

EDUCATION

CHAPTER 116

H. B. No. 815
(Erickson (Ward), Shorma)

EDUCATION STUDY

AN ACT

To provide for a study of school districts and school district organization within North Dakota by the legislative research committee and making an appropriation.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) In order to assure the establishment or re-establishment of sound administrative units and promote sound and improved local educational systems, the legislative research committee shall study the requirements, standards, procedures, and laws governing school districts in North Dakota as they relate to a comprehensive state educational program, comprehensive local educational programs, assessed valuations, problems of low-populated areas, rising educational costs and financial ability of districts to meet requirements and potential educational needs.

In this study consideration shall be given to terrain, roads, trading centers, population centers, and any and all other factors relating to needs of education in the coming years.

In order to conduct this study, the legislative research committee is authorized to consult and consider other state agencies and departments, local and county agencies and officials, and private individuals.

Be it further provided that the legislative research committee shall have authority to consult and employ agencies, organizations and individuals in and out of the state of North Dakota which engage in the conduction of such surveys and submit its report, findings and recommendations to the Fortieth Legislative Assembly.

§ 2. **Appropriation.)** There is hereby appropriated out of any moneys in the state treasury not otherwise appropriated the sum of \$20,000.00 to the legislative research committee for the biennium beginning July 1, 1965, and ending June 30, 1967, for the use of the legislative research committee for the

sole purpose of matching on an equal basis funds which may be made available by the United States Government or any private corporation or foundation. If such federal or private matching funds shall not be made available by June 30, 1967, for the study herein authorized the moneys to be appropriated from the state treasury shall revert to the general fund.

Approved March 8, 1965.

CHAPTER 117

H. B. No. 577

(Fossum, Rosendahl, Froeschle, Montplaisir, Haugland, Sanstead,) (Kvasager, Larsen, Dornacker, Olienyk, Winge, Haugen,) (Johnson (Barnes), Gengler)

BONDS FOR REVENUE-PRODUCING BUILDINGS

AN ACT

To authorize the state board of higher education to sell tax-exempt bonds and provide for the use of the proceeds of such bonds for the purpose of constructing or purchasing revenue-producing buildings at institutions of higher learning in this state.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) In accordance with the provisions of chapter 15-55 of the North Dakota Century Code, the state board of higher education is hereby authorized and empowered to issue and sell tax-exempt bonds for the purpose of constructing or purchasing revenue-producing buildings at institutions of higher learning in this state under the jurisdiction of the board, at such maximum amounts, at such locations, and for such purposes as is hereinafter provided:

1. University of North Dakota, Grand Forks, North Dakota
 - a. Student dormitories and food service.....\$3,500,000
(including Wesley College dorms)
 - b. Married student housing 1,000,000
 - c. Parking lots 350,000
2. North Dakota State University, Fargo,
North Dakota
 - a. Student dormitories 4,000,000
 - b. Dining facilities 1,000,000

c. Married student housing	1,000,000
d. Parking lots and access drives	200,000
3. Minot State College, Minot, North Dakota	
a. Student dormitories	1,360,000
b. Addition to student union.....	600,000
4. State School of Science, Wahpeton, North Dakota	
a. Student dormitory	600,000
b. Food service building and addition to student union	650,000
c. Parking lots	75,000
5. Valley City State College, Valley City, North Dakota	
a. Student dormitory	600,000
6. Dickinson State College, Dickinson, North Dakota	
a. Student dormitory	600,000
b. Addition to student union	250,000
7. Mayville State College, Mayville, North Dakota	
a. Student dormitories	800,000
b. Parking lots	45,000
8. State School of Forestry, Bottineau, North Dakota	
a. Student dormitory	300,000
b. Student union	100,000
c. Dining hall addition	30,000

The bonds authorized by this Act for the construction or purchase of married student housing shall be retired solely from revenues from such buildings. Bonds issued under the provisions of this Act shall never become a general obligation of the state of North Dakota.

§ 2.) The proceeds resulting from the sale of bonds authorized under section 1 of this Act, or so much thereof as may be necessary, are hereby appropriated for the construction, purchase and equipment of the buildings and facilities authorized in section 1. Any unexpended proceeds from the sale of the bonds shall be placed in sinking funds for the retirement of the bonds authorized in section 1.

Approved March 17, 1965.

