

**HOUSE BILL NO. 1365**

Introduced by

Representatives Owens, Pyle, Schreiber-Beck, Strinden

Senator Schaible

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 state foundation aid payments to school districts.

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

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

6 **15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

- 7 1. To determine the amount of state aid payable to each district, the superintendent of  
8 public instruction shall establish each district's baseline funding. A district's baseline  
9 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 seventy-five percent of the revenue received by the school  
22 district during the 2012-13 school year for the following revenue types:
    - 23 (1) ~~Seventy-five percent of all revenue received by the school district~~  
24 ~~and~~Revenue reported under code 2000 of the North Dakota school district

1 financial accounting and reporting manual, as developed by the  
2 superintendent of public instruction in accordance with section 15.1-02-08;  
3 ~~(2) Seventy-five percent of all mineral~~Mineral revenue received by the school  
4 ~~district~~ through direct allocation from the state treasurer and not reported  
5 under code 2000 of the North Dakota school district financial accounting  
6 and reporting manual, as developed by the superintendent of public  
7 instruction in accordance with section 15.1-02-08;

8 ~~(3) Seventy-five percent of all tuition received by the school district and~~Tuition  
9 reported under code 1300 of the North Dakota school district financial  
10 accounting and reporting manual, as developed by the superintendent of  
11 public instruction in accordance with section 15.1-02-08, with the exception  
12 of revenue received specifically for the operation of an educational program  
13 provided at a residential treatment facility and tuition received for the  
14 provision of an adult farm management program;

15 ~~(4) Seventy-five percent of all revenue received by the school district~~Revenue  
16 from payments in lieu of taxes on the distribution and transmission of  
17 electric power;

18 ~~(5) Seventy-five percent of all revenue received by the school district~~Revenue  
19 from payments in lieu of taxes on electricity generated from sources other  
20 than coal; and

21 ~~(6) All revenue received by the school district from mobile home taxes;~~

22 ~~(7) Seventy-five percent of all revenue received by the school district~~Revenue  
23 from the leasing of land acquired by the United States for which  
24 compensation is allocated to the state under 33 U.S.C. 701(c)(3); and

25 ~~(8) All telecommunications~~

26 g. An amount equal to the total revenue received by the school district during the  
27 2012-13 school year for the following revenue types:

28 (1) Mobile home tax revenue;

29 (2) Telecommunications tax revenue received by the school district; and



1 weighted student unit, as established in subsection 2, multiplied by the  
2 district's weighted student units from the previous school year.

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

5 a. ~~Subtract~~For school years ending before 2023, subtract an amount equal to ~~sixty-~~  
6 ~~mills multiplied by the taxable valuation of the school district, except the amount-~~  
7 ~~in dollars subtracted for purposes of this subdivision may not exceed the previous~~  
8 ~~year's amount in dollars subtracted for purposes of this subdivision by more than~~  
9 ~~twelve percent; and~~the greatest of:

10 (1) An amount equal to the number of mills deducted pursuant to this  
11 subdivision for school year 2018-19 multiplied by the taxable valuation of  
12 the school district;

13 (2) An amount equal to one hundred twelve percent multiplied by the amount  
14 subtracted for purposes of this subdivision in the previous year in dollars,  
15 not to exceed an amount equal to sixty mills multiplied by the taxable  
16 valuation of the school district; or

17 (3) An amount equal to the number of mills levied by the school district  
18 pursuant to subsection 1 of section 57-15-14.2 multiplied by the taxable  
19 valuation of the school district, not to exceed an amount equal to sixty mills  
20 multiplied by the taxable valuation of the school district.

21 b. For the 2022-23 school year and each school year thereafter, subtract an amount  
22 equal to sixty mills multiplied by the taxable valuation of the school district.

23 c. Subtract an amount equal to seventy-five percent of all revenues~~the revenue~~  
24 types listed in paragraphs 1 through 5, and 7 of subdivisions~~subdivisions~~ f and g of  
25 subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8,  
26 and 9 of subdivision f of subsection 1. Before determining the deduction for  
27 seventy-five percent of all revenues, the superintendent of public instruction shall  
28 reduce all revenue by the percentage of mills levied in the previous calendar year  
29 by the school district for sinking and interest relative to the total mills levied in the  
30 previous calendar year by the school district.

- 1           5.   The amount remaining after the computation required under subsection 4 is the  
2           amount of state aid to which a school district is entitled, subject to any other statutory  
3           requirements or limitations.
- 4           6.   For purposes of the calculation in subsection 4, each county auditor shall report the  
5           following to the superintendent of public instruction on an annual basis:
- 6           a.   The amount of revenue received by each school district in the county during the  
7           previous school year for each type of revenue identified in subdivisions f and g of  
8           subsection 1;
- 9           b.   The total number of mills levied in the previous calendar year by each school  
10          district; and
- 11          c.   The number of mills levied in the previous calendar year by each school district  
12          for sinking and interest fund purposes.