

**Fifty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 9, 2001**

SENATE BILL NO. 2148
(Education Committee)
(At the request of the Department of Public Instruction)

AN ACT to amend and reenact sections 15.1-01-03, 15.1-12-05, 15.1-12-09, 15.1-12-10, and 15.1-12-27 of the North Dakota Century Code, relating to school district annexations, reorganizations, and dissolutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15.1-01-03 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15.1-01-03. State board of public school education - Powers and duties.

1. The state board of public school education shall:
 - ~~1.~~ a. Assist county committees in carrying out their duties.
 - ~~2.~~ b. Provide county committees with clerical assistance, plans of procedure, standards, data, maps, forms, and other materials, information, and services.
 - ~~3.~~ c. Appoint members to the county committee, if the county superintendent does not fulfill this duty, as provided for in section 15.1-10-01.
- ~~4.~~ 2. ~~Adopt~~ The state board of public school education may adopt rules regarding school district reorganizations, annexations, and dissolutions.

SECTION 2. AMENDMENT. Section 15.1-12-05 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15.1-12-05. Annexation of property to school district - Hearing.

1. Upon receiving a petition for the annexation of property to a school district, the county superintendent shall schedule and give notice of a public hearing regarding the annexation.
2. The county superintendent shall publish notice of the public hearing in the official newspaper of the county in which the major portion of each affected school district's real property is situated, at least fourteen days before the date of the hearing. If no newspaper is published in the county, the county superintendent shall publish the notice in a newspaper in an adjoining county in this state.
3. Before the hearing, the county committee shall:
 - a. Determine the number of qualified electors residing on the property to be annexed;
 - b. Ensure that two-thirds of such qualified electors have signed the petition; and
 - c. Ensure that all other statutory requirements regarding the petition have been met.
4. At the hearing, the county committee shall accept testimony and documentary evidence regarding:
 - a. The value and amount of property held by each affected school district;

- b. The amount of all outstanding bonded and other indebtedness of each affected district;
 - c. The levies for bonded indebtedness to which the property will be subjected or from which the property will be exempted, as provided for in section 15.1-12-08;
 - d. The taxable valuation of each affected district and the taxable valuation under the proposed annexation;
 - e. The size, geographical features, and boundaries of each affected district;
 - f. The number of students in each affected district;
 - g. The general population of each affected district;
 - h. Each school in the district, including its name, location, condition, the grade levels it offers, and the distance that students living in the petitioned area would have to travel to attend school;
 - i. The location and condition of roads, highways, and natural barriers in each affected district;
 - j. Conditions affecting the welfare of students residing on the property to be annexed;
 - k. The boundaries of other governmental entities;
 - l. The educational needs of communities in each affected district;
 - m. Potential savings in school district transportation and administrative services;
 - n. The potential for a reduction in per student valuation disparity between the affected districts;
 - o. The potential to equalize or increase the educational opportunities for students in each affected district; and
 - p. All other relevant factors.
5. Following consideration of the testimony and documentary evidence presented at the hearing, the committee shall make specific findings of fact and approve or deny the annexation. If the annexation is approved, the county superintendent shall forward all minutes, records, documentary evidence, and other information regarding the proceeding and the county committee's decision to the state board for final approval of the annexation.
6. a. Except as provided in this subsection, the state board shall conduct a hearing after publication of a notice in the manner required in subsection 2, accept and consider testimony and documentary evidence regarding the proposed annexation, make specific findings, and approve or deny the annexation.
- b. If no opposition is presented to the county committee at the hearing and the county committee approves the annexation, the state board may review the record of the county committee and give final approval to the annexation without holding its own hearing.
7. If the school districts involved in a proposed annexation include property in more than one county, but the major portion of each district's property is in the same county, the county committee of that county shall consider the annexation petition.
8. If the school districts involved in a proposed annexation are situated in more than one county and the major portion of each district's property is not in the same county, the county committees of those counties encompassing the major portion of each school

district shall jointly consider the annexation petition. The county committees shall vote separately on whether to approve the annexation.

