

Levies

A careful study of NDCC Title 57 is essential to understanding mill levies. The district property tax levy for the general fund is the primary source of local revenue. It is based on taxable valuation of the district. Below is a summary of state law on mill levies pertaining to schools as amended during the 2013 North Dakota Legislative Session.

Districts without Excess Mill Authorization

With the exception of districts whose patrons have voted for a specified or unlimited excess levy, school districts are limited to the following levies:

- **2013:** Up to 82 mills for the provision of education services and miscellaneous purposes and expenses. In addition to this 82 mill limit, the amount levied cannot exceed the following dollar amount:
 $(2013 \text{ taxable valuation} \times (\text{sum of } 60 \text{ mills})) + (2012 \text{ long distance learning/technology levy}) + (2012 \text{ hazardous substances abatement, alternative education, and HVAC levies}) = \text{Total} + (\text{Total} \times 0.12) = \text{Allowable dollar amount for 2013 levy}$
- **2014 and thereafter:** Up to 70 mills for the provision of educational services. In addition to this 70 mill limit, districts must not exceed the dollar amount levied the prior year plus 12%. Districts are also authorized to levy 12 mills on the taxable valuation for miscellaneous purposes and expenses.

There are special levy categories not considered in the above maximums, which can be enacted by a **simple majority** vote of a school board for tax years beginning in 2013 and thereafter. These mills are authorized by 57-15-14.2 and are as follows:

- A. Three (3) mills for a special reserve fund in accordance with NDCC Ch. 57-19.
- B. Number of mills necessary for tuition of students in grades 7-12 in accordance with NDCC 15.1-29-15. These mills must be deposited in a special tuition fund and may not be transferred.
- C. Building fund permitted by NDCC 15.1-09-49 and 57-15-16.
- D. Mills necessary to pay principal and interest on bonded indebtedness, including debt incurred under NDCC 57-15-17.1.

Districts with Excess Mill Authorization

Voters in each school district may authorize the school board to levy more than the above caps. Voters may grant authority for a school board to levy a **specified** number of mills beyond state caps or may authorize a school board to levy an **unlimited** number of mills beyond state caps. Each type of excess mill levy authority has certain restrictions under NDCC 57-15-14:

- **Specified mills:**
 - Authority to levy specified mills is terminated after tax year 2015. Voters must approve a specified mill levy by December 31, 2015, or the district will be subject to levy limitations under law.

- Levy reduction for 2013 and thereafter: If voters approved a specified excess mill levy before 2009, mills must be reduced to 115 as a condition of receiving state aid beginning in tax year 2013. If voters approved a specified excess mill levy after 2009, mills must be reduced by 40 mills as a condition of receiving state aid beginning in tax year 2013.
- **Unlimited mills:** Authority to levy unlimited mills is terminated after tax year 2015. Voters must approve a specified mill levy by December 31, 2015, or the district will be subject to levy limitations under law.