

March 25, 2015

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2031

- Page 1, line 9, after "a" insert "school district reporting review committee"
- Page 1, line 9, after "study" insert "and report to the legislative management"
- Page 1, line 9, after the second semicolon insert "to provide for a legislative management study;"
- Page 1, line 10, remove "to provide an expiration date;"
- Page 3, line 11, remove "(1)"
- Page 3, remove lines 12 and 13
- Page 3, line 14, remove "school year"
- Page 7, remove lines 17 through 30
- Page 8, remove lines 1 through 31
- Page 9, remove lines 1 through 31
- Page 10, remove lines 1 through 30
- Page 11, remove lines 1 through 30
- Page 12, remove lines 1 through 30
- Page 13, remove lines 1 through 31
- Page 14, remove lines 1 through 30
- Page 15, remove lines 1 through 30
- Page 16, remove lines 1 through 30
- Page 17, remove lines 1 through 30
- Page 18, remove lines 1 through 30
- Page 19, remove lines 1 through 31
- Page 20, remove lines 1 through 30
- Page 21, remove lines 1 through 30
- Page 22, remove lines 1 through 27
- Page 23, replace lines 1 through 11 with:

**"SECTION 5. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b.a. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - ~~e.b. 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;~~
  - ~~d. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - ~~e.c. 0.30 the number of full-time equivalent students who:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
    - (2) Are enrolled in a program of instruction for English language learners;~~
  - ~~f.d. 0.25 the number of full-time equivalent students under the age of twenty-one, enrolled in grades nine through twelve in an alternative high school;~~
  - ~~g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~h.e. 0.20 the number of full-time equivalent students who:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
    - (2) Are enrolled in a program of instruction for English language learners;~~
  - ~~f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - ~~i.g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~j.h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;~~
  - ~~k.i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average~~

daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

- h.j. 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
  - m.k. 0.07 the number of full-time equivalent students who:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
    - (2) Are enrolled in a program of instruction for English language learners; and
    - (3) Have not been in the third of six categories of proficiency for more than three years;
  - n.l. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
  - o. ~~0.003 the number of students enrolled in average daily membership in each public school in the district that:~~
    - ~~(1) Has acquired and is utilizing the PowerSchool student information system;~~
    - ~~(2) Has acquired and is in the process of implementing the PowerSchool student information system; or~~
    - ~~(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and~~
  - p.m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

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

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

- a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
- b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
- e. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
- d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
- e. ~~0.30 the number of full-time equivalent students who:
 
  - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and~~
  - (2) ~~Are enrolled in a program of instruction for English language learners;~~~~
- f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
- g. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- h. ~~0.20 the number of full-time equivalent students who:
 
  - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and~~
  - (2) ~~Are enrolled in a program of instruction for English language learners;~~~~
- i. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- j. ~~0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~
- k. ~~0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- l. ~~0.07 the number of full-time equivalent students who:
 
  - (1) ~~On a test of English language proficiency approved by the superintendent of public instruction are determined to be more~~~~

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

**SECTION 6. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

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

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - a. 1.35 if the students in average daily membership number fewer than 125;
  - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
  - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
  - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;

- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- l. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;

- y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
  - z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
  - aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
  - bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
  - cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
  - dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
  - ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
  - ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
  - gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
  - hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
  - ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
  - jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
    - a. 1.25 if the students in average daily membership number fewer than 125;
    - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
    - c. 1.00 if the students in average daily membership number at least 200.
  3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
  4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

