

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Monday, the sixth day of January,
one thousand nine hundred and ninety-seven**

HOUSE BILL NO. 1292
(Representative Kunkel)

AN ACT to create and enact two new sections to chapter 57-19 of the North Dakota Century Code, relating to the control and use of school district special reserve funds; to amend and reenact section 57-19-02 of the North Dakota Century Code, relating to school district special reserve funds; to repeal sections 57-19-06, 57-19-07, and 57-19-08 of the North Dakota Century Code, relating to school district special reserve funds, the use of vouchers, and the liability of school district officers and county treasurers in connection with school district special reserve funds; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. ~~Fund deposited with county treasurer~~ Special reserve fund - Separate trust fund. ~~Such~~ The special reserve fund must be deposited with the county treasurer of the county in which the school district, or the greater part of its territory, is situated, is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter, ~~and kept by such county treasurer as a separate trust fund.~~ Moneys in ~~such~~ the fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The county treasurer~~ school district business manager shall annually, upon a resolution of the school board, ~~pay transfer~~ to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.

SECTION 2. A new section to chapter 57-19 of the North Dakota Century Code is created and enacted as follows:

Special reserve funds - Transfer of control. Each county treasurer shall transfer control over school district reserve funds to local school boards and their business managers on the effective date of this Act, or as soon thereafter as practical.

SECTION 3. A new section to chapter 57-19 of the North Dakota Century Code is created and enacted as follows:

Special reserve fund - Use. If collections from taxes levied for the current budget are insufficient to meet the requirements of the budget for teacher salaries, heat, light, and fuel, a majority of the school board may direct the school district business manager to draw on funds in the special reserve fund of the district. The school board, by resolution, may withdraw without repayment fifty percent of the funds from the special reserve fund of the school district.

SECTION 4. REPEAL. Sections 57-19-06, 57-19-07, and 57-19-08 of the North Dakota Century Code are repealed.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1292 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 74 Nays 18 Absent 6

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 2

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,
at _____ o'clock _____ M.

Secretary of State