9. ~~If a county committee denies the annexation, another petition involving any of the same property may not be submitted to the county committee for a period of three months from the date on which the original petition was filed with the county superintendent. A petition involving any of the same property cited in the original petition may not be considered by a county committee more than twice in a twelve-month period.~~
40. If the state board denies the annexation, another petition involving any of the same property may not be submitted to the county committee for a period of three months after the state board's denial. A petition involving any of the same property cited in the original petition may not be considered by the state board more than twice in a twelve-month period.
44. 10. Regardless of how many county committees consider the annexation, the decision may be appealed to the state board.
42. 11. Each annexation must receive final approval from the state board.
43. 12. The county superintendent with whom the petition has been filed shall forward all minutes, records, documentary evidence, and other information regarding the annexation, and the county committee's decision to the state board for final approval or for consideration of an appeal.
44. 13. A decision of the state board with respect to an annexation petition may be appealed to the district court of the judicial district in which the property to be annexed is located.

SECTION 3. AMENDMENT. Section 15.1-12-09 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15.1-12-09. School district reorganization - Initiation of a reorganization plan.

1. In order for two or more contiguous school districts or contiguous portions of two or more school districts to initiate a reorganization process, the board of each participating school district must:
 4. a. Vote to pursue the reorganization;
 2. b. Prepare a reorganization plan;
 3. c. Approve the reorganization plan; and
 4. d. Submit the plan to the county superintendent having jurisdiction over the major portion of property in each participating school district.
2. Submission of a reorganization plan to the county superintendent after July 31, 2001:
 - a. Renders an annexation petition involving any real property that is included in the reorganization plan void, unless the annexation has already been approved by the state board; and
 - b. Prohibits the acceptance of a new annexation petition involving any real property that is included in the reorganization plan, until all reorganization proceedings have been completed.

SECTION 4. AMENDMENT. Section 15.1-12-10 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15.1-12-10. School district reorganization - Contents of plan - Public hearing - Testimony and evidence.

1. The reorganization plan required by section 15.1-12-09 must:
 - a. Include a map showing the boundaries of each participating district and of the proposed new district;
 - b. Include the demographic characteristics of each participating district, including the population per age group;
 - c. Include the number of students enrolled in each participating district during the current school year and during the ten preceding school years;
 - d. Include projected student enrollments for the ensuing ten years;
 - e. Include the location and condition of all school buildings and facilities in each participating district and intended uses for the buildings and facilities;
 - f. Address planned construction, modification, or improvement of school buildings and facilities located within the boundaries of the new district;
 - g. Address planned course offerings by the new district;
 - h. Include the planned administrative structure of the new district and the number of full-time equivalent personnel to be employed by the new district;
 - i. Include the planned number of members who will constitute the board of the new district and the manner in which the members are to be elected;
 - j. Address plans regarding student transportation;
 - k. Identify other governmental entities, including multidistrict special education units and area vocational and technology centers, which may provide services to the new district;
 - l. Include the taxable valuation and per student valuation of each participating district and the taxable valuation and per student valuation of the new district;
 - m. Include the amount of all bonded and other indebtedness incurred by each participating district;
 - n. Address the planned disposition of all property, assets, debts, and liabilities of each participating district, taking into consideration section 15.1-12-18;
 - o. Include a proposed budget for the new district and a proposed general fund levy and any other levies, provided that tax levies submitted to and approved by the state board as part of a reorganization plan are not subject to mill levy limitations otherwise provided by law; and
 - p. Include any other information that the participating school districts wish to have considered by the county committee or the state board.
2. Upon receiving a reorganization plan, the county superintendent shall schedule and give notice of a public hearing regarding the plan. If the school districts involved in a reorganization plan include property in more than one county, but the major portion of each district's property is in the same county, the county committee of that county shall consider the reorganization plan. If the school districts involved in a reorganization plan are situated in more than one county and the major portion of each district's property is not in the same county, the county committees of those counties encompassing the major portion of each school district shall jointly consider the reorganization plan.
3. The county superintendent shall publish the notice in the official newspaper of the county at least fourteen days before the date of the hearing.

4. If no newspaper is published in the county, the county superintendent shall publish the notice in the official newspaper of an adjoining county in this state.
5. Before the hearing, the county committee shall review the reorganization plan and ensure that all statutory requirements have been met.
6. At the hearing, the county committee shall accept testimony and documentary evidence regarding the reorganization plan.
7. Following consideration of the testimony and documentary evidence presented at the hearing, the committee shall approve or deny the reorganization plan.
8. If the plan is approved by at least one county committee, the county superintendent shall forward all minutes, records, documentary evidence, and other information regarding the proceeding, and the county committee's decision, to the state board for final approval. The state board shall publish notice of its meeting at which it will consider the reorganization plan in the official newspaper of the county at least fourteen days before the date of the meeting. If no newspaper is published in the county, the state board shall publish the notice in the official newspaper of an adjoining county in this state.
9. To become effective, a reorganization plan must meet all statutory requirements and must receive approval by both the state board and a majority of electors residing within the boundaries of the proposed new district.