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

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - a. ~~1.25 if the students in average daily membership number fewer than 185;~~
  - b. ~~1.24 if the students in average daily membership number at least 185 but fewer than 200;~~
  - c. ~~1.23 if the students in average daily membership number at least 200 but fewer than 215;~~
  - d. ~~1.22 if the students in average daily membership number at least 215 but fewer than 230;~~
  - e. ~~1.21 if the students in average daily membership number at least 230 but fewer than 245;~~
  - f. ~~1.20 if the students in average daily membership number at least 245 but fewer than 260;~~
  - g. ~~1.19 if the students in average daily membership number at least 260 but fewer than 270;~~
  - h. ~~1.18 if the students in average daily membership number at least 270 but fewer than 275;~~
  - i. ~~1.17 if the students in average daily membership number at least 275 but fewer than 280;~~
  - j. ~~1.16 if the students in average daily membership number at least 280 but fewer than 285;~~
  - k. ~~1.15 if the students in average daily membership number at least 285 but fewer than 290;~~
  - l. ~~1.14 if the students in average daily membership number at least 290 but fewer than 295;~~
  - m. ~~1.13 if the students in average daily membership number at least 295 but fewer than 300;~~
  - n. ~~1.12 if the students in average daily membership number at least 300 but fewer than 305;~~
  - o. ~~1.11 if the students in average daily membership number at least 305 but fewer than 310;~~
  - p. ~~1.10 if the students in average daily membership number at least 310 but fewer than 320;~~
  - q. ~~1.09 if the students in average daily membership number at least 320 but fewer than 335;~~
  - r. ~~1.08 if the students in average daily membership number at least 335 but fewer than 350;~~
  - s. ~~1.07 if the students in average daily membership number at least 350 but fewer than 360;~~



- t. ~~1.06 if the students in average daily membership number at least 360 but fewer than 370;~~
  - u. ~~1.05 if the students in average daily membership number at least 370 but fewer than 380;~~
  - v. ~~1.04 if the students in average daily membership number at least 380 but fewer than 390;~~
  - w. ~~1.03 if the students in average daily membership number at least 390 but fewer than 400;~~
  - x. ~~1.02 if the students in average daily membership number at least 400 but fewer than 600;~~
  - y. ~~1.01 if the students in average daily membership number at least 600 but fewer than 900; and~~
  - z. ~~1.00 if the students in average daily membership number at least 900.~~
2. ~~For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:~~
- a. ~~1.25 if the students in average daily membership number fewer than 125;~~
  - b. ~~1.17 if the students in average daily membership number at least 125 but fewer than 200; and~~
  - e. ~~1.00 if the students in average daily membership number at least 200.~~
3. ~~The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.~~
4. ~~Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.~~

**SECTION 7. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In order to determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
  - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;

- c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
- d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
- e. An amount equal to that raised by the district's 2012 alternative education program levy; and
- f. An amount equal to:
  - (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
  - (2) Seventy-five percent of all mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
  - (3) Seventy-five percent of all tuition received by the school district and reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition received for the provision of an adult farm management program;
  - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
  - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
  - (6) All revenue received by the school district from mobile home taxes;
  - (7) Seventy-five percent of all revenue received by the school district from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
  - (8) All telecommunications tax revenue received by the school district; and
  - (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.

2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. ~~In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.~~
  - (1) ~~The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:~~
    - (a) ~~One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;~~  
~~or~~
    - (b) ~~One hundred percent of the district's baseline funding as established in subsection 1.~~
  - (2) ~~The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.~~
- b. ~~In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety two dollars.~~
  - (1) ~~The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:~~
    - (a) ~~One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units;~~  
~~or~~
    - (b) ~~One hundred percent of the district's baseline funding as established in subsection 1.~~
  - (2) ~~The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.~~
3. a. In 2015-16, the superintendent shall multiply the district's weighted student units by nine thousand two hundred seventy-four dollars.
  - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
    - (a) One hundred six percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units;  
or
    - (b) One hundred percent of the district's baseline funding as established in subsection 1.

- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred thirty percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2016-17, the superintendent shall multiply the district's weighted student units by nine thousand four hundred fifty-nine dollars.
  - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
    - (a) One hundred eight percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
    - (b) One hundred percent of the district's baseline funding as established in subsection 1.
  - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred forty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
- 4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
  - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, provided that after 2013, the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent; and
  - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
- 5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

**SECTION 8. AMENDMENT.** Section 15.1-27-04.2 of the North Dakota Century Code is amended and reenacted as follows:

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

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

Page 33, remove lines 1 through 31

Page 34, remove lines 1 through 31

Page 35, remove lines 1 through 30

Page 36, remove lines 1 through 31

Page 37, remove lines 1 through 31

Page 38, remove lines 1 through 31

Page 39, remove lines 1 through 31

Page 40, remove lines 1 through 31

Page 41, remove lines 1 through 31

Page 42, remove lines 1 through 30

Page 43, remove lines 1 through 30

Page 44, remove lines 1 through 30

Page 45, remove lines 1 through 30

Page 46, replace lines 1 through 7 with:

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

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

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

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

- c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
  - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
  - d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
    - (1) The base year mill rate of the school district minus sixty mills; or
    - (2) Fifty mills.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.

