- 26 a. ~~One hundred seventy four days must be used for instruction;~~
  - 27 b. ~~Three days must be used for holidays, as selected by the board in consultation~~  
28 ~~with district teachers from the list provided for in subdivisions b through j of~~  
29 ~~subsection 1 of section 15.1-06-02;~~
  - 30 e. ~~Up to two days must be used for:~~
    - 31 ~~(1) Parent teacher conferences; or~~

- 1                   (2) ~~Compensatory time for parent-teacher conferences held outside of regular-~~  
2   ~~school hours; and~~
- 3           d. ~~Two days must be used for professional development.~~
- 4       3. ~~Beginning with the 2011-12 school year, a~~
- 5       1. ~~A school district shall provide for a school calendar of at least one hundred eighty-two~~  
6       ~~days that includes:~~
- 7           a. ~~One~~At least one ~~hundred seventy-five days must be used for~~of instruction;  
8           b. ~~Three days must be used for~~ holidays, as selected by the board in consultation  
9   with district teachers from the list provided for in subdivisions b through j of  
10   subsection 1 of section 15.1-06-02;
- 11           c. ~~Up to~~No more than two days must be used for:
- 12   (1) Parent-teacher conferences; or  
13   (2) Compensatory time for parent-teacher conferences held outside of regular  
14   school hours; and
- 15           d. ~~Two days must be used for~~At least two days of professional development.
- 16   4.2. a. A day ~~for~~of professional development must consist of:
- 17           a. (1) Six hours of professional development, exclusive of meals and other breaks,  
18   conducted within a single day; ~~or~~
- 19           b. (2) Six hours of cumulative professional development conducted under the  
20   auspices of a professional learning community; or
- 21   (3) Two four-hour periods of professional development, exclusive of meals and  
22   other breaks, conducted over two days.
- 23       5. b. If a school district offers a four-hour period of professional development, as  
24   permitted in ~~subdivision b of this~~ subsection-4, the school district may schedule  
25   instruction during other available hours on that same day and be credited with  
26   providing one-half day of instruction to students. This ~~subsection~~subdivision does  
27   not apply unless the one-half day of instruction equals at least one-half of the  
28   time required for a full day of instruction, as defined in this section.
- 29       6. a. ~~In meeting the requirements for two days of professional development under this~~  
30   ~~section, a school district may require that its teachers attend the North Dakota-~~

- 1                    ~~education association instructional conference and may pay teachers for~~  
2                    ~~attending the conference, provided their attendance is verified.~~
- 3                    b. ~~In meeting the requirements for two days of professional development under this~~  
4                    ~~section, a school district may consider attendance at the North Dakota education~~  
5                    ~~association instructional conference to be optional, elect not to pay teachers for~~  
6                    ~~attending the instructional conference, and instead direct any resulting savings~~  
7                    ~~toward providing alternate professional development opportunities.~~
- 8                    e. ~~A school district may not require the attendance of teachers in school or at any~~  
9                    ~~school sponsored, school directed, school sanctioned, or school related activities~~  
10                   ~~and may not schedule classroom instruction time nor alternate professional~~  
11                   ~~development activities on any day that conflicts with the North Dakota education~~  
12                   ~~association instructional conference.~~
- 13                   7. ~~Beginning with the 2010-11 school year, if a school district elects to provide an~~  
14                   ~~optional third day of professional development, the school district shall do so by:~~
- 15                   a. ~~Meeting the requirements for a day of professional development as set forth in~~  
16                   ~~subsection 4; or~~
- 17                   b. ~~Shortening four instructional days, for the purpose of providing for two-hour~~  
18                   ~~periods of professional development, provided:~~
- 19                   (1) ~~Each instructional day on which such professional development occurs~~  
20                   ~~includes at least four hours of instruction for kindergarten and elementary~~  
21                   ~~students and four and one-half hours for high school students;~~
- 22                   (2) ~~The instructional time for each course normally scheduled on that day is~~  
23                   ~~reduced proportionately or the daily schedule is reconfigured to ensure that~~  
24                   ~~the same course is not subject to early dismissal more than one time per~~  
25                   ~~school calendar, as a result of this subdivision; and~~
- 26                   (3) ~~All teachers having a class dismissed as a result of this subdivision are~~  
27                   ~~required to be in attendance and participate in the professional~~  
28                   ~~development.~~
- 29                   8.    a. ~~If a school's calendar provides for an extension of each schoolday beyond the~~  
30                   ~~statutorily required minimum number of hours, and if the extensions when~~  
31                   ~~aggregated over an entire school year amount to more than eighty-four hours of~~

1                    ~~additional classroom instruction during the school year, the school is exempt from~~  
2                    ~~having to make up six hours of instruction time lost as a result of weather-related~~  
3                    ~~closure. In order to make up lost classroom instruction time beyond the six hours,~~  
4                    ~~the school must extend its normal school calendar day by at least thirty minutes.~~

5                    ~~b. A school that does not qualify under the provisions of this subsection must extend~~  
6                    ~~its normal schoolday by at least thirty minutes to make up classroom instruction~~  
7                    ~~time lost as a result of weather-related closure.~~

8                    ~~e.3.~~ If because of weather a school must dismiss before completing a full day of  
9                    instruction, the school is responsible for making up only those hours and portions of an  
10                   instruction between the time of early dismissal and the conclusion of a full day of classroom  
11                   instruction.

12                   ~~9.4.~~ For purposes of this section, a full day of instruction consists of:

13                   a. At least five and one-half hours for kindergarten and elementary students, during  
14                   which time the students are required to be in attendance for the purpose of  
15                   receiving curricular instruction; and

16                   b. At least six hours for high school students, during which time the students are  
17                   required to be in attendance for the purpose of receiving curricular instruction.

18                   **SECTION 3.** A new section to chapter 15.1-06 of the North Dakota Century Code is created  
19 and enacted as follows:

20                   **School district calendar - Limitation.**

21                   1. A school district may not schedule school-sponsored, school-directed, or school-  
22                   related activities, including instructional time, during any day that the superintendent of  
23                   public instruction declares is in conflict with a professional development conference  
24                   directed toward all teachers or all administrators and hosted by an educational  
25                   organization in this state.

26                   2. The declaration permitted by subsection 1 is limited to two days during a school year.

27                   **SECTION 4. AMENDMENT.** Section 15.1-09-47 of the North Dakota Century Code is  
28 amended and reenacted as follows:

1           **15.1-09-47. (Effective for the first two taxable years beginning after December 31,**  
2 **2012) Board of education of city of Fargo - Taxing authority.**

3           The board of education of the city of Fargo may levy taxes within the requirements or  
4 limitations of this title and title 57.

5           ~~(Effective after the first two taxable years beginning after December 31, 2012) Board~~  
6 ~~of education of city of Fargo - Taxing authority.~~

7           ~~1. The board of education of the city of Fargo may levy taxes, as necessary for any of the~~  
8 ~~following purposes:~~

9           ~~a. To purchase, exchange, lease, or improve sites for schools.~~

10           ~~b. To build, purchase, lease, enlarge, alter, improve, and repair schools and their~~  
11 ~~appurtenances.~~

12           ~~c. To procure, exchange, improve, and repair school apparatus, books, furniture, and~~  
13 ~~appendages, but not the furnishing of textbooks to any student whose parent is~~  
14 ~~unable to furnish the same.~~

15           ~~d. To provide fuel.~~

16           ~~e. To defray the contingent expenses of the board, including the compensation of~~  
17 ~~employees.~~

18           ~~f. To pay teacher salaries after the application of public moneys, which may by law~~  
19 ~~be appropriated and provided for that purpose.~~

20           ~~2. The question of authorizing or discontinuing the unlimited taxing authority of the board~~  
21 ~~of education of the city of Fargo must be submitted to the qualified electors of the~~  
22 ~~Fargo school district at the next regular election upon resolution of the board of~~  
23 ~~education or upon filing with the board a petition containing the signatures of qualified~~  
24 ~~electors of the district equal in number to twenty percent of the individuals enumerated~~  
25 ~~in the most recent school district census. However, if the electors approve a~~  
26 ~~discontinuation of the unlimited taxing authority, their approval of the discontinuation~~  
27 ~~may not affect the tax levy effective for the calendar year in which the election is held.~~  
28 ~~In addition, the minimum levy may not be less than the levy that was in force at the~~  
29 ~~time of the election. The board may increase its levy in accordance with section~~  
30 ~~57-15-01. If the district experiences growing enrollment, the board may increase the~~

1           levy by an amount equal to the amount levied the preceding year per student times the  
2           number of additional students enrolled during the new year.

3           **SECTION 5. AMENDMENT.** Section 15.1-09-48 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **15.1-09-48. (Effective for the first two taxable years beginning after December 31,  
6 2012) Board of education of city of Fargo - Tax collection.**

7           1. The board of education of the city of Fargo may levy taxes within the boundaries of the  
8 Fargo public school district and cause the taxes to be collected in the same manner as  
9 other city taxes, provided the taxes meet the requirements or limitations of this title  
10 and title 57. The business manager of the board of education shall certify the rate for  
11 each purpose to the city auditor in time to be added to the annual tax list of the city.

12           2. The city auditor shall calculate and extend upon the annual assessment roll and tax  
13 list any tax levied by the board of education. The tax must be collected in the same  
14 manner as other city taxes.

15           3. If the city council fails to levy any tax for city purposes or fails to cause an assessment  
16 roll or tax list to be made, the board of education may make an assessment roll and  
17 tax list and submit the roll to the city auditor with a warrant for the collection of the tax.  
18 The board of education may cause the tax to be collected in the same manner as  
19 other city taxes are collected or as otherwise provided by resolution of the board.

20           ~~(Effective after the first two taxable years beginning after December 31, 2012) Board of  
21 education of city of Fargo - Tax collection. The board of education of the city of Fargo has the  
22 power to levy taxes within the boundaries of the Fargo public school district and to cause such  
23 taxes to be collected in the same manner as other city taxes. The board of education shall  
24 cause the rate for each purpose to be certified by the business manager to the city auditor in  
25 time to be added to the annual tax list of the city. It is the duty of the city auditor to calculate and  
26 extend upon the annual assessment roll and tax list any tax levied by the board of education.  
27 The tax must be collected as other city taxes are collected. If the city council fails to levy any tax  
28 for city purposes or fails to cause an assessment roll or tax list to be made, the board of  
29 education may cause an assessment roll and tax list to be made and submit the roll to the city  
30 auditor with a warrant for the collection of the tax. The board of education may cause the tax to~~

1 ~~be collected in the same manner as other city taxes are collected or as otherwise provided by~~  
2 ~~resolution of the board.~~

3 **SECTION 6.** Section 15.1-09.1-02.2 of the North Dakota Century Code is created and  
4 enacted as follows:

5 **15.1-09.1-02.2. Regional education association - Review process.**

6 In order to be eligible for state funding, a regional education association shall participate in  
7 and meet the requirements of a review process that is:

- 8 1. Designed to raise the quality of services offered by a regional education association to  
9 its members, in accordance with this chapter, through a continuous cycle of  
10 improvement; and
- 11 2. Approved by the superintendent of public instruction.

12 **SECTION 7.** A new section to chapter 15.1-13 of the North Dakota Century Code is created  
13 and enacted as follows:

14 **Satisfaction survey - Development - Utilization - Report to legislative management.**

- 15 1. a. The superintendent of public instruction shall develop an electronic survey  
16 instrument that the education standards and practices board shall utilize at the  
17 conclusion of all interactions with individuals seeking information or services from  
18 the board.
- 19 b. The survey instrument must include references to quality; timeliness; the  
20 availability, courtesy, knowledge, and responsiveness of staff; the ease of  
21 obtaining information or services; and the cost and value of the interaction.
- 22 c. The education standards and practices board shall begin to utilize the survey no  
23 later than June 1, 2015.
- 24 2. The education standards and practices board shall compile the responses and provide  
25 reports regarding the results to an interim committee designated by the legislative  
26 management at the times and in the manner requested by the committee.
- 27 3. Any expenses incurred by the superintendent of public instruction in developing the  
28 survey instrument are the responsibility of the education standards and practices  
29 board.

