

Fifty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1292**

Introduced by

Representative Kunkel

1 A BILL for an Act to create and enact two new sections to chapter 57-19 of the North Dakota  
2 Century Code, relating to the control and use of school district special reserve funds; to amend  
3 and reenact section 57-19-02 of the North Dakota Century Code, relating to school district  
4 special reserve funds; to repeal sections 57-19-06, 57-19-07, and 57-19-08 of the North Dakota  
5 Century Code, relating to school district special reserve funds, the use of vouchers, and the  
6 liability of school district officers and county treasurers in connection with school district special  
7 reserve funds; and to declare an emergency.

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

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

11 **57-19-02. ~~Fund deposited with county treasurer~~ Special reserve fund - Separate**  
12 **trust fund.** ~~Such~~ The special reserve fund must be deposited with the county treasurer of the  
13 ~~county in which the school district, or the greater part of its territory, is situated, is a separate~~  
14 ~~trust fund~~ for the use and benefit of the school district, to be drawn upon as provided in this  
15 ~~chapter, and kept by such county treasurer as a separate trust fund.~~ Moneys in ~~such~~ the fund  
16 may be deposited, held, or invested in the same manner as the sinking fund of the district or in  
17 the purchase of shares or securities of federal savings and loan associations or state-chartered  
18 building and loan associations, within the limits of federal insurance. The ~~county treasurer~~  
19 ~~school district business manager~~ shall annually, upon a resolution of the school board, ~~pay~~  
20 ~~transfer~~ to the school district general fund any part or all of the investment income or interest  
21 earned by the principal amount of the school district's special reserve fund.

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

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

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

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

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

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