SECTION 5. AMENDMENT. Section 15.1-12-27 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15.1-12-27. Dissolution of school district - Notice - Hearing - Order of attachment.

1. The county superintendent shall schedule and give notice of a public hearing regarding the dissolution of the district and the subsequent attachment of the property to other districts. The county superintendent shall publish the notice in the official newspaper of each county that encompasses property in the dissolving district and in the official newspaper of each county that encompasses property in a district adjacent to the dissolving district, at least fourteen days before the date of the hearing. The county superintendent shall provide notice of the public hearing to the business manager of each school district adjacent to the dissolving district.
2. At the hearing, the board of the dissolving district may propose a particular manner of dissolution.
3. The county committee shall consider testimony and documentary evidence regarding:
 - a. The value and amount of property held by the dissolving school district;
 - b. The amount of all outstanding bonded and other indebtedness;
 - c. The distribution of property and assets among the districts to which the dissolved district is attached;
 - d. The taxable valuation of the dissolving district and adjacent districts and the taxable valuation of adjacent districts under the proposed manner of dissolution;
 - e. The size, geographical features, and boundaries of the dissolving district and of adjacent districts;
 - f. The number of students in the dissolving district and in adjacent districts;
 - g. The general population of the dissolving district and adjacent districts;
 - h. Each school in the dissolving district and in adjacent districts, including its name, location, condition, accessibility, and the grade levels it offers;

- i. The location and condition of roads, highways, and natural barriers in the dissolving district and in adjacent districts;
 - j. Conditions affecting the welfare of students in the dissolving district and in adjacent districts;
 - k. The boundaries of other governmental entities;
 - l. The educational needs of communities in the dissolving district and in adjacent districts;
 - m. Potential savings in school district transportation and administrative services;
 - n. The anticipated future use of the dissolving districts' buildings, sites, and playfields;
 - o. The potential for a reduction in per student valuation disparities between the districts to which the dissolved district is attached;
 - p. The potential to equalize or increase the educational opportunities for students from the dissolving district and for students in adjacent districts; and
 - q. All other relevant factors.
4. After the hearing, the county committee shall make findings of fact. Subject to final approval by the state board, the county committee may order the district dissolved and its real property attached to one or more contiguous, operating school districts.
 5. Any property ordered attached under this section must have at least one minor residing within its boundaries.
 6. The county superintendent shall forward all minutes, records, documentary evidence, and other information regarding the dissolution proceeding together with a copy of the county committee's order to the state board for final approval of the dissolution. The state board shall publish notice of its meeting at which it will consider the dissolution, in the official newspapers of the counties required for publication under subsection 1, at least fourteen days before the meeting.
 7. The order of dissolution becomes effective July first following approval by the state board, unless the county committee provides for a different effective date.
 8. If the boundaries of the dissolving school district cross county lines, the proceeding to dissolve the district must be conducted jointly by the county committees representing counties containing twenty-five percent or more of the dissolving district's taxable valuation. If, after the hearing, a majority of the county committees are unable to agree upon an order of dissolution and attachment, the county superintendent of the county in which the administrative headquarters of the dissolving school district is located shall notify the state board. The state board shall conduct a public hearing, as required in this section, and order the dissolution of the district and the attachment of its real property to adjacent districts in the manner it deems appropriate. The state board shall publish notice of the public hearing in the official newspapers of the counties required for publication under subsection 1, at least fourteen days before the date of the hearing.
 9. If any portion of the order providing for the attachment of real property is suspended or voided, the order of dissolution is likewise suspended or voided.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-seventh Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2148.

Senate Vote: Yeas 48 Nays 0 Absent 1

House Vote: Yeas 94 Nays 0 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2001.

Approved at _____ M. on _____, 2001.

Governor

Filed in this office this _____ day of _____, 2001,
at _____ o'clock _____ M.

Secretary of State