5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
  - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

~~(Effective after the first two taxable years beginning after December 31, 2012) Protection of taxpayers and taxing districts.~~ Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. ~~No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.~~
2. ~~For purposes of this section:~~
  - a. ~~"Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;~~
  - b. ~~"Budget year" means the taxing district's year for which the levy is being determined under this section;~~
  - c. ~~"Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property~~

~~exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and~~

- ~~d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.~~
3. ~~A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:~~
- ~~a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.~~
  - ~~b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.~~
  - ~~c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.~~
  - ~~d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.~~
  - ~~e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the base year.~~
4. ~~In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.~~



5. ~~Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:~~
  - a. ~~Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.~~
  - b. ~~The one mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.~~
6. ~~A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.~~
7. ~~Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.~~

**SECTION 16. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

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

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
  - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
  - c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.

- d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
  - e. For taxable years beginning after 2012:
    - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred fifteen mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
    - (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by forty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
    - (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is seventy mills on the dollar of the taxable valuation of the school district.
  - f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
- 2.
- a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. No fewer than twenty-five signatures are required.
  - b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
  - c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

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

- ~~1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.~~
- ~~2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.~~
- ~~3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.~~
- ~~4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.~~
- ~~5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.~~

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

**SECTION 17. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

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

1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus fourteen percent in the case of a district that levies fewer than sixty mills and twelve percent in all other cases, up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
  - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
  - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
6. ~~For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of eighty-two mills. For purposes of this subsection, the allowable increase in dollars is determined by multiplying the 2013 taxable valuation of the district by the sum of sixty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.~~

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

1. ~~A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:~~

- a. ~~Board and lodging for high school students as provided in section 15.1-30-04.~~
- b. ~~The teachers' retirement fund as provided in section 15-39.1-28.~~
- c. ~~Tuition for students in grades seven through twelve as provided in section 15.1-29-15.~~
- d. ~~Special education program as provided in section 15.1-32-20.~~
- e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
- f. ~~A final judgment obtained against a school district.~~
- g. ~~The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
- h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school building construction shall apply to any rented or leased buildings, property, or classroom space.~~
- i. ~~Unemployment compensation benefits.~~
- j. ~~The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
- k. ~~Participating in cooperative career and technical education programs approved by the state board.~~
- l. ~~Maintaining a career and technical education program approved by the state board and established only for that school district.~~
- m. ~~Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
- n. ~~Establishing and maintaining school library services.~~
- o. ~~Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~

- ~~p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
  - ~~q. Establishing, maintaining, and conducting a public recreation system.~~
  - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
- ~~2. This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single-district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
  - ~~3. All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district."~~

Page 52, after line 12, insert:

**"SECTION 23. LEGISLATIVE MANAGEMENT STUDY - K-12 STANDARDS AND ASSESSMENTS.** The legislative management shall consider studying standards and assessments.

1.
  - a. The study must provide for a review of the content standards applicable to all grade levels in this state, from kindergarten through twelve, in the areas of English language arts and mathematics.
  - b. The study must include a comparison of the standards used in this state to standards used in other states, for purposes of determining academic rigor.
  - c. The study must include a review of the standards development process, including opportunities for participation in the process.
2.
  - a. The study must provide for a review of the assessment development process, including the services provided by various private sector entities, and a review of the assessment administration process.
  - b. The study must provide for an analysis of student performance on state assessments and include short-term and longer-term school, school district, and state goals for achieving improved performance.
3. The study must provide for a review of the Elementary and Secondary Education Act, including monitoring potential changes in standards, assessments, accountability, local flexibility, and federal regulatory authority.

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

Page 53, line 7, replace "\$2,500,000" with "\$1,200,000"

Page 54, remove lines 17 and 18

Page 54, line 19, replace "25" with "26"

Page 54, line 19, replace "27" with "28"

Renumber accordingly