30 **SECTION 8. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
31 amended and reenacted as follows:



1           **15.1-27-03.1. (~~Effective July 1, 2013, through June 30, 2015~~) Weighted average daily**  
2 **membership - Determination.**

3           1. For each school district, the superintendent of public instruction shall multiply by:

4           a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer-~~  
5           ~~program;~~

6           ~~b.a.~~ 1.00 the number of full-time equivalent students enrolled in an extended  
7           educational program in accordance with section 15.1-32-17;

8           ~~e.b.~~ 0.60 the number of full-time equivalent students enrolled in a summer education  
9           program, including a migrant summer education program;

10          ~~d.~~ 0.20 the number of full-time equivalent students enrolled in a home-based  
11          ~~education program and monitored by the school district under chapter 15.1-23;~~

12          ~~e.c.~~ ~~0.300.33~~ the number of full-time equivalent students who:

13               (1) On a test of English language proficiency approved by the superintendent of  
14               public instruction are determined to be least proficient and placed in the first  
15               of six categories of proficiency; and

16               (2) Are enrolled in a program of instruction for English language learners;

17          ~~f.d.~~ 0.25 the number of full-time equivalent students under the age of twenty-one  
18          enrolled in grades nine through twelve in an alternative high school;

19          ~~g.~~ 0.20 the number of full-time equivalent students attending school in a bordering  
20          ~~state in accordance with section 15.1-29-01;~~

21          ~~h.e.~~ ~~0.200.22~~ the number of full-time equivalent students who:

22               (1) On a test of English language proficiency approved by the superintendent of  
23               public instruction are determined to be more proficient than students placed  
24               in the first of six categories of proficiency and therefore placed in the second  
25               of six categories of proficiency; and

26               (2) Are enrolled in a program of instruction for English language learners;

27          ~~i.f.~~ 0.20 the number of full-time equivalent students enrolled in a home-based  
28          education program and monitored by the school district under chapter 15.1-23;

29          ~~g.~~ 0.17 the number of full-time equivalent students enrolled in an early childhood  
30          special education program;



1                   (3) Will acquire the PowerSchool student information system during the current  
2                   school year, provided the acquisition is contractually demonstrated; and  
3           p.m. 0.002 the number of students enrolled in average daily membership in a school  
4                   district that is a participating member of a regional education association meeting  
5                   the requirements of chapter 15.1-09.1.

6           2. The superintendent of public instruction shall determine each school district's weighted  
7                   average daily membership by adding the products derived under subsection 1 to the  
8                   district's average daily membership.

9           ~~(Effective after June 30, 2015) Weighted average daily membership – Determination.~~

- 10          1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
- 11           a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer-~~  
12                   ~~program;~~
  - 13           b. ~~1.00 the number of full-time equivalent students enrolled in an extended-~~  
14                   ~~educational program in accordance with section 15.1-32-17;~~
  - 15           c. ~~0.60 the number of full-time equivalent students enrolled in a summer education-~~  
16                   ~~program;~~
  - 17           d. ~~0.50 the number of full-time equivalent students enrolled in a home-based-~~  
18                   ~~education program and monitored by the school district under chapter 15.1-23;~~
  - 19           e. ~~0.30 the number of full-time equivalent students who:~~
    - 20                   (1) ~~On a test of English language proficiency approved by the superintendent of~~  
21                   ~~public instruction are determined to be least proficient and placed in the first-~~  
22                   ~~of six categories of proficiency; and~~
    - 23                   (2) ~~Are enrolled in a program of instruction for English language learners;~~
  - 24           f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high-~~  
25                   ~~school;~~
  - 26           g. ~~0.20 the number of full-time equivalent students attending school in a bordering-~~  
27                   ~~state in accordance with section 15.1-29-01;~~
  - 28           h. ~~0.20 the number of full-time equivalent students who:~~
    - 29                   (1) ~~On a test of English language proficiency approved by the superintendent of~~  
30                   ~~public instruction are determined to be more proficient than students placed-~~

- 1                   in the first of six categories of proficiency and therefore placed in the second  
2                   of six categories of proficiency; and
- 3           (2) Are enrolled in a program of instruction for English language learners;
- 4           i. 0.17 the number of full-time equivalent students enrolled in an early childhood  
5           special education program;
- 6           j. 0.10 the number of students enrolled in average daily membership, if the district  
7           has fewer than one hundred students enrolled in average daily membership and  
8           the district consists of an area greater than two hundred seventy-five square  
9           miles [19424.9 hectares], provided that any school district consisting of an area  
10           greater than six hundred square miles [155399 hectares] and enrolling fewer than  
11           fifty students in average daily membership must be deemed to have an  
12           enrollment equal to fifty students in average daily membership;
- 13           k. 0.082 the number of students enrolled in average daily membership, in order to  
14           support the provision of special education services;
- 15           l. 0.07 the number of full-time equivalent students who:
- 16           (1) On a test of English language proficiency approved by the superintendent of  
17           public instruction are determined to be more proficient than students placed  
18           in the second of six categories of proficiency and therefore placed in the  
19           third of six categories of proficiency;
- 20           (2) Are enrolled in a program of instruction for English language learners; and
- 21           (3) Have not been in the third of six categories of proficiency for more than  
22           three years;
- 23           m. 0.025 the number of students representing that percentage of the total number of  
24           students in average daily membership which is equivalent to the three-year  
25           average percentage of students in grades three through eight who are eligible for  
26           free or reduced lunches under the Richard B. Russell National School Lunch Act  
27           [42 U.S.C. 1751 et seq.];
- 28           n. 0.006 the number of students enrolled in average daily membership in each  
29           public school in the district that:
- 30           (1) Has acquired and is utilizing the PowerSchool student information system;

- 1           (2) ~~Has acquired and is in the process of implementing the PowerSchool-~~  
2           ~~student information system; or~~  
3           (3) ~~Will acquire the PowerSchool student information system during the current-~~  
4           ~~school year, provided the acquisition is contractually demonstrated; and~~  
5           e. ~~0.004 the number of students enrolled in average daily membership in a school-~~  
6           ~~district that is a participating member of a regional education association meeting~~  
7           ~~the requirements of chapter 15.1-09.1.~~  
8           2. ~~The superintendent of public instruction shall determine each school district's weighted-~~  
9           ~~average daily membership by adding the products derived under subsection 1 to the~~  
10          ~~district's average daily membership.~~

11          **SECTION 9. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is  
12          amended and reenacted as follows:

13          **15.1-27-03.1. (~~Effective July 1, 2013, through June 30, 2015~~) Weighted average daily**  
14          **membership - Determination.**

- 15          1. For each school district, the superintendent of public instruction shall multiply by:  
16           a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer-~~  
17           ~~program;~~  
18           ~~b.a.~~ 1.00 the number of full-time equivalent students enrolled in an extended  
19           educational program in accordance with section 15.1-32-17;  
20           ~~e.b.~~ 0.60 the number of full-time equivalent students enrolled in a summer education  
21           program, including a migrant summer education program;  
22           ~~d.~~ ~~0.20 the number of full-time equivalent students enrolled in a home-based-~~  
23           ~~education program and monitored by the school district under chapter 15.1-23;~~  
24           ~~e.c.~~ 0.30 0.40 the number of full-time equivalent students who:  
25           (1) On a test of English language proficiency approved by the superintendent of  
26           public instruction are determined to be least proficient and placed in the first  
27           of six categories of proficiency; and  
28           (2) Are enrolled in a program of instruction for English language learners;  
29           ~~d.~~ 0.28 the number of full-time equivalent students who:  
30           (1) On a test of English language proficiency approved by the superintendent of  
31           public instruction are determined to be more proficient than students placed

- 1                    in the first of six categories of proficiency and therefore placed in the second  
2                    of six categories of proficiency; and
- 3                    (2) Are enrolled in a program of instruction for English language learners;
- 4                    f.e. 0.25 the number of full-time equivalent students under the age of twenty-one  
5                    enrolled in grades nine through twelve in an alternative high school;
- 6                    g. 0.20 the number of full-time equivalent students attending school in a bordering  
7                    state in accordance with section 15.1-29-01;
- 8                    h. 0.20 the number of full-time equivalent students who:
- 9                    (1) On a test of English language proficiency approved by the superintendent of  
10                    public instruction are determined to be more proficient than students placed  
11                    in the first of six categories of proficiency and therefore placed in the second  
12                    of six categories of proficiency; and
- 13                    (2) Are enrolled in a program of instruction for English language learners;
- 14                    f. 0.20 the number of full-time equivalent students enrolled in a home-based  
15                    education program and monitored by the school district under chapter 15.1-23;
- 16                    i.g. 0.17 the number of full-time equivalent students enrolled in an early childhood  
17                    special education program;
- 18                    j.h. 0.15 the number of full-time equivalent students in grades six through eight  
19                    enrolled in an alternative education program for at least an average of fifteen  
20                    hours per week;
- 21                    k.i. 0.10 the number of students enrolled in average daily membership, if the district  
22                    has fewer than one hundred students enrolled in average daily membership and  
23                    the district consists of an area greater than two hundred seventy-five square  
24                    miles [19424.9 hectares], provided that any school district consisting of an area  
25                    greater than six hundred square miles [155399 hectares] and enrolling fewer than  
26                    fifty students in average daily membership must be deemed to have an  
27                    enrollment equal to fifty students in average daily membership;
- 28                    l.j. 0.082 the number of students enrolled in average daily membership, in order to  
29                    support the provision of special education services;
- 30                    m.k. 0.07 the number of full-time equivalent students who:

1 (1) On a test of English language proficiency approved by the superintendent of  
2 public instruction are determined to be more proficient than students placed  
3 in the second of six categories of proficiency and therefore placed in the  
4 third of six categories of proficiency;

5 (2) Are enrolled in a program of instruction for English language learners; and

6 (3) Have not been in the third of six categories of proficiency for more than  
7 three years;

8 ~~n.l.~~ 0.025 the number of students representing that percentage of the total number of  
9 students in average daily membership which is equivalent to the three-year  
10 average percentage of students in grades three through eight who are eligible for  
11 free or reduced lunches under the Richard B. Russell National School Lunch Act  
12 [42 U.S.C. 1751 et seq.];

13 ~~e.~~ ~~0.003 the number of students enrolled in average daily membership in each~~  
14 ~~public school in the district that:~~

15 ~~(1) Has acquired and is utilizing the PowerSchool student information system;~~

16 ~~(2) Has acquired and is in the process of implementing the PowerSchool~~  
17 ~~student information system; or~~

18 ~~(3) Will acquire the PowerSchool student information system during the current~~  
19 ~~school year, provided the acquisition is contractually demonstrated; and~~

20 ~~p.m.~~ 0.002 the number of students enrolled in average daily membership in a school  
21 district that is a participating member of a regional education association meeting  
22 the requirements of chapter 15.1-09.1.

23 2. The superintendent of public instruction shall determine each school district's weighted  
24 average daily membership by adding the products derived under subsection 1 to the  
25 district's average daily membership.

