

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           (1) Seventy-five percent of all revenue received by the school district and  
2                       reported under code 2000 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;
- 5           (2) Seventy-five percent of all mineral revenue received by the school district  
6                       through direct allocation from the state treasurer and not reported under  
7                       code 2000 of the North Dakota school district financial accounting and  
8                       reporting manual, as developed by the superintendent of public instruction  
9                       in accordance with section 15.1-02-08;
- 10          (3) Seventy-five percent of all tuition received by the school district and  
11                       reported under code 1300 of the North Dakota school district financial  
12                       accounting and reporting manual, as developed by the superintendent of  
13                       public instruction in accordance with section 15.1-02-08, with the exception  
14                       of revenue received specifically for the operation of an educational program  
15                       provided at a residential treatment facility and tuition received for the  
16                       provision of an adult farm management program;
- 17          (4) Seventy-five percent of all revenue received by the school district from  
18                       payments in lieu of taxes on the distribution and transmission of electric  
19                       power;
- 20          (5) Seventy-five percent of all revenue received by the school district from  
21                       payments in lieu of taxes on electricity generated from sources other than  
22                       coal;
- 23          (6) All revenue received by the school district from mobile home taxes;
- 24          (7) Seventy-five percent of all revenue received by the school district from the  
25                       leasing of land acquired by the United States for which compensation is  
26                       allocated to the state under 33 U.S.C. 701(c)(3);
- 27          (8) All telecommunications tax revenue received by the school district; and
- 28          (9) All revenue received by the school district from payments in lieu of taxes  
29                       and state reimbursement of the homestead credit and disabled veterans  
30                       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:

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

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

10          5. a. If a school district's evidence of indebtedness for an eligible school construction  
11          loan is payable in whole or in part from the district's distribution of oil and gas  
12          gross production tax in accordance with section 57-51-15, the superintendent of  
13          public instruction shall, after determining the product in accordance with  
14          subsection 3:

15           (1) Subtract an amount equal to sixty mills multiplied by the taxable valuation of  
16           the school district, provided that the amount in dollars subtracted for  
17           purposes of this subdivision may not exceed the previous year's amount in  
18           dollars subtracted for purposes of this subdivision by more than twelve  
19           percent;

20           (2) Subtract an amount equal to seventy-five percent of all revenues listed in  
21           paragraphs 1, 3 through 5, and 7 of subdivision f of subsection 1 and one  
22           hundred percent of all revenues listed in paragraphs 6, 8, and 9 of  
23           subdivision f of subsection 1; and

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

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

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

- 1           b. For purposes of this subsection, an eligible school construction loan means  
2           evidence of an indebtedness for a school construction project that was incurred  
3           on or after January 1, 2010, provided:  
4           (1) Indebtedness for the project was approved by sixty percent of the qualified  
5           electors of the school district voting on the question; or  
6           (2) (a) The cost of the project at the time of indebtedness is in excess of five  
7           hundred thousand dollars; and  
8           (b) The project received approval by the superintendent of public  
9           instruction in accordance with section 15.1-36-01.

10    5.6. The amount remaining after the computation required under subsection 4 or 5 is the  
11           amount of state aid to which a school district is entitled, subject to any other statutory  
12           requirements or limitations.

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

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