CHAPTER 118

H. B. No. 564

(Froeschle, Hilleboe, Duncan, Myhre, Whittlesey, Aamoth, Powers,
(Montplaisir, Bergman)

LITTLE COUNTRY THEATER

AN ACT

To provide for the erection of a "Little Country Theater" building on the campus of the North Dakota state university of agriculture and applied science.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) The state board of higher education is hereby authorized to provide for the erection upon the campus of the North Dakota state university of agriculture and applied science a building to house a "Little Country Theater" and to provide offices, classroom space, and a lecture auditorium for speech, sciences, and related subjects, the cost thereof to be paid from public and private donations and grants and net receipts from student activities not otherwise allocated, now on hand and hereafter available, at the North Dakota state university of agriculture and applied science.

Approved February 16, 1965.

CHAPTER 119

H. B. No. 949

(Committee on Delayed Bills)

LAWRENCE WELK HONORARY DEGREE

AN ACT

Relating to conferring an honorary degree upon Lawrence Welk by a North Dakota institution of higher learning, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) Whereas, Lawrence Welk has been recognized as one of the outstanding natives of the state of North Dakota, having achieved international prominence in the field of music and entertainment; and

Whereas, all actions of Lawrence Welk have reflected credit upon his native state of North Dakota, and it is the desire of this state and its citizens to properly recognize his achievements;

§ 2.) The state board of higher education of the state of North Dakota is hereby urged to select an institution of higher education of this state to confer an appropriate honorary doctorate degree upon Lawrence Welk.

§ 3. **Emergency.)** This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 17, 1965.

CHAPTER 120

S. B. No. 30

(Lips, Van Horn)

(Recommended by Legislative Audit and Fiscal Review Committee)

HIGHER EDUCATION FISCAL PROCEDURE

AN ACT

To amend and reenact sections 15-03-03, 15-10-12, 15-10-25, 54-27-10, and 54-27-11 of the North Dakota Century Code, relating to the depositing of public moneys in the state treasury and the procedures for the payment from appropriations and funds of state higher educational institutions, and to repeal sections 15-10-26 and 15-10-27 of the North Dakota Century Code, relating thereto.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-03-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-03. State Treasurer to Have Custody of Certain School Funds.) The state treasurer shall be the custodian of all funds arising from the sale or leasing of any lands granted to any institution of higher education, and such funds shall be deposited with him. He shall keep a separate fund for each institution of higher education to which a land grant has been made, exclusive of institutional funds which may be subject to the order of the president as hereinafter specified. All funds in the hands of the state treasurer shall be kept by him in separate accounts on behalf of the several institutions and

such funds shall be used exclusively for the benefit of the institution to which they belong.

§ 2. Amendment.) Section 15-10-12 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-10-12. Board May Accept Gifts and Bequests — State Treasurer to Have Custody of School Funds.) The state board of higher education may receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests shall be used for the specific purpose for which they are donated or given. A special operating fund, for each institution of higher education under the control of the board or subject to its administration, shall be maintained within the state treasury and all institutional income and institutional collections of public funds of each institution, except institutional funds received as donations, gifts, grants, and bequests, shall be placed in such special fund for the use of the institution for which such money was raised. All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated to specific institutions of higher learning under the terms of the Enabling Act and the state Constitution shall be deposited in such special operating fund of each institution and expended in accordance with the provisions of section 159 of the Constitution. The director of accounts and purchases shall direct the state treasurer to transfer to the appropriate institutional special operating fund from each institutional general fund appropriation each month during the first twenty months of each biennium a sum equal to one-twentieth of such biennial general fund appropriation; provided, however, appropriations for buildings, plant improvements, and other special projects shall not be subject to the monthly transfer limitation provided in this Act. All such transfers shall be subject to proration in the same manner as other appropriations are prorated in the event insufficient funds are available to meet expenditures from the general fund. Any balance remaining in a special operating fund at the end of a biennium shall not be subject to section 54-27-09. Sinking funds for the payment of interest and principal of institutional revenue bonds shall be deposited pursuant to section 15-55-06.

§ 3. Amendment.) Section 15-10-25 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-10-25. Audit of Monthly Statements of Expenditures and Payroll—Abstracts of Statement — Where Filed — Payment.)

When the monthly statement of expenditures and the payroll of an institution have been audited by the state board of higher education and found to be correct, the approved statement shall be returned to the institution, and the designated officer of such institution shall prepare an abstract, in quadruplicate, each month, or at such other times as the board may require, for such educational institution, showing the name and amount due each claimant, and the fund from which the payment shall be made. The abstract shall be submitted to the department of accounts and purchases and a warrant-check shall be prepared for the total amount claimed in the abstract against each fund. The funds disbursed shall be deposited in the Bank of North Dakota to the credit of the appropriate institution and shall be subject to individual checks by such institution. One copy of the abstract shall be kept on file in the office of the state board of higher education, one copy shall be retained by the officer making the abstract, and one copy shall be filed with the treasurer of the institution.