26 **~~(Effective after June 30, 2015) Weighted average daily membership - Determination.~~**

27 ~~1.~~ ~~For each school district, the superintendent of public instruction shall multiply by:~~

28 ~~a.~~ ~~1.00 the number of full-time equivalent students enrolled in a migrant summer~~  
29 ~~program;~~

30 ~~b.~~ ~~1.00 the number of full-time equivalent students enrolled in an extended~~  
31 ~~educational program in accordance with section 15.1-32-17;~~

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- 1 e. ~~0.60 the number of full-time equivalent students enrolled in a summer education-~~  
2 ~~program;~~
- 3 d. ~~0.50 the number of full-time equivalent students enrolled in a home-based-~~  
4 ~~education program and monitored by the school district under chapter 15.1-23;~~
- 5 e. ~~0.30 the number of full-time equivalent students who:~~  
6 ~~(1) On a test of English language proficiency approved by the superintendent of~~  
7 ~~public instruction are determined to be least proficient and placed in the first~~  
8 ~~of six categories of proficiency; and~~  
9 ~~(2) Are enrolled in a program of instruction for English language learners;~~
- 10 f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high-~~  
11 ~~school;~~
- 12 g. ~~0.20 the number of full-time equivalent students attending school in a bordering-~~  
13 ~~state in accordance with section 15.1-29-01;~~
- 14 h. ~~0.20 the number of full-time equivalent students who:~~  
15 ~~(1) On a test of English language proficiency approved by the superintendent of~~  
16 ~~public instruction are determined to be more proficient than students placed~~  
17 ~~in the first of six categories of proficiency and therefore placed in the second~~  
18 ~~of six categories of proficiency; and~~  
19 ~~(2) Are enrolled in a program of instruction for English language learners;~~
- 20 i. ~~0.17 the number of full-time equivalent students enrolled in an early childhood-~~  
21 ~~special education program;~~
- 22 j. ~~0.10 the number of students enrolled in average daily membership, if the district-~~  
23 ~~has fewer than one hundred students enrolled in average daily membership and~~  
24 ~~the district consists of an area greater than two hundred seventy-five square-~~  
25 ~~miles [19424.9 hectares], provided that any school district consisting of an area~~  
26 ~~greater than six hundred square miles [155399 hectares] and enrolling fewer than~~  
27 ~~fifty students in average daily membership must be deemed to have an~~  
28 ~~enrollment equal to fifty students in average daily membership;~~
- 29 k. ~~0.082 the number of students enrolled in average daily membership, in order to-~~  
30 ~~support the provision of special education services;~~
- 31 l. ~~0.07 the number of full-time equivalent students who:~~



- 1           (1) ~~On a test of English language proficiency approved by the superintendent of~~  
2           ~~public instruction are determined to be more proficient than students placed~~  
3           ~~in the second of six categories of proficiency and therefore placed in the~~  
4           ~~third of six categories of proficiency;~~  
5           (2) ~~Are enrolled in a program of instruction for English language learners; and~~  
6           (3) ~~Have not been in the third of six categories of proficiency for more than~~  
7           ~~three years;~~  
8        m. ~~0.025 the number of students representing that percentage of the total number of~~  
9        ~~students in average daily membership which is equivalent to the three year~~  
10       ~~average percentage of students in grades three through eight who are eligible for~~  
11       ~~free or reduced lunches under the Richard B. Russell National School Lunch Act~~  
12       ~~[42 U.S.C. 1751 et seq.];~~  
13       n. ~~0.006 the number of students enrolled in average daily membership in each~~  
14       ~~public school in the district that:~~  
15        (1) ~~Has acquired and is utilizing the PowerSchool student information system;~~  
16        (2) ~~Has acquired and is in the process of implementing the PowerSchool~~  
17        ~~student information system; or~~  
18        (3) ~~Will acquire the PowerSchool student information system during the current~~  
19        ~~school year, provided the acquisition is contractually demonstrated; and~~  
20       o. ~~0.004 the number of students enrolled in average daily membership in a school~~  
21       ~~district that is a participating member of a regional education association meeting~~  
22       ~~the requirements of chapter 15.1-09.1.~~  
23       2. ~~The superintendent of public instruction shall determine each school district's weighted~~  
24       ~~average daily membership by adding the products derived under subsection 1 to the~~  
25       ~~district's average daily membership.~~

26        **SECTION 10. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is  
27        amended and reenacted as follows:

28        **15.1-27-03.2. (Effective through June 30, 2015) School district size weighting factor -**  
29        **Weighted student units.**

- 30        1. For each high school district in the state, the superintendent of public instruction shall  
31        assign a school district size weighting factor of:

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- 1           a. 1.36 if the students in average daily membership number fewer than 110:
- 2           b. 1.35 if the students in average daily membership number at least 110 but fewer
- 3           than 125;
- 4           **b-c.** 1.34 if the students in average daily membership number at least 125 but fewer
- 5           than 130;
- 6           **c-d.** 1.33 if the students in average daily membership number at least 130 but fewer
- 7           than 135;
- 8           **d-e.** 1.32 if the students in average daily membership number at least 135 but fewer
- 9           than 140;
- 10          **e-f.** 1.31 if the students in average daily membership number at least 140 but fewer
- 11          than 145;
- 12          **f-g.** 1.30 if the students in average daily membership number at least 145 but fewer
- 13          than 150;
- 14          **g-h.** 1.29 if the students in average daily membership number at least 150 but fewer
- 15          than 155;
- 16          **h-i.** 1.28 if the students in average daily membership number at least 155 but fewer
- 17          than 160;
- 18          **i-j.** 1.27 if the students in average daily membership number at least 160 but fewer
- 19          than 165;
- 20          **j-k.** 1.26 if the students in average daily membership number at least 165 but fewer
- 21          than 175;
- 22          **k-l.** 1.25 if the students in average daily membership number at least 175 but fewer
- 23          than 185;
- 24          **l-m.** 1.24 if the students in average daily membership number at least 185 but fewer
- 25          than 200;
- 26          **m-n.** 1.23 if the students in average daily membership number at least 200 but fewer
- 27          than 215;
- 28          **n-o.** 1.22 if the students in average daily membership number at least 215 but fewer
- 29          than 230;
- 30          **o-p.** 1.21 if the students in average daily membership number at least 230 but fewer
- 31          than 245;

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- 1            p-q.    1.20 if the students in average daily membership number at least 245 but fewer  
2                            than 260;
- 3            q-r.    1.19 if the students in average daily membership number at least 260 but fewer  
4                            than 270;
- 5            r-s.    1.18 if the students in average daily membership number at least 270 but fewer  
6                            than 275;
- 7            s-t.    1.17 if the students in average daily membership number at least 275 but fewer  
8                            than 280;
- 9            t-u.    1.16 if the students in average daily membership number at least 280 but fewer  
10                            than 285;
- 11           u-v.    1.15 if the students in average daily membership number at least 285 but fewer  
12                            than 290;
- 13           v-w.    1.14 if the students in average daily membership number at least 290 but fewer  
14                            than 295;
- 15           w-x.    1.13 if the students in average daily membership number at least 295 but fewer  
16                            than 300;
- 17           x-y.    1.12 if the students in average daily membership number at least 300 but fewer  
18                            than 305;
- 19           y-z.    1.11 if the students in average daily membership number at least 305 but fewer  
20                            than 310;
- 21           z-aa.   1.10 if the students in average daily membership number at least 310 but fewer  
22                            than 320;
- 23           aa-bb. 1.09 if the students in average daily membership number at least 320 but fewer  
24                            than 335;
- 25           bb-cc. 1.08 if the students in average daily membership number at least 335 but fewer  
26                            than 350;
- 27           cc-dd. 1.07 if the students in average daily membership number at least 350 but fewer  
28                            than 360;
- 29           dd-ee. 1.06 if the students in average daily membership number at least 360 but fewer  
30                            than 370;

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1 ee-ff. 1.05 if the students in average daily membership number at least 370 but fewer  
2 than 380;

3 ff-gg. 1.04 if the students in average daily membership number at least 380 but fewer  
4 than 390;

5 gg-hh. 1.03 if the students in average daily membership number at least 390 but fewer  
6 than 400;

7 hh-ii. 1.02 if the students in average daily membership number at least 400 but fewer  
8 than 600;

9 ii-jj. 1.01 if the students in average daily membership number at least 600 but fewer  
10 than 900; and

11 jj-kk. 1.00 if the students in average daily membership number at least 900.

12 2. For each elementary district in the state, the superintendent of public instruction shall  
13 assign a weighting factor of:

14 a. 1.25 if the students in average daily membership number fewer than 125;

15 b. 1.17 if the students in average daily membership number at least 125 but fewer  
16 than 200; and

17 c. 1.00 if the students in average daily membership number at least 200.

18 3. The school district size weighting factor determined under this section and multiplied  
19 by a school district's weighted average daily membership equals the district's weighted  
20 student units.

21 4. Notwithstanding the provisions of this section, the school district size weighting factor  
22 assigned to a district may not be less than the factor arrived at when the highest  
23 number of students possible in average daily membership is multiplied by the school  
24 district size weighting factor for the subdivision immediately preceding the district's  
25 actual subdivision and then divided by the district's average daily membership.

26 **~~(Effective after June 30, 2015) School district size weighting factor -- Weighted~~**  
27 **~~student units.~~**

28 1. ~~For each high school district in the state, the superintendent of public instruction shall~~  
29 ~~assign a school district size weighting factor of:~~

30 a. ~~1.25 if the students in average daily membership number fewer than 185;~~

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- 1           b.    ~~1.24 if the students in average daily membership number at least 185 but fewer-~~  
2                    ~~than 200;~~
- 3           e.    ~~1.23 if the students in average daily membership number at least 200 but fewer-~~  
4                    ~~than 215;~~
- 5           d.    ~~1.22 if the students in average daily membership number at least 215 but fewer-~~  
6                    ~~than 230;~~
- 7           e.    ~~1.21 if the students in average daily membership number at least 230 but fewer-~~  
8                    ~~than 245;~~
- 9           f.    ~~1.20 if the students in average daily membership number at least 245 but fewer-~~  
10                   ~~than 260;~~
- 11          g.    ~~1.19 if the students in average daily membership number at least 260 but fewer-~~  
12                   ~~than 270;~~
- 13          h.    ~~1.18 if the students in average daily membership number at least 270 but fewer-~~  
14                   ~~than 275;~~
- 15          i.    ~~1.17 if the students in average daily membership number at least 275 but fewer-~~  
16                   ~~than 280;~~
- 17          j.    ~~1.16 if the students in average daily membership number at least 280 but fewer-~~  
18                   ~~than 285;~~
- 19          k.    ~~1.15 if the students in average daily membership number at least 285 but fewer-~~  
20                   ~~than 290;~~
- 21          l.    ~~1.14 if the students in average daily membership number at least 290 but fewer-~~  
22                   ~~than 295;~~
- 23          m.    ~~1.13 if the students in average daily membership number at least 295 but fewer-~~  
24                   ~~than 300;~~
- 25          n.    ~~1.12 if the students in average daily membership number at least 300 but fewer-~~  
26                   ~~than 305;~~
- 27          o.    ~~1.11 if the students in average daily membership number at least 305 but fewer-~~  
28                   ~~than 310;~~
- 29          p.    ~~1.10 if the students in average daily membership number at least 310 but fewer-~~  
30                   ~~than 320;~~

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- 1           q. ~~1.09 if the students in average daily membership number at least 320 but fewer-~~  
2           ~~than 335;~~
- 3           r. ~~1.08 if the students in average daily membership number at least 335 but fewer-~~  
4           ~~than 350;~~
- 5           s. ~~1.07 if the students in average daily membership number at least 350 but fewer-~~  
6           ~~than 360;~~
- 7           t. ~~1.06 if the students in average daily membership number at least 360 but fewer-~~  
8           ~~than 370;~~
- 9           u. ~~1.05 if the students in average daily membership number at least 370 but fewer-~~  
10          ~~than 380;~~
- 11          v. ~~1.04 if the students in average daily membership number at least 380 but fewer-~~  
12          ~~than 390;~~
- 13          w. ~~1.03 if the students in average daily membership number at least 390 but fewer-~~  
14          ~~than 400;~~
- 15          x. ~~1.02 if the students in average daily membership number at least 400 but fewer-~~  
16          ~~than 600;~~
- 17          y. ~~1.01 if the students in average daily membership number at least 600 but fewer-~~  
18          ~~than 900; and~~
- 19          z. ~~1.00 if the students in average daily membership number at least 900.~~
- 20        2. ~~For each elementary district in the state, the superintendent of public instruction shall~~  
21        ~~assign a weighting factor of:~~
- 22           a. ~~1.25 if the students in average daily membership number fewer than 125;~~  
23           b. ~~1.17 if the students in average daily membership number at least 125 but fewer-~~  
24           ~~than 200; and~~
- 25           e. ~~1.00 if the students in average daily membership number at least 200.~~
- 26        3. ~~The school district size weighting factor determined under this section and multiplied~~  
27        ~~by a school district's weighted average daily membership equals the district's weighted~~  
28        ~~student units.~~
- 29        4. ~~Notwithstanding the provisions of this section, the school district size weighting factor~~  
30        ~~assigned to a district may not be less than the factor arrived at when the highest~~  
31        ~~number of students possible in average daily membership is multiplied by the school~~

1           ~~district size weighting factor for the subdivision immediately preceding the district's~~  
2           ~~actual subdivision and then divided by the district's average daily membership.~~

3           **SECTION 11. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **15.1-27-04.1. ~~(Effective through June 30, 2015)~~ Baseline funding - Establishment -**  
6 **Determination of state aid.**

