

Sixty-fourth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1178**

Introduced by

Representatives Kempenich, Schatz, Sukut, Zubke

Senators Bekkedahl, Bowman, Rust

1 A BILL for an Act to amend and reenact section 15.1-27-04.1 of the North Dakota Century  
2 Code, relating to mineral revenue received by school districts; to provide an effective date; and  
3 to declare an emergency.

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

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

7 **15.1-27-04.1. (~~Effective through June 30, 2015~~) Baseline funding - Establishment -**  
8 **Determination of state aid.**

- 9 1. In order to determine the amount of state aid payable to each district, the  
10 superintendent of public instruction shall establish each district's baseline funding. A  
11 district's baseline funding consists of:
- 12 a. All state aid received by the district in accordance with chapter 15.1-27 during the  
13 2012-13 school year;
  - 14 b. The district's 2012-13 mill levy reduction grant, as determined in accordance with  
15 chapter 57-64, as it existed on June 30, 2013;
  - 16 c. An amount equal to that raised by the district's 2012 general fund levy or that  
17 raised by one hundred ten mills of the district's 2012 general fund levy, whichever  
18 is less;
  - 19 d. An amount equal to that raised by the district's 2012 long-distance learning and  
20 educational technology levy;
  - 21 e. An amount equal to that raised by the district's 2012 alternative education  
22 program levy; and
  - 23 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.

- 1       2.   The superintendent shall divide the district's total baseline funding by the district's
- 2           2012-13 weighted student units in order to determine the district's baseline funding per
- 3           weighted student unit.
- 4       3.   a.   In 2013-14, the superintendent shall multiply the district's weighted student units
- 5           by eight thousand eight hundred ten dollars.
- 6           (1)   The superintendent shall adjust the product to ensure that the product is at
- 7           least equal to the greater of:
- 8           (a)   One hundred two percent of the district's baseline funding per
- 9           weighted student unit, as established in subsection 2, multiplied by
- 10          the district's 2013-14 weighted student units; or
- 11          (b)   One hundred percent of the district's baseline funding as established
- 12          in subsection 1.
- 13          (2)   The superintendent shall also adjust the product to ensure that the product
- 14          does not exceed one hundred ten percent of the district's baseline funding
- 15          per weighted student unit multiplied by the district's 2013-14 weighted
- 16          student units, as established in subsection 2.
- 17       b.   In 2014-15, the superintendent shall multiply the district's weighted student units
- 18           by nine thousand ninety-two dollars.
- 19          (1)   The superintendent shall adjust the product to ensure that the product is at
- 20          least equal to the greater of:
- 21          (a)   One hundred four percent of the district's baseline funding per
- 22          weighted student unit, as established in subsection 2, multiplied by
- 23          the district's 2014-15 weighted student units; or
- 24          (b)   One hundred percent of the district's baseline funding as established
- 25          in subsection 1.
- 26          (2)   The superintendent shall also adjust the product to ensure that the product
- 27          does not exceed one hundred twenty percent of the district's baseline
- 28          funding per weighted student unit, as established in subsection 2, multiplied
- 29          by the district's 2014-15 weighted student units.
- 30       4.   ~~After~~Except as provided in subsection 5, after determining the product in accordance
- 31          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. a. If a school district's evidence of indebtedness for an eligible school construction loan is payable in whole or in part from the district's distribution of oil and gas gross production tax in accordance with section 57-51-15, the superintendent of public instruction shall, after determining the product in accordance with subsection 3:

(1) Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, provided that 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;

(2) Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1, 3 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; and

(3) Subtract an amount equal to seventy-five percent of all revenues listed in paragraph 2 of subdivision f of subsection 1 minus the lesser of:

(a) Any amount of such revenues used to pay the district's evidence of indebtedness on an eligible school construction project; or

(b) ~~Sixty~~Forty percent of all revenues listed in paragraph 2 of subdivision f of subsection 1.

b. For purposes of applying the calculation in paragraph 3 of subdivision a, the amount being subtracted in accordance with subparagraph a or b may not

1 exceed fifty percent of a school district's revenue contribution to a qualifying  
2 project.

3 b.c. For purposes of this subsection, an eligible school construction loan means  
4 evidence of an indebtedness for a school construction project that was incurred  
5 on or after January 1, 2010, provided:

6 (1) Indebtedness for the project was approved by sixty percent of the qualified  
7 electors of the school district voting on the question; or

8 (2) (a) The cost of the project at the time of indebtedness is in excess of five  
9 hundred thousand dollars; and

10 (b) The project received approval by the superintendent of public  
11 instruction in accordance with section 15.1-36-01.

12 5.6. The amount remaining after the computation required under subsection 4 or 5 is the  
13 amount of state aid to which a school district is entitled, subject to any other statutory  
14 requirements or limitations.

15 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2015.

16 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.