Mileage and travel expense payments for employees of institutions of higher learning shall be made upon the submission of vouchers for the approval of the state auditing board. The department of accounts and purchases shall prepare warrant-checks drawn on the state treasurer against the appropriate fund for such mileage and travel expense payments, which payments shall not exceed the amounts allowed for other state officials and employees.

§ 4. Amendment.) Section 54-27-10 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-27-10. Appropriations — When Available.) Seventy-five percent of the total of all appropriations and of each separate item thereof made by the legislative assembly for the maintenance of any state institution except institutions under the jurisdiction and supervision of the state board of higher education, department, board, commission, or bureau for the biennium, shall become available on the first day of July next succeeding the enactment by the legislative assembly. The remaining twenty-five percent of any such appropriation shall be available only at the beginning of the fourth quarter of the biennium. No state institution, department, board, commission, or bureau for which an appropriation is made shall disburse more than seventy-five percent of the appropriation during the first eighteen months of the biennium nor incur any expense or liability which shall be discharged from such appropriation or for which such appropriation shall become available. The term "maintenance" shall not apply to nor include moneys appropriated for the payment of the cost of any

buildings or equipment or for making improvements and repairs to buildings and grounds, or any other special appropriations exempted from the operation of this section by the Act making such appropriation.

§ 5. Amendment.) Section 54-27-11 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

***54-27-11. Appropriation — Record Kept by Department of Accounts and Purchases and Treasurer — Duties and Limitations of Department of Accounts and Purchases and Treasurer as to Appropriation.)** The department of accounts and purchases and state treasurer each shall keep a record in their office showing:

1. The total amount appropriated for maintenance for each state officer or agency, and of each separate item thereof;
2. The amount equal to seventy-five and twenty-five percent of the total appropriated and each separate item thereof; and
3. The amount disbursed and the balance on hand.

The department of accounts and purchases shall not issue any warrant during the first eighteen months of each biennium in excess of the seventy-five percent of any item appropriated for maintenance of any state official or state agency in the executive branch of government nor shall the state treasurer pay such warrant. The duties and limitations imposed upon the department of accounts and purchases and state treasurer shall apply only to the total amount appropriated for the biennium but not to separate items appropriated for maintenance for all institutions under the jurisdiction and supervision of the board of administration. The board shall keep a record showing the amount, equal to seventy-five and twenty-five percent, respectively, of the total amount and of each separate item appropriated for maintenance for all such institutions under its control and shall be responsible for the enforcement of the restrictions upon the disbursement of all moneys appropriated to such institutions for maintenance purposes.

§ 6. Repeal.) Sections 15-10-26 and 15-10-27 of the North Dakota Century Code are hereby repealed.

Approved March 15, 1965.

***Note:** Section 54-27-11 was also amended by section 83, chapter 203, 1965 S.L.

CHAPTER 121

S. B. No. 292
(Robinson)

INVESTMENT OF SCHOOL LAND FUNDS

AN ACT

To amend and reenact subsection 5 of section 15-03-04 of the North Dakota Century Code, relating to the investment of school funds by the board of university and school lands.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Subsection 5 of section 15-03-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

5. First mortgages on farm lands and improvements thereon in this state to the extent such mortgages are guaranteed or insured by the United States or any instrumentality thereof, or if not so guaranteed or insured, not exceeding in amount one-half of the actual value of any subdivision on which the same may be loaned, such value to be determined by the board of appraisal of school lands.

Approved March 1, 1965.

CHAPTER 122

H. B. No. 544
(Fossum, Hoffner, Reimers, Streibel)
(From LRC Study)

NONRESIDENT TUITION FEES

AN ACT

To amend and reenact section 15-10-18 of the North Dakota Century Code, prescribing a method of determining nonresident tuition at state institutions of higher education.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-10-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-10-18. Tuition of Nonresidents at Schools Under Control of State Board of Higher Education.) At all state institutions of higher education, tuition shall be charged and collected from each nonresident student in such amount as shall be determined by the state board of higher education. The amount on the undergraduate level shall not be less than the average nonresident tuition charged for the preceding fall registration by similar state supported institutions in the states bordering upon North Dakota. The foregoing requirements may be varied by specific reciprocal interstate agreement.

Approved March 19, 1965.