- 7           1. In order to determine the amount of state aid payable to each district, the  
8 superintendent of public instruction shall establish each district's baseline funding. A  
9 district's baseline funding consists of:
- 10           a. All state aid received by the district in accordance with chapter 15.1-27 during the  
11           2012-13 school year;
  - 12           b. The district's 2012-13 mill levy reduction grant, as determined in accordance with  
13           chapter 57-64, as it existed on June 30, 2013;
  - 14           c. An amount equal to that raised by the district's 2012 general fund levy or that  
15           raised by one hundred ten mills of the district's 2012 general fund levy, whichever  
16           is less;
  - 17           d. An amount equal to that raised by the district's 2012 long-distance learning and  
18           educational technology levy;
  - 19           e. An amount equal to that raised by the district's 2012 alternative education  
20           program levy; and
  - 21           f. An amount equal to:
    - 22           (1) Seventy-five percent of all revenue received by the school district and  
23           reported under code 2000 of the North Dakota school district financial  
24           accounting and reporting manual, as developed by the superintendent of  
25           public instruction in accordance with section 15.1-02-08;
    - 26           (2) Seventy-five percent of all mineral revenue received by the school district  
27           through direct allocation from the state treasurer and not reported under  
28           code 2000 of the North Dakota school district financial accounting and  
29           reporting manual, as developed by the superintendent of public instruction  
30           in accordance with section 15.1-02-08;

- 1           (3) Seventy-five percent of all tuition received by the school district and  
2           reported under code 1300 of the North Dakota school district financial  
3           accounting and reporting manual, as developed by the superintendent of  
4           public instruction in accordance with section 15.1-02-08, with the exception  
5           of revenue received specifically for the operation of an educational program  
6           provided at a residential treatment facility and tuition received for the  
7           provision of an adult farm management program;
- 8           (4) Seventy-five percent of all revenue received by the school district from  
9           payments in lieu of taxes on the distribution and transmission of electric  
10          power;
- 11          (5) Seventy-five percent of all revenue received by the school district from  
12          payments in lieu of taxes on electricity generated from sources other than  
13          coal;
- 14          (6) All revenue received by the school district from mobile home taxes;
- 15          (7) Seventy-five percent of all revenue received by the school district from the  
16          leasing of land acquired by the United States for which compensation is  
17          allocated to the state under 33 U.S.C. 701(c)(3);
- 18          (8) All telecommunications tax revenue received by the school district; and
- 19          (9) All revenue received by the school district from payments in lieu of taxes  
20          and state reimbursement of the homestead credit and disabled veterans  
21          credit.
- 22          2. The superintendent shall divide the district's total baseline funding by the district's  
23          2012-13 weighted student units in order to determine the district's baseline funding per  
24          weighted student unit.
- 25          ~~3. a. In 2013-14, the superintendent shall multiply the district's weighted student units~~  
26          ~~by eight thousand eight hundred ten dollars.~~
- 27          ~~(4) The superintendent shall adjust the product to ensure that the product is at~~  
28          ~~least equal to the greater of:~~
- 29          ~~(a) One hundred two percent of the district's baseline funding per~~  
30          ~~weighted student unit, as established in subsection 2, multiplied by~~  
31          ~~the district's 2013-14 weighted student units; or~~





1                                   per weighted student unit multiplied by the district's 2013-14 weighted  
2                                   student units, as established in subsection 2.

3           b.   In 2016-17, the superintendent shall multiply the district's weighted student units  
4                                   by nine thousand six hundred forty-six dollars.

5                   (1)   The superintendent shall adjust the product to ensure that the product is at  
6                                   least equal to the greater of:

7                                   (a)   One hundred eight percent of the district's baseline funding per  
8                                   weighted student unit, as established in subsection 2, multiplied by  
9                                   the district's 2014-15 weighted student units; or

10                                  (b)   One hundred percent of the district's baseline funding as established  
11                                  in subsection 1 .

12                   (2)   The superintendent shall also adjust the product to ensure that the product  
13                                  does not exceed one hundred forty percent of the district's baseline funding  
14                                  per weighted student unit, as established in subsection 2, multiplied by the  
15                                  district's 2014-15 weighted student units .

16           4.   After determining the product in accordance with subsection 3, the superintendent of  
17                                  public instruction shall:

18                                  a.   Subtract an amount equal to sixty mills multiplied by the taxable valuation of the  
19                                  school district, provided that after 2013, the amount in dollars subtracted for  
20                                  purposes of this subdivision may not exceed the previous year's amount in  
21                                  dollars subtracted for purposes of this subdivision by more than twelve percent;  
22                                  and

23                                  b.   Subtract an amount equal to seventy-five percent of all revenues listed in  
24                                  paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred  
25                                  percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of  
26                                  subsection 1.

27           5.   The amount remaining after the computation required under subsection 4 is the  
28                                  amount of state aid to which a school district is entitled, subject to any other statutory  
29                                  requirements or limitations.

30           **SECTION 12. AMENDMENT.** Section 15.1-27-04.2 of the North Dakota Century Code is  
31                                  amended and reenacted as follows:

1           **15.1-27-04.2. (~~Effective through June 30, 2015~~) State aid - Minimum local effort -**  
2 **Determination.**

3           If a district's taxable valuation per student is less than twenty percent of the state average  
4 valuation per student, the superintendent of public instruction, for purposes of determining state  
5 aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to sixty mills times  
6 twenty percent of the state average valuation per student multiplied by the number of weighted  
7 student units in the district.

8           **SECTION 13. AMENDMENT.** Section 15.1-27-23 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10           **15.1-27-23. Weather or other emergency conditions - Closure of schools - State aid**  
11 **payments to school districts.**

- 12           1. ~~If because of severe weather or other emergency conditions a public school or school-~~  
13 ~~district remains closed or provides less than a full day of instruction,~~The board of each  
14 school district shall include in the school calendar days that may be used for the  
15 rescheduling of instructional time lost as a result of severe weather or other  
16 emergency conditions.
- 17           2. a. The number of days required under subsection 1 must equal the average number  
18 of days per school year, as calculated using the previous five school years,  
19 during which the school district remained closed or provided less than a full day  
20 of instruction because of severe weather or other emergency conditions.
- 21           b. The number of days determined under subdivision a may be included within the  
22 calendar no earlier than the month of January.
- 23           3. If the number of days during which a public school or school district is closed or  
24 provides less than a full day of instruction exceeds the number of days determined  
25 under subdivision a of subsection 2, the public school or school district shall make  
26 every effort to reschedule the remaining classes, so that students receive at least the  
27 number of full instructional days required by section 15.1-06-04 or an equivalent  
28 period of instructional time, as determined by the superintendent of public instruction.
- 29           ~~2.4.~~ Any public school or school district for which the rescheduling of classes would create  
30 undue hardship may request that, for purposes of calculating state aid payments to the  
31 school district, the governor waive the rescheduling in whole or in part.

1     ~~3-5.~~   The governor may not grant a waiver for less than a full day of instruction. However, if  
2           a public school or school district closes for only a portion of its regular schoolday, the  
3           hours during which the school or school district is closed may be added together to  
4           determine the number of additional full days of instruction that may be waived under  
5           this section.

6           **SECTION 14. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **15.1-27-35.3. (~~Effective through June 30, 2015~~) Payments to school districts -**  
9 **Unobligated general fund balance.**

- 10          1.   a.   The superintendent of public instruction shall determine the amount of payments  
11           due a school district and shall subtract from that the amount by which the  
12           unobligated general fund balance of the district on the preceding June thirtieth is  
13           ~~in excess of forty five percent of its actual expenditures, plus twenty thousand~~  
14           ~~dollars.~~
- 15          ~~b.   Beginning July 1, 2015, the superintendent of public instruction shall determine~~  
16           ~~the amount of payments due to a school district and shall subtract from that the~~  
17           ~~amount by which the unobligated general fund balance of the district on the~~  
18           ~~preceding June thirtieth is in excess of forty percent of its actual expenditures,~~  
19           ~~plus twenty thousand dollars.~~
- 20          ~~e-b~~   Beginning July 1, 2017, the superintendent of public instruction shall determine  
21           the amount of payments due to a school district and shall subtract from that the  
22           amount by which the unobligated general fund balance of the district on the  
23           preceding June thirtieth is in excess of thirty-five percent of its actual  
24           expenditures, plus twenty thousand dollars.
- 25          ~~2.   In making the determination required by subsection 1, the superintendent of public~~  
26           ~~instruction may not include in a district's unobligated general fund balance any~~  
27           ~~moneys that were received by the district from the federal education jobs fund~~  
28           ~~program.~~
- 29          ~~3-2.~~   For purposes of this section, a district's unobligated general fund balance includes all  
30           moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

1        ~~(Effective after June 30, 2015) Payments to school districts -- Unobligated general~~  
2 ~~fund balance.~~

3        1. ~~The superintendent of public instruction shall determine the amount of payments due a~~  
4        ~~school district and shall subtract from that the amount by which the unobligated~~  
5        ~~general fund balance of the district on the preceding June thirtieth is in excess of~~  
6        ~~forty five percent of its actual expenditures, plus twenty thousand dollars.~~

7        2. ~~In making the determination required by subsection 1, the superintendent of public~~  
8        ~~instruction may not include in a district's unobligated general fund balance any~~  
9        ~~moneys that were received by the district from the federal education jobs fund~~  
10       ~~program.~~

11       **SECTION 15. AMENDMENT.** Section 15.1-27-45 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13       **15.1-27-45. (Effective through June 30, 2015) Property tax relief fund.**

14       1. a. ~~The property tax relief fund is a special fund in the state treasury. On July 1,~~  
15       ~~2013, the state treasurer shall change the name of the property tax relief~~  
16       ~~sustainability fund established under section 57-64-05 to the property tax relief~~  
17       ~~fund, as established by this section, and any unobligated balance in the property~~  
18       ~~tax relief sustainability fund must be retained in the property tax relief fund.~~

19       b. ~~The legislative council shall change the name of the property tax relief~~  
20       ~~sustainability fund to the property tax relief fund in the North Dakota Century~~  
21       ~~Code, in its supplements, and in all statutory compilations generated as a result~~  
22       ~~of action by the sixty-third legislative assembly.~~

23       2. ~~Moneys in the property tax relief fund may be expended pursuant to legislative~~  
24       ~~appropriations for property tax relief programs.~~

25       3. ~~On or before the third Monday in each January, February, March, April, August,~~  
26       ~~September, October, November, and December, the office of management and budget~~  
27       ~~shall certify to the superintendent of public instruction the amount of the property tax~~  
28       ~~relief fund. The superintendent shall include the amount certified in determining the~~  
29       ~~state aid payments to which each school district is entitled under chapter 15.1-27.~~

30       **SECTION 16. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **15.1-30-04. ~~(Effective for the first two taxable years beginning after December 31,~~**  
2           **~~2012) Provision of meals and lodging for high school students - Payment permitted.~~**

3           Instead of providing transportation so that an eligible high school student residing in the  
4           district can attend school in another district, a school board may pay a reasonable allowance to  
5           the student's parent for costs incurred in the provision of meals and lodging for the student at a  
6           location other than the student's residence.

7           **~~(Effective after the first two taxable years beginning after December 31, 2012)~~**

8           **~~Provision of meals and lodging for high school students -- Payment permitted -- Levy.~~**

9           ~~Instead of providing transportation so that an eligible high school student residing in the district~~  
10          ~~can attend school in another district, a school board may pay a reasonable allowance to the~~  
11          ~~student's parent for costs incurred in the provision of meals and lodging for the student at a~~  
12          ~~location other than the student's residence. A school district that furnishes either transportation~~  
13          ~~or an allowance for the provision of meals and lodging for a student under this section may levy~~  
14          ~~a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

15          **SECTION 17. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is  
16          amended and reenacted as follows:

17          **15.1-36-02. ~~(Effective through June 30, 2015) School construction projects - Loans.~~**

- 18          1. In order to provide school construction loans, the board of university and school lands  
19          may authorize the use of:
- 20           a. Fifty million dollars, or so much of that amount as may be necessary, from the  
21           coal development trust fund, established pursuant to section 21 of article X of the  
22           Constitution of North Dakota and subsection 1 of section 57-62-02; and
  - 23           b. One hundred fifty million dollars from the strategic investment and improvements  
24           fund, established pursuant to section 15-08.1-08, for the period ending June 30,  
25           2015.
- 26          2. In order to be eligible for a loan under this section, the board of a school district shall:
- 27           a. Propose a construction project with a cost of at least one million dollars and an  
28           expected utilization of at least thirty years;
  - 29           b. Obtain the approval of the superintendent of public instruction for the construction  
30           project under section 15.1-36-01; and

- 1           c.    Submit to the superintendent of public instruction an application containing all  
2                    information deemed necessary by the superintendent, including potential  
3                    alternative sources or methods of financing the construction project.
- 4        3.    If an eligible school district's taxable valuation per student is less than eighty percent  
5                    of the state average taxable valuation per student, the district is entitled to receive:  
6                    a.    A school construction loan equal to the lesser of twenty million dollars or ninety  
7                            percent of the actual project cost;  
8                            b.    An interest rate discount equal to at least one hundred but not more than four  
9                                    hundred basis points below the prevailing tax-free bond rates; and  
10                           c.    A term of repayment that may extend up to twenty years.
- 11       4.    If an eligible school district's taxable valuation per student is equal to at least eighty  
12                    percent but less than ninety percent of the state average taxable valuation per  
13                    student, the district is entitled to receive:  
14                    a.    A school construction loan equal to the lesser of fifteen million dollars or eighty  
15                            percent of the actual project cost;  
16                            b.    An interest rate buydown equal to at least one hundred but not more than three  
17                                    hundred fifty basis points below the prevailing tax-free bond rates; and  
18                            c.    A term of repayment that may extend up to twenty years.
- 19       5.    If an eligible school district's taxable valuation per student is equal to at least ninety  
20                    percent of the state average taxable valuation per student, the district is entitled to  
21                    receive:  
22                    a.    A school construction loan equal to the lesser of ten million dollars or seventy  
23                            percent of the actual project cost;  
24                            b.    An interest rate discount equal to at least one hundred but not more than three  
25                                    hundred basis points below the prevailing tax-free bond rates; and  
26                            c.    A term of repayment that may extend up to twenty years.
- 27       6.    The board of a school district may submit its loan application to the superintendent of  
28                    public instruction before or after receiving authorization of a bond issue in accordance  
29                    with chapter 21-03. If the vote to authorize a bond issue precedes the application for a  
30                    loan, the application must be acted upon by the superintendent expeditiously but no  
31                    later than one hundred eighty days from the date it is received by the superintendent.

- 1       7.   The superintendent of public instruction shall consider each loan application in the  
2           order it received approval under section 15.1-36-01.
- 3       8.   If the superintendent of public instruction approves the loan, the superintendent may  
4           determine the loan amount, the term of the loan, and the interest rate, in accordance  
5           with the requirements of this section. A school district's interest rate may not be less  
6           than one percent, regardless of any rate discount for which the district might otherwise  
7           qualify under this section.
- 8       9.   a.   If a school district seeking a loan under this section received an allocation of the  
9           oil and gas gross production tax during the previous fiscal year in accordance  
10          with chapter 57-51, the board of the district shall provide to the board of  
11          university and school lands, and to the state treasurer, its evidence of  
12          indebtedness indicating that the loan originated under this section.
- 13       b.   If the evidence of indebtedness is payable solely from the school district's  
14          allocation of the oil and gas gross production tax in accordance with section  
15          57-51-15, the loan does not constitute a general obligation of the school district  
16          and may not be considered a debt of the district.
- 17       c.   If a loan made to a school district is payable solely from the district's allocation of  
18          the oil and gas gross production tax in accordance with section 57-51-15, the  
19          terms of the loan must require that the state treasurer withhold the dollar amount  
20          or percentage specified in the loan agreement, from each of the district's oil and  
21          gas gross production tax allocations, in order to repay the principal and interest of  
22          the evidence of indebtedness. The state treasurer shall deposit the amount  
23          withheld into the fund from which the loan originated.
- 24       d.   Any evidence of indebtedness executed by the board of a school district under  
25          this subsection is a negotiable instrument and not subject to taxation by the state  
26          or any political subdivision of the state.
- 27      10.  For purposes of this section, a "construction project" means the purchase, lease,  
28          erection, or improvement of any structure or facility by a school board, provided the  
29          acquisition or activity is within a school board's authority.

30      ~~(Effective after June 30, 2015) School construction projects -- Loans.~~



Sixty-fourth  
Legislative Assembly

- 1        1.    ~~The board of university and school lands may authorize the use of moneys in the coal~~  
2            ~~development trust fund established pursuant to section 21 of article X of the~~  
3            ~~Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school-~~  
4            ~~construction loans, as described in this chapter. The outstanding principal balance of~~  
5            ~~loans under this chapter may not exceed fifty million dollars. The board may adopt~~  
6            ~~policies and rules governing school construction loans.~~
- 7        2.    ~~In order to be eligible for a loan under this section, the board of a school district shall:~~
  - 8            a.    ~~Propose a construction project with a cost of at least one million dollars and an~~  
9            ~~expected utilization of at least thirty years;~~
  - 10           b.    ~~Obtain the approval of the superintendent of public instruction for the construction~~  
11           ~~project under section 15.1-36-01; and~~
  - 12           e.    ~~Submit to the superintendent of public instruction an application containing all~~  
13           ~~information deemed necessary by the superintendent, including potential~~  
14           ~~alternative sources or methods of financing the construction project.~~
- 15       3.    ~~The superintendent of public instruction shall give priority to any district that meets the~~  
16           ~~requirements for receipt of an equity payment under section 15.1-27-11.~~
- 17       4.    ~~If an eligible school district's imputed taxable valuation per student is less than eighty-~~  
18           ~~percent of the state average imputed valuation per student, the district is entitled to~~  
19           ~~receive:~~
  - 20           a.    ~~A school construction loan equal to the lesser of twelve million dollars or eighty-~~  
21           ~~percent of the actual project cost;~~
  - 22           b.    ~~An interest rate discount equal to at least one hundred but not more than two-~~  
23           ~~hundred fifty basis points below the prevailing tax-free bond rates; and~~
  - 24           e.    ~~A term of repayment that may extend up to twenty years.~~
- 25       5.    ~~If an eligible school district's imputed taxable valuation per student is equal to at least~~  
26           ~~eighty percent but less than ninety percent of the state average imputed taxable-~~  
27           ~~valuation per student, the district is entitled to receive:~~
  - 28           a.    ~~A school construction loan equal to the lesser of ten million dollars or seventy-~~  
29           ~~percent of the actual project cost;~~
  - 30           b.    ~~An interest rate buydown equal to at least one hundred but not more than two-~~  
31           ~~hundred fifty basis points below the prevailing tax-free bond rates; and~~

- 1 e. A term of repayment that may extend up to twenty years.
- 2 6. If an eligible school district's imputed taxable valuation per student is equal to at least  
3 ninety percent of the state average imputed taxable valuation per student, the district  
4 is entitled to receive:
  - 5 a. A school construction loan equal to the lesser of four million dollars or thirty  
6 percent of the actual project cost;
  - 7 b. An interest rate discount equal to at least one hundred but not more than two  
8 hundred fifty basis points below the prevailing tax-free bond rates; and
  - 9 c. A term of repayment that may extend up to twenty years.
- 10 7. The board of a school district may submit its loan application to the superintendent of  
11 public instruction before or after receiving authorization of a bond issue in accordance  
12 with chapter 21-03. If the vote to authorize a bond issue precedes the application for a  
13 loan, the application must be acted upon by the superintendent expeditiously but no  
14 later than one hundred eighty days from the date it is received by the superintendent.
- 15 8. The superintendent of public instruction shall consider each loan application in the  
16 order it received approval under section 15.1-36-01.
- 17 9. If the superintendent of public instruction approves the loan, the superintendent may  
18 determine the loan amount, the term of the loan, and the interest rate, in accordance  
19 with the requirements of this section.
- 20 10. The superintendent of public instruction may adopt rules governing school  
21 construction loans.
- 22 11. For purposes of this section, a construction project means the purchase, lease,  
23 erection, or improvement of any structure or facility by a school board, provided the  
24 acquisition or activity is within a school board's authority.

25 **SECTION 18. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 **~~40-55-08. (Effective for the first two taxable years beginning after December 31, 2012)~~**  
28 **Election to determine desirability of establishing recreation system - How called.**

- 29 1. The governing body of any municipality, school district, or park district to which this  
30 chapter is applicable, may and upon receipt of a petition signed by at least ten  
31 qualified electors but not less than five percent of those qualified electors who voted at

1 the last general election of the municipality, school district, or park district, shall submit  
2 to the qualified electors the question of the establishment, maintenance, and conduct  
3 of a public recreation system, and except in the case of a school district, the levying of  
4 an annual tax for the conduct and maintenance thereof of not more than two and  
5 five-tenths mills on each dollar of taxable valuation of all taxable property within the  
6 corporate limits or boundaries of such municipality or park district, to be voted upon at  
7 the next general election or special municipal election; ~~provided, however, that such~~

8 2. ~~The questions referenced in subsection 1~~ may not be voted upon at the next general  
9 election unless ~~such~~ action of the governing body ~~shall be~~ taken, or ~~such~~ a petition to  
10 submit ~~such~~ the question shall be filed, thirty days prior to the date of ~~such~~ the  
11 election.

12 3. A school district may provide for the establishment, maintenance, and conduct of a  
13 public recreation system using the proceeds of levies, as permitted by section  
14 57-15-14.2.

15 ~~(Effective after the first two taxable years beginning after December 31, 2012)~~

16 ~~**Election to determine desirability of establishing recreation system – How called.** The~~  
17 ~~governing body of any municipality, school district, or park district to which this chapter is~~  
18 ~~applicable, may and upon receipt of a petition signed by at least ten qualified electors but not~~  
19 ~~less than five percent of those qualified electors who voted at the last general election of the~~  
20 ~~municipality, school district, or park district, shall submit to the qualified electors the question of~~  
21 ~~the establishment, maintenance, and conduct of a public recreation system, and except in the~~  
22 ~~case of a school district, the levying of an annual tax for the conduct and maintenance thereof~~  
23 ~~of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable~~  
24 ~~property within the corporate limits or boundaries of such municipality or park district, to be~~  
25 ~~voted upon at the next general election or special municipal election; provided, however, that~~  
26 ~~such questions may not be voted upon at the next general election unless such action of the~~  
27 ~~governing body shall be taken, or such petition to submit such question shall be filed thirty days~~  
28 ~~prior to the date of such election. A school district may levy a tax for the establishment,~~  
29 ~~maintenance, and conduct of a public recreation system pursuant to subdivision q of~~  
30 ~~subsection 1 of section 57-15-14.2.~~

1       **SECTION 19. AMENDMENT.** Section 40-55-09 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       ~~**40-55-09. (Effective for the first two taxable years beginning after December 31, 2012)**~~

4       **Favorable vote at election - Procedure.**

5       1. Except in the case of a school district or park district, upon adoption of the public  
6 recreation system proposition at an election, by a majority of the votes cast upon the  
7 proposition, the governing body of the municipality, by resolution or ordinance, shall  
8 provide for the establishment, maintenance, and conduct of a public recreation  
9 system, ~~and.~~

10       2. The governing body of the municipality shall thereafter levy and collect annually a tax  
11 of not more than two and five-tenths mills, or not more than eight and five-tenths mills  
12 if authorized as provided by this section, on each dollar of the taxable valuation of all  
13 taxable property within the corporate limits or boundaries of the municipality. This tax  
14 is in addition to the maximum of taxes permitted to be levied in such ~~the~~ municipality.

15       3. The mill levy authorized by this section may be raised to not more than eight and  
16 five-tenths mills when the increase is approved by the citizens of the municipality, after  
17 submission of the question in the same manner as provided in section 40-55-08 for the  
18 establishment of the public recreation system.

19       4. The governing body of the municipality shall continue to levy the tax annually for public  
20 recreation purposes, until the qualified voters, at a regular or special election, by a  
21 majority vote on the proposition, decide to discontinue the levy.

22       5. The governing body of the municipality may appropriate additional funds for the  
23 operation of the public recreation system if, in the opinion of the governing body,  
24 additional funds are needed for the efficient operation ~~thereof~~ of the system.

25       6. This chapter does not limit the power of any municipality, school district, or park district  
26 to appropriate, on its own initiative, general municipal, school district, or park district  
27 tax funds for the operation of a public recreation system, a community center, or  
28 character-building facility.

29       7. A park district may levy a tax annually within the general fund levy authority of section  
30 57-15-12 for the conduct and maintenance of a public recreation system.

1 ~~(Effective after the first two taxable years beginning after December 31, 2012)~~

2 ~~**Favorable vote at election – Procedure.** Except in the case of a school district or park district,~~  
3 ~~upon adoption of the public recreation system proposition at an election by a majority of the~~  
4 ~~votes cast upon the proposition, the governing body of the municipality, by resolution or~~  
5 ~~ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation~~  
6 ~~system, and thereafter levy and collect annually a tax of not more than two and five tenths mills,~~  
7 ~~or not more than eight and five tenths mills if authorized as provided by this section, on each~~  
8 ~~dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of~~  
9 ~~the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such~~  
10 ~~municipality. The mill levy authorized by this section may be raised to not more than eight and~~  
11 ~~five tenths mills when the increase is approved by the citizens of the municipality after~~  
12 ~~submission of the question in the same manner as provided in section 40-55-08 for the~~  
13 ~~establishment of the public recreation system. The governing body of the municipality shall~~  
14 ~~continue to levy the tax annually for public recreation purposes until the qualified voters, at a~~  
15 ~~regular or special election, by a majority vote on the proposition, decide to discontinue the levy.~~  
16 ~~The governing body of the municipality may appropriate additional funds for the operation of the~~  
17 ~~public recreation system if in the opinion of the governing body additional funds are needed for~~  
18 ~~the efficient operation thereof. This chapter does not limit the power of any municipality, school~~  
19 ~~district, or park district to appropriate on its own initiative general municipal, school district, or~~  
20 ~~park district tax funds for the operation of a public recreation system, a community center, or~~  
21 ~~character building facility. A school district may levy a tax annually for the conduct and~~  
22 ~~maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section~~  
23 ~~57-15-14.2. A park district may levy a tax annually within the general fund levy authority of~~  
24 ~~section 57-15-12 for the conduct and maintenance of a public recreation system.~~

25 **SECTION 20. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 **57-15-01.1. (Effective for the first two taxable years beginning after December 31,**  
28 **2012) Protection of taxpayers and taxing districts.**

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

- 1           1. No taxing district may levy more taxes expressed in dollars than the amounts allowed
- 2           by this section.
- 3           2. For purposes of this section:
- 4           a. "Base year" means the taxing district's taxable year with the highest amount
- 5           levied in dollars in property taxes of the three taxable years immediately
- 6           preceding the budget year. For a park district general fund, the "amount levied in
- 7           dollars in property taxes" is the sum of amounts levied in dollars in property taxes
- 8           for the general fund under section 57-15-12 including any additional levy
- 9           approved by the electors, the insurance reserve fund under section 32-12.1-08,
- 10          the employee health care program under section 40-49-12, the public recreation
- 11          system under section 40-55-09 including any additional levy approved by the
- 12          electors, forestry purposes under section 57-15-12.1 except any additional levy
- 13          approved by the electors, pest control under section 4-33-11, and handicapped
- 14          person programs and activities under section 57-15-60;
- 15          b. "Budget year" means the taxing district's year for which the levy is being
- 16          determined under this section;
- 17          c. "Calculated mill rate" means the mill rate that results from dividing the base year
- 18          taxes levied by the sum of the taxable value of the taxable property in the base
- 19          year plus the taxable value of the property exempt by local discretion or
- 20          charitable status, calculated in the same manner as the taxable property; and
- 21          d. "Property exempt by local discretion or charitable status" means property
- 22          exempted from taxation as new or expanding businesses under chapter 40-57.1;
- 23          improvements to property under chapter 57-02.2; or buildings belonging to
- 24          institutions of public charity, new single-family residential or townhouse or
- 25          condominium property, property used for early childhood services, or pollution
- 26          abatement improvements under section 57-02-08.
- 27          3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
- 28          levy under this section must be specifically approved by a resolution approved by the
- 29          governing body of the taxing district. Before determining the levy limitation under this
- 30          section, the dollar amount levied in the base year must be:

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

- 1           6. A school district choosing to determine its levy authority under this section may apply  
2           subsection 3 only to the amount in dollars levied for general fund purposes under  
3           section 57-15-14 or, if the levy in the base year included separate general fund and  
4           special fund levies under sections 57-15-14 and 57-15-14.2, the school district may  
5           apply subsection 3 to the total amount levied in dollars in the base year for both the  
6           general fund and special fund accounts. School district levies under any section other  
7           than section 57-15-14 may be made within applicable limitations but those levies are  
8           not subject to subsection 3.
- 9           7. Optional levies under this section may be used by any city or county that has adopted  
10          a home rule charter unless the provisions of the charter supersede state laws related  
11          to property tax levy limitations.

12           ~~(Effective after the first two taxable years beginning after December 31, 2012)-~~

13           ~~Protection of taxpayers and taxing districts.~~ Each taxing district may levy the lesser of the  
14           amount in dollars as certified in the budget of the governing body, or the amount in dollars as  
15           allowed in this section, subject to the following:

- 16          1. ~~No taxing district may levy more taxes expressed in dollars than the amounts allowed~~  
17           ~~by this section.~~
- 18          2. ~~For purposes of this section:~~
- 19           a. ~~"Base year" means the taxing district's taxable year with the highest amount~~  
20           ~~levied in dollars in property taxes of the three taxable years immediately~~  
21           ~~preceding the budget year. For a park district general fund, the "amount levied in~~  
22           ~~dollars in property taxes" is the sum of amounts levied in dollars in property taxes~~  
23           ~~for the general fund under section 57-15-12 including any additional levy~~  
24           ~~approved by the electors, the insurance reserve fund under section 32-12.1-08,~~  
25           ~~the employee health care program under section 40-49-12, the public recreation~~  
26           ~~system under section 40-55-09 including any additional levy approved by the~~  
27           ~~electors, forestry purposes under section 57-15-12.1 except any additional levy~~  
28           ~~approved by the electors, pest control under section 4-33-11, and handicapped~~  
29           ~~person programs and activities under section 57-15-60;~~
- 30           b. ~~"Budget year" means the taxing district's year for which the levy is being~~  
31           ~~determined under this section;~~



- 1 e. ~~"Calculated mill rate" means the mill rate that results from dividing the base year~~  
2 ~~taxes levied by the sum of the taxable value of the taxable property in the base~~  
3 ~~year plus the taxable value of the property exempt by local discretion or~~  
4 ~~charitable status, calculated in the same manner as the taxable property; and~~
- 5 d. ~~"Property exempt by local discretion or charitable status" means property~~  
6 ~~exempted from taxation as new or expanding businesses under chapter 40-57.1;~~  
7 ~~improvements to property under chapter 57-02.2; or buildings belonging to~~  
8 ~~institutions of public charity, new single family residential or townhouse or~~  
9 ~~condominium property, property used for early childhood services, or pollution~~  
10 ~~abatement improvements under section 57-02-08.~~
- 11 3. ~~A taxing district may elect to levy the amount levied in dollars in the base year. Any~~  
12 ~~levy under this section must be specifically approved by a resolution approved by the~~  
13 ~~governing body of the taxing district. Before determining the levy limitation under this~~  
14 ~~section, the dollar amount levied in the base year must be:~~
- 15 a. ~~Reduced by an amount equal to the sum determined by application of the base~~  
16 ~~year's calculated mill rate for that taxing district to the final base year taxable~~  
17 ~~valuation of any taxable property and property exempt by local discretion or~~  
18 ~~charitable status which is not included in the taxing district for the budget year but~~  
19 ~~was included in the taxing district for the base year.~~
- 20 b. ~~Increased by an amount equal to the sum determined by the application of the~~  
21 ~~base year's calculated mill rate for that taxing district to the final budget year~~  
22 ~~taxable valuation of any taxable property or property exempt by local discretion or~~  
23 ~~charitable status which was not included in the taxing district for the base year~~  
24 ~~but which is included in the taxing district for the budget year.~~
- 25 e. ~~Reduced to reflect expired temporary mill levy increases authorized by the~~  
26 ~~electors of the taxing district. For purposes of this subdivision, an expired~~  
27 ~~temporary mill levy increase does not include a school district general fund mill~~  
28 ~~rate exceeding one hundred ten mills which has expired or has not received~~  
29 ~~approval of electors for an extension under subsection 2 of section 57-64-03.~~
- 30 d. ~~Increased, for a school district determining its levy limitation under this section,~~  
31 ~~by the amount the school district's mill levy reduction grant under section~~

- 1                   57-64-02 for the base year exceeds the amount of the school district's mill levy  
2                   reduction grant under section 57-64-02 for the budget year.
- 3           e.   Reduced for a school district determining its levy limitation under this section, by  
4                   the amount the school district's mill levy reduction grant under section 57-64-02  
5                   for the budget year exceeds the amount of the school district's mill levy reduction  
6                   grant under section 57-64-02 for the base year.
- 7           4.   In addition to any other levy limitation factor under this section, a taxing district may  
8                   increase its levy in dollars to reflect new or increased mill levies authorized by the  
9                   legislative assembly or authorized by the electors of the taxing district.
- 10          5.   Under this section a taxing district may supersede any applicable mill levy limitations  
11                   otherwise provided by law, or a taxing district may levy up to the mill levy limitations  
12                   otherwise provided by law without reference to this section, but the provisions of this  
13                   section do not apply to the following:
- 14                  a.   Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of  
15                      article X of the Constitution of North Dakota.
- 16                  b.   The one mill levy for the state medical center authorized by section 10 of article X  
17                      of the Constitution of North Dakota.
- 18          6.   A school district choosing to determine its levy authority under this section may apply  
19                   subsection 3 only to the amount in dollars levied for general fund purposes under  
20                   section 57-15-14 or, if the levy in the base year included separate general fund and  
21                   special fund levies under sections 57-15-14 and 57-15-14.2, the school district may  
22                   apply subsection 3 to the total amount levied in dollars in the base year for both the  
23                   general fund and special fund accounts. School district levies under any section other  
24                   than section 57-15-14 may be made within applicable limitations but those levies are  
25                   not subject to subsection 3.
- 26          7.   Optional levies under this section may be used by any city or county that has adopted  
27                   a home rule charter unless the provisions of the charter supersede state laws related  
28                   to property tax levy limitations.

29           **SECTION 21. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is  
30   amended and reenacted as follows:

1        ~~57-15-14. (Effective for the first two taxable years beginning after December 31, 2012)~~

2        **Voter approval of excess levies in school districts.**

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, must be stated as a  
10                    specific number of mills of general fund levy authority and must include a  
11                    statement that the statutory school district general fund levy limitation is  
12                    seventy mills on the dollar of the taxable valuation of the school district.
- 13                    f. The authority for an unlimited levy approved by electors of a school district before  
14                    July 1, 2009, is terminated effective for taxable years after 2015. If the electors of  
15                    a school district subject to this subsection have not approved a levy of up to a  
16                    specific number of mills under this section by December 31, 2015, the school  
17                    district levy limitation for subsequent years is subject to the limitations under  
18                    section 57-15-01.1 or this section.
- 19                    2.    a. The question of authorizing or discontinuing such specific number of mills  
20                    authority in any school district must be submitted to the qualified electors at the  
21                    next regular election upon resolution of the school board or upon the filing with  
22                    the school board of a petition containing the signatures of qualified electors of the  
23                    district equal in number to ten percent of the number of electors who cast votes in  
24                    the most recent election in the school district. No fewer than twenty-five  
25                    signatures are required.
- 26                    b. The approval of discontinuing such authority does not affect the tax levy in the  
27                    calendar year in which the election is held.
- 28                    c. The election must be held in the same manner and subject to the same  
29                    conditions as provided in this section for the first election upon the question of  
30                    authorizing the mill levy.

1        ~~(Effective after the first two taxable years beginning after December 31, 2012) General~~

2 ~~fund levy limitations in school districts.~~ The aggregate amount levied each year for the  
3 purposes listed in section ~~57-15-14.2~~ by any school district, except the Fargo school district,  
4 may not exceed the amount in dollars which the school district levied for the prior school year  
5 plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of  
6 the taxable valuation of the district, except that:

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

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

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

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

27       5. ~~The authority for an unlimited levy approved by electors of a school district before~~  
28       ~~July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a~~  
29       ~~school district subject to this subsection have not approved a levy of up to a specific~~  
30       ~~number of mills under this section by December 31, 2015, the school district levy~~

1           ~~limitation for subsequent years is subject to the limitations under section 57-15-01.1 or~~  
2           ~~this section.~~

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

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

14           **57-15-14.2. (Effective for the first two taxable years beginning after December 31,**  
15    **2012) School district levies.**

- 16           1. For taxable years after 2013, the board of a school district may levy a tax not  
17           exceeding the amount in dollars that the school district levied for the prior year, plus  
18           twelve percent, up to a levy of seventy mills on the taxable valuation of the district, for  
19           any purpose related to the provision of educational services. The proceeds of this levy  
20           must be deposited into the school district's general fund and used in accordance with  
21           this subsection. The proceeds may not be transferred into any other fund.
- 22           2. For taxable years after 2013, the board of a school district may levy no more than  
23           twelve mills on the taxable valuation of the district, for miscellaneous purposes and  
24           expenses. The proceeds of this levy must be deposited into a special fund known as  
25           the miscellaneous fund and used in accordance with this subsection. The proceeds  
26           may not be transferred into any other fund.
- 27           3. The board of a school district may levy no more than three mills on the taxable  
28           valuation of the district for deposit into a special reserve fund, in accordance with  
29           chapter 57-19.
- 30           4. The board of a school district may levy no more than the number of mills necessary,  
31           on the taxable valuation of the district, for the payment of tuition, in accordance with

1 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
2 known as the tuition fund and used in accordance with this subsection. The proceeds  
3 may not be transferred into any other fund.

4 5. Nothing in this section limits the board of a school district from levying:

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

9 ~~6. For the taxable year 2013 only, the board of a school district may levy, for the~~  
10 ~~purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars~~  
11 ~~determined under this subsection, plus twelve percent, up to a combined levy of~~  
12 ~~eighty-two mills. For purposes of this subsection, the allowable increase in dollars is~~  
13 ~~determined by multiplying the 2013 taxable valuation of the district by the sum of sixty~~  
14 ~~mills plus the number of mills levied in 2012 for miscellaneous expenses under~~  
15 ~~sections 57-15-14.5 and 57-15-17.1.~~

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

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

- 1                    ~~matching contribution for the social security fund for contracted employees of a~~  
2                    ~~multidistrict special education board.~~
- 3                    h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state~~  
4                    ~~standards for health and safety applicable to school building construction shall~~  
5                    ~~apply to any rented or leased buildings, property, or classroom space.~~
- 6                    i. ~~Unemployment compensation benefits.~~
- 7                    j. ~~The removal of asbestos substances from school buildings or the abatement of~~  
8                    ~~asbestos substances in school buildings under any method approved by the~~  
9                    ~~United States environmental protection agency and any repair, replacement, or~~  
10                   ~~remodeling that results from such removal or abatement, any remodeling~~  
11                   ~~required to meet specifications set by the Americans with Disabilities Act~~  
12                   ~~accessibility guidelines for buildings and facilities as contained in the appendix to~~  
13                   ~~28 CFR 36, any remodeling required to meet requirements set by the state fire~~  
14                   ~~marshal during the inspection of a public school, and for providing an alternative~~  
15                   ~~education program as provided in section 57-15-17.1.~~
- 16                   k. ~~Participating in cooperative career and technical education programs approved~~  
17                   ~~by the state board.~~
- 18                   l. ~~Maintaining a career and technical education program approved by the state~~  
19                   ~~board and established only for that school district.~~
- 20                   m. ~~Paying the cost of purchasing, contracting, operating, and maintaining~~  
21                   ~~schoolbuses.~~
- 22                   n. ~~Establishing and maintaining school library services.~~
- 23                   o. ~~Equipping schoolbuses with two-way communications and central station~~  
24                   ~~equipment and providing for the installation and maintenance of such equipment.~~
- 25                   p. ~~Establishing free public kindergartens in connection with the public schools of the~~  
26                   ~~district for the instruction of resident children below school age during the regular~~  
27                   ~~school term.~~
- 28                   q. ~~Establishing, maintaining, and conducting a public recreation system.~~
- 29                   r. ~~The district's share of contribution to finance an interdistrict cooperative~~  
30                   ~~agreement authorized by section 15.1-09-40.~~



- 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.~~

14       **SECTION 23. AMENDMENT.** Section 57-15-17 of the North Dakota Century Code is  
15       amended and reenacted as follows:

16       **57-15-17. (~~Effective through June 30, 2015~~) Disposition of building fund tax.**

17       ~~Revenue raised for building purposes shall be disposed of as follows:~~

- 18       1. a. All revenue accruing from appropriations or tax levies for a school district building  
19       fund, together with such amounts any amount as may be realized for building  
20       purposes from all other sources, must be placed in a separate fund known as a  
21       school building fund and must be:
- 22       (1) Be deposited, held, or invested in the same manner as the sinking funds of  
23       such school district; ~~or in~~
- 24       (2) Be used for the purchase of shares or securities of federal or  
25       state-chartered savings and loan associations, within the limits of federal  
26       insurance.
- 27       b. ~~The funds~~ Moneys in the building fund may only be used for ~~the following~~  
28       purposes:
- 29       (1) The construction of school district buildings and facilities;  
30       (2) The renovation, repair, or expansion of school district buildings and facilities;  
31       (3) The improvement of school district buildings, facilities, and real property;

- 1                   (4) The leasing of buildings and facilities;
- 2                   (5) The payment of rentals upon contracts with the state board of public school  
3                   education;
- 4                   (6) The payment of rentals upon contracts with municipalities for career and  
5                   technical education facilities financed pursuant to chapter 40-57; and
- 6                   (7) The payment of principal, premiums, and interest on bonds issued in  
7                   accordance with subsection 7 of section 21-03-07.
- 8                   c. The custodian of the funds may pay out the funds only upon order of the school  
9                   board, signed by the president and the business manager of the school district.  
10                  The order must recite upon its face the purpose for which payment is made.
- 11                  2. Any moneys remaining in a ~~school~~ building fund after the completion of the payments  
12                  for any school building project ~~which~~that has cost seventy-five percent or more of the  
13                  amount in ~~such~~the building fund at the time of letting the contracts ~~therefor shall~~, must  
14                  be returned to the general fund of the school district, upon the order of the school  
15                  board.
- 16                  3. ~~The governing body of any~~board of a school district may pay into the general fund of  
17                  the school district any moneys ~~which~~that have remained in the ~~school~~ building fund for  
18                  ~~a period of ten years or more, and such district may include the same as a~~. The board  
19                  may include this amount as part of its cash on hand in making up its budget for the  
20                  ensuing year. In determining what amounts have remained in ~~said~~the fund for ten  
21                  years or more, all payments ~~which~~that have been ~~paid from the school~~made from the  
22                  building fund for building purposes ~~shall~~must be considered as having been paid from  
23                  the funds first acquired.
- 24                  4. a. ~~Whenever~~If collections from the taxes levied for the current budget and other  
25                  income are insufficient to meet the requirements for general operating expenses,  
26                  ~~a majority of the governing body~~the board of a school district may transfer  
27                  unobligated funds from the ~~school~~ building fund into the general fund of the  
28                  school district if, provided the school district has issued certificates of  
29                  indebtedness equal to fifty percent of the outstanding uncollected general fund  
30                  property tax. ~~No school district~~

1           b. A board may not transfer funds from the school building fund into the general  
2           fund for more than two years.

3           ~~(Effective after June 30, 2015) Disposition of building fund tax.~~ Revenue raised for  
4           building purposes shall be disposed of as follows:

5           1. a. ~~All revenue accruing from appropriations or tax levies for a school building fund~~  
6           ~~together with such amounts as may be realized for building purposes from all~~  
7           ~~other sources must be placed in a separate fund known as a school building fund~~  
8           ~~and must be deposited, held, or invested in the same manner as the sinking~~  
9           ~~funds of such school district or in the purchase of shares or securities of federal~~  
10           ~~or state chartered savings and loan associations within the limits of federal~~  
11           ~~insurance.~~

12           b. ~~The funds may only be used for the following purposes:~~

13           (1) ~~The erection of new school buildings or facilities, or additions to old school~~  
14           ~~buildings or facilities, or the making of major repairs to existing buildings or~~  
15           ~~facilities, or improvements to school land and site. For purposes of this~~  
16           ~~paragraph, facilities may include parking lots, athletic complexes, or any~~  
17           ~~other real property owned by the school district.~~

18           (2) ~~The payment of rentals upon contracts with the state board of public school~~  
19           ~~education.~~

20           (3) ~~The payment of rentals upon contracts with municipalities for career and~~  
21           ~~technical education facilities financed pursuant to chapter 40-57.~~

22           (4) ~~Within the limitations of school plans as provided in subsection 2 of section~~  
23           ~~57-15-16.~~

24           (5) ~~The payment of principal, premium, if any, and interest on bonds issued~~  
25           ~~pursuant to subsection 7 of section 21-03-07.~~

26           (6) ~~The payment of premiums for fire and allied lines, liability, and multiple peril~~  
27           ~~insurance on any building and its use, occupancy, fixtures, and contents.~~

28           e. ~~The custodian of the funds may pay out the funds only upon order of the school~~  
29           ~~board, signed by the president and the business manager of the school district.~~

30           ~~The order must recite upon its face the purpose for which payment is made.~~

- 1       2.    Any moneys remaining in a school building fund after the completion of the payments-  
2           for any school building project which has cost seventy five percent or more of the  
3           amount in such building fund at the time of letting the contracts therefor shall be  
4           returned to the general fund of the school district upon the order of the school board.
- 5       3.    The governing body of any school district may pay into the general fund of the school  
6           district any moneys which have remained in the school building fund for a period of ten  
7           years or more, and such district may include the same as a part of its cash on hand in  
8           making up its budget for the ensuing year. In determining what amounts have  
9           remained in said fund for ten years or more, all payments which have been paid from  
10          the school building fund for building purposes shall be considered as having been paid  
11          from the funds first acquired.
- 12      4.    Whenever collections from the taxes levied for the current budget and other income  
13          are insufficient to meet the requirements for general operating expenses, a majority of  
14          the governing body of a school district may transfer unobligated funds from the school  
15          building fund into the general fund of the school district the school district has issued  
16          certificates of indebtedness equal to fifty percent of the outstanding uncollected  
17          general fund property tax. No school district may transfer funds from the school  
18          building fund into the general fund for more than two years.

19       **SECTION 24. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is  
20    amended and reenacted as follows:

21       **57-15-31. (Effective for the first two taxable years beginning after December 31, 2012)-**

22    **Determination of levy.**

- 23      1.    The amount to be levied by any county, city, township, school district, park district, or  
24           other municipality authorized to levy taxes shallmust be computed by deducting from  
25           the amount of estimated expenditures for the current fiscal year as finally determined,  
26           plus the required reserve fund determined upon by the governing board from the past  
27           experience of the taxing district, the total of the following items:
- 28      1.    a.    The available surplus consisting of the free and unencumbered cash balance.;
- 29      2.    b.    Estimated revenues from sources other than direct property taxes.;
- 30      3.    c.    The total estimated collections from tax levies for previous years.;
- 31      4.    d.    Such expenditures as are to Expenditures that must be made from bond sources.;

- 1       5. e. The amount of distributions received from an economic growth increment pool  
2                   under section 57-15-61; and  
3       6. f. The estimated amount to be received from payments in lieu of taxes on a project  
4                   under section 40-57.1-03.  
5       2. Allowance may be made for a permanent delinquency or loss in tax collection not to  
6                   exceed five percent of the amount of the levy.

7       ~~(Effective after the first two taxable years beginning after December 31, 2012)~~

8       **Determination of levy.** ~~The amount to be levied by any county, city, township, school district,~~  
9       ~~park district, or other municipality authorized to levy taxes shall be computed by deducting from~~  
10       ~~the amount of estimated expenditures for the current fiscal year as finally determined, plus the~~  
11       ~~required reserve fund determined upon by the governing board from the past experience of the~~  
12       ~~taxing district, the total of the following items:~~

- 13       1. ~~The available surplus consisting of the free and unencumbered cash balance.~~  
14       2. ~~Estimated revenues from sources other than direct property taxes.~~  
15       3. ~~The total estimated collections from tax levies for previous years.~~  
16       4. ~~Such expenditures as are to be made from bond sources.~~  
17       5. ~~The amount of distributions received from an economic growth increment pool under~~  
18       ~~section 57-15-61.~~  
19       6. ~~The estimated amount to be received from payments in lieu of taxes on a project~~  
20       ~~under section 40-57.1-03.~~  
21       7. ~~The amount reported to a school district by the superintendent of public instruction as~~  
22       ~~the school district's mill levy reduction grant for the year under section 57-64-02.~~

23       ~~Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five~~  
24       ~~percent of the amount of the levy.~~

25       **SECTION 25. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is  
26       amended and reenacted as follows:

27       **57-19-01. (Effective through June 30, 2015) School district may establish**  
28       **Establishment of special reserve fund.**

29       Each school district in this state may establish and maintain a special reserve fund, subject  
30       to the limitations in section 57-15-14.2. The balance of moneys in the fund may not exceed that  
31       which could be produced by a levy of fifteen mills in that district for that year.

1 ~~(Effective after June 30, 2015) School district may establish special reserve fund.~~

2 Each school district in this state may establish and maintain a special reserve fund which must  
3 be separate and distinct from all other funds now authorized by law and which may not exceed  
4 in amount at any one time the sum which could be produced by a levy of the maximum mill levy  
5 allowed by law in that district for that year.

6 **SECTION 26. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-19-02. (Effective through June 30, 2015) Special reserve fund - Separate trust**  
9 **fundTransfer.**

- 10 1. Moneys in the special reserve fund may be deposited, held, or invested in the same  
11 manner as the sinking fund of the district or in the purchase of shares or securities of  
12 federal savings and loan associations or state-chartered building and loan  
13 associations, within the limits of federal insurance.
- 14 2. Each July first, the board of the school district shall transfer from the special reserve  
15 fund to the district's general fund any amount that exceeds the limitation in section  
16 57-19-01.

17 ~~(Effective after June 30, 2015) Special reserve fund - Separate trust fund.~~ The special  
18 reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn  
19 upon as provided in this chapter. Moneys in the fund may be deposited, held, or invested in the  
20 same manner as the sinking fund of the district or in the purchase of shares or securities of  
21 federal savings and loan associations or state-chartered building and loan associations, within  
22 the limits of federal insurance. The school district business manager shall annually, upon a  
23 resolution of the school board, transfer to the school district general fund any part or all of the  
24 investment income or interest earned by the principal amount of the school district's special  
25 reserve fund.

26 **SECTION 27. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28 **57-19-09. (Effective through June 30, 2015) WhenSpecial reserve fund may be**  
29 **transferred-Correction of error.**

30 Anyla school district which has heretofore by mistake, or for any other reason, considered  
31 all or any part of aits special reserve fund, as provided for in chapter 57-19, in determining theits

1 budget for the school district which has and deducted all or any part of the funds in such its  
2 special reserve fund from the amount necessary to be levied for any school a fiscal year, the  
3 district may transfer from theits special reserve fund into theits general fund all or any part of  
4 such amounts which have been the amount that was so considered, contrary to the provisions of  
5 section 57-19-05.

6 **(Effective after June 30, 2015) When fund may be transferred.** Any school district which  
7 has heretofore by mistake, or for any other reason, considered all or any part of a special  
8 reserve fund, as provided for in chapter 57-19, in determining the budget for the school district  
9 which has deducted all or any part of the funds in such special reserve fund from the amount  
10 necessary to be levied for any school fiscal year, may transfer from the special reserve fund into  
11 the general fund all or any part of such amounts which have been so considered contrary to the  
12 provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor  
13 may be discontinued by a vote of sixty percent of the electors of the school district voting upon  
14 the question at any special or general election. Any moneys remaining unexpended in such  
15 special reserve fund must be transferred to the building or general fund of the school district.  
16 The discontinuance of a special reserve fund shall not decrease the school district tax levies  
17 otherwise provided for by law by more than twenty percent. A special reserve fund and the tax  
18 levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the  
19 electors of the school district voting upon the question at any special or general election.

20 **SECTION 28. SCHOOL DISTRICT REPORTING REVIEW COMMITTEE - STUDY.**

- 21 1. The superintendent of public instruction shall serve as the chairman of the school  
22 district reporting review committee. During the 2015-16 interim, the committee shall  
23 review statutory and regulatory reporting requirements imposed upon school districts,  
24 with a view toward eliminating reporting requirements that are duplicative or  
25 unnecessary and streamlining the reporting process.
- 26 2. The school district reporting review committee consists of:
- 27 a. Six individuals, selected by the superintendent of public instruction and  
28 representing small, medium, and large school districts, provided each individual  
29 must be a school district superintendent or a business manager;
- 30 b. Four staff members from the department of public instruction, who are familiar  
31 with state and federal school district reporting requirements;

- 1 c. The chairman of the senate education committee or the chairman's designee;
  - 2 d. The chairman of the house education committee or the chairman's designee; and
  - 3 e. One member of the legislative assembly from the minority party, appointed by the
  - 4 chairman of the legislative management.
- 5 3. Members of the legislative assembly serving on the committee are entitled to
  - 6 compensation at the rate provided for in accordance with section 54-03-20 and to
  - 7 reimbursement for expenses, as provided by law for state officers, if the members are
  - 8 attending meetings or performing duties required by the appointment.
- 9 4. Before July 1, 2016, the superintendent of public instruction shall report the
  - 10 committee's findings and recommendations to the legislative management.

11 **SECTION 29. LEGISLATIVE MANAGEMENT STUDY - KINDERGARTEN THROUGH**  
12 **GRADE TWELVE CONTENT STANDARDS AND ASSESSMENTS.** The legislative  
13 management shall study content standards and assessments.

- 14 1. The study must:
  - 15 a. Provide for a review of the content standards applicable to all grade levels in this
  - 16 state, from kindergarten through twelve, in the areas of English language arts
  - 17 and mathematics;
  - 18 b. Compare the content standards of this state to those of other states that are
  - 19 recognized as having high academic achievement levels; and
  - 20 c. Review the standards development process.
- 21 2. The study must:
  - 22 a. Review the purpose of general and alternate student assessments;
  - 23 b. Examine the availability of existing and proposed assessment models; and
  - 24 c. Examine the assessments utilized by other states that are recognized as having
  - 25 high academic achievement levels.
- 26 3. The study must review those sections of the Elementary and Secondary Education Act  
27 [20 U.S.C. 6301, et seq.] that address standards, assessments, accountability, and  
28 local flexibility, and any recent pertinent regulatory changes or policy statements  
29 issued by the United States department of education.
- 30 4. The legislative council may seek assistance from individuals who are content  
31 specialists at the higher education level, individuals who are content and assessment



1 specialists at the elementary or high school level, and other professionals, as  
2 necessary, to complete the directives of this section.

3 5. The legislative management shall report its findings and recommendations, together  
4 with any legislation required to implement the recommendations, to the sixty-fifth  
5 legislative assembly.

6 **SECTION 30. ENGLISH LANGUAGE LEARNER GRANTS.**

7 1. During the 2015-17 biennium, the superintendent of public instruction shall expend up  
8 to \$1,000,000 from the grants - other grants line item in the appropriation bill for the  
9 superintendent of public instruction, as approved by the sixty-fourth legislative  
10 assembly, for the purpose of providing grants to the four school districts that serve the  
11 largest number of first and second level English language learners in kindergarten  
12 through grade twelve.

13 2. In order to determine the amount that a school district may receive under this section,  
14 the superintendent of public instruction shall provide a pro rata share of the available  
15 grant dollars to each eligible district based upon the total number of first and second  
16 level English language learners enrolled in the four districts.

17 3. A district may expend moneys received under this section only for the purpose of  
18 enhancing services to first and second level English language learners. Permissible  
19 purposes include the hiring of additional teachers, interpreters, and social workers for  
20 first and second level English language learners and the provision of other ancillary  
21 support services and programs, approved by the superintendent of public instruction.

22 4. The superintendent of public instruction may not award more than fifty percent of the  
23 funds available under this section during the first year of the biennium.

24 **SECTION 31. EXEMPTION - AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT.**

25 The unexpended amount remaining from the transfer of \$250,000, as permitted in section 61 of  
26 chapter 13 of the 2013 Session Laws, is not subject to the provisions of section 54-44.1-11 at  
27 the end of the 2013-15 biennium and may be continued into the 2015-17 biennium, for the  
28 purpose of continuing the grant to an institution implementing a certificate program that  
29 prepares individuals with autism spectrum disorder for employment in the technology sector.

30 **SECTION 32. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM -**

31 **ADVANCED PLACEMENT COURSES - DELIVERY AND PARTICIPATION.** Notwithstanding

1 section 54-44.1-11, if any moneys remain in the integrated formula payments line item after the  
2 superintendent of public instruction complies with all statutory payment obligations imposed for  
3 the 2013-15 biennium, the superintendent shall firstly use \$1,252,627, or so much of that  
4 amount as may be necessary, for the purpose of enhancing the delivery and the participation of  
5 students and teachers in advanced placement courses, for the biennium beginning with the  
6 effective date of this Act and ending June 30, 2017.

7 **SECTION 33. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - EARLY**  
8 **CHILDHOOD EDUCATION IMPACT STUDY.** Notwithstanding section 54-44.1-11, if any  
9 moneys remain in the integrated formula payments line item after the superintendent of public  
10 instruction complies with all statutory payment obligations imposed for the 2013-15 biennium,  
11 the superintendent shall secondly use \$200,000, or so much of the sum as may be necessary,  
12 for the purpose of contracting with a research institution in this state to study the impact of early  
13 childhood education provider grants, for the biennium beginning with the effective date of this  
14 Act and ending June 30, 2017.

15 **SECTION 34. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - REGIONAL**  
16 **EDUCATION ASSOCIATIONS - REVIEW PROCESS.** Notwithstanding section 54-44.1-11, if  
17 any moneys remain in the integrated formula payments line item after the superintendent of  
18 public instruction complies with all statutory payment obligations imposed for the 2013-15  
19 biennium, the superintendent shall thirdly use \$50,000, or so much of that amount as may be  
20 necessary, for the purpose of providing a review process for regional education associations, for  
21 the biennium beginning with the effective date of this Act and ending June 30, 2017.

22 **SECTION 35. EXEMPTION - CONTINGENT FUNDING - 2013-15 BIENNIUM - OPEN**  
23 **EDUCATIONAL RESOURCES.** Notwithstanding section 54-44.1-11, if any moneys remain in  
24 the integrated formula payments line item after the superintendent of public instruction complies  
25 with all statutory payment obligations imposed for the 2013-15 biennium, the superintendent  
26 shall fourthly use \$100,000, or so much of the sum as may be necessary, for the purpose of  
27 providing grants to foster the creation of open curricular and instructional materials, including  
28 textbooks utilized in required course offerings as set forth in section 15.1-21-02, and in  
29 particular textbooks utilized in advanced placement and dual credit courses, in order to reduce  
30 the related acquisition costs , for the biennium beginning with the effective date of this Act and  
31 ending June 30, 2017. Any instructional materials, including textbooks, developed in whole or in

1 part with a grant awarded under this section, must be made available, free of charge, to all  
2 school districts in this state.

3 **SECTION 36. LEGISLATIVE MANAGEMENT STUDY - CAREER AND TECHNICAL**

4 **EDUCATION.** During the 2015-16 interim, the legislative management shall consider studying  
5 the nature and scope of career and technical education opportunities available to students in  
6 this state, the manner in which such opportunities are financially supported, and the manner in  
7 which such opportunities are monitored to ensure that they provide students with twenty-first  
8 century technical skills that are aligned to industry standards, in addition to providing  
9 appropriate academic foundations. The legislative management shall report its findings and  
10 recommendations, together with any legislation required to implement the recommendations, to  
11 the sixty-fifth legislative assembly.

12 **SECTION 37. LEGISLATIVE MANAGEMENT STUDY - TEACHER PREPARATION**

13 **PROGRAMS.** During the 2015-16 interim, the legislative management shall consider studying  
14 teacher training programs in this state, including requirements for admission into a program, the  
15 requisite course of study, student teaching opportunities, and mentoring for new teachers. The  
16 study should also include an examination of collaborative efforts between schools of education  
17 and school districts in this state, and a comparative review of teacher training programs in other  
18 jurisdictions. The legislative management shall report its findings and recommendations,  
19 together with any legislation required to implement the recommendations, to the sixty-fifth  
20 legislative assembly.

21 **SECTION 38. REPEAL.** Sections 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-22.1,  
22 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-15-14.5, 57-15-17.1, and  
23 57-19-04 and chapter 57-64 of the North Dakota Century Code are repealed.

24 **SECTION 39. EFFECTIVE DATE.** Section 9 of this Act becomes effective on July 1, 2017.

25 **SECTION 40. EMERGENCY.** Sections 7 and 17 and sections 31 through 35 of this Act are  
26 declared to be an emergency measure.