CHAPTER 123

H. B. No. 543

(Fossum, Hoffner, Reimers, Streibel)
(From LRC Study)

NONRESIDENT STUDENT DEFINED

AN ACT

To amend and reenact section 15-10-19 of the 1963 Supplement to the North Dakota Century Code, defining the term "nonresident" for the purposes of tuition at state institutions of higher education.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-10-19 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-10-19. Nonresident Student for Tuition Purposes Defined—Exceptions.) A nonresident student is defined as follows:

1. A student less than twenty-one years of age whose parents, custodial parent or guardian resides in another state, a territory, or a foreign country, or whose parents, custodial parent or guardian has resided within this state for a period of less than twelve months immediately prior to the date of his registration;
2. A student of the age of twenty-one years or over who resides outside of this state; or
3. A student of the age of twenty-one years or over who has moved into and become a resident of this state within a period of twelve months immediately prior to the date of registration, and after reaching the age of twenty-one.

Military personnel assigned to a military installation in this state and their dependents, dependents of instructors who live in this state and teach in any institution of higher learning in this state and the spouse of a resident of this state, are excluded from the foregoing provisions, and shall be regarded as residents of this state for purposes of tuition, whether such dependents are over or under twenty-one years of age.

Approved March 8, 1965.

CHAPTER 124

H. B. No. 542

(Fossum, Hoffner, Reimers, Streibel)

(From LRC Study)

HIGHER EDUCATION FACILITIES COMMISSION

AN ACT

To create a higher education facilities commission and providing for its membership, powers, duties, and compensation, and providing for the allocation and expenditure of funds.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Higher Education Facilities Commission—Membership—Appointment—Term—Vacancies.) There shall be a Higher Education Facilities Commission hereinafter referred to as the commission. The commission shall consist of the members of the state board of higher education and three additional members to be appointed by the governor by and with the consent of the senate. Of the appointed members, one shall be selected to represent the junior colleges operated by school districts, and two shall be selected to represent private colleges in this state. The appointed members of the commission shall be appointed by the governor for a term of three years, staggered so the term of one appointed member expires each year. Vacancies shall be filled in the same manner as the original appointment, except that vacancies occurring for other than the expiration of a term shall be filled by appointment for only the remainder of the term of the member causing the vacancy.

§ 2. Powers and Duties.) The powers and duties of the commission shall be:

1. To prepare and administer a state plan for higher education facilities which shall be the state plan submitted

to the commissioner of education, the federal department of health, education, and welfare, or any agency successor thereto, in connection with the participation of this state in programs authorized by the federal "Higher Education Facilities Act of 1963" (P.L. 88-204), together with any amendments or supplements thereto;

2. To provide for administrative hearings to every applicant for funds authorized under the "Higher Education Facilities Act of 1963" (P.L. 88-204), together with any amendments or supplements thereto, in regard to the priority assigned to such application for funds by said commission or to any other determination of the state commission adversely affecting the applicant;

3. To apply for, receive, administer, expend, and account for such federal moneys necessary for its own administrative expenses as authorized by the federal "Higher Education Facilities Act of 1963" (P.L. 88-204), together with any amendments thereto;

4. To apply for, receive, administer, expend, and account for such federal moneys which may be granted or loaned to this state pursuant to the federal "Higher Education Facilities Act of 1963" (P.L. 88-204), together with any amendments thereto; and

5. To determine its own organization, and do such other things as may be necessary and incidental in the administration of this Act.

§ 3. Federal Money Received by Commission—Where Deposited—How Appropriated—How Expended.) Federal money received by the commission shall be deposited in the state treasury in a special fund to be known as the Higher Education Facilities Fund and there is hereby appropriated annually the sum necessary, but within the sum allocated by the federal Act, for the payment of administrative expenses and other expenditures authorized under the federal Act. All expenditures from this fund shall be paid by warrant-check prepared by the department of accounts and purchases upon vouchers submitted by the commission and approved by the state auditing board.

§ 4. Compensation of Commission Members—Travel Expenses.) All members of the commission shall receive ten dollars per day for the performance of their duties under this Act, including the attendance at regular and special meetings of the commission. In addition to such compensation, they shall receive travel expenses in the same manner and at the same rates as provided by law for other state officials for

necessary travel in the performance of their duties. The amounts herein specified shall be the only compensation allowable and shall be payable from the higher education facilities fund.

Approved March 15, 1965.

CHAPTER 125

S. B. No. 336
(Mahoney, Roen)

SUPERVISION AND AID TO JUNIOR COLLEGES

AN ACT

To amend and reenact sections 15-18-04, 15-18-07, 15-18-08, and 15-18-09 of the North Dakota Century Code, relating to supervision and aid to junior colleges.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-18-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-18-04. Supervision of Junior Colleges.) The state board of higher education shall prepare and publish from time to time academic standards for junior colleges, provide for their inspection, and recommend for accrediting such academic courses of study offered by them as may meet the standards prescribed. The state board for vocational education shall perform the same functions as to trade courses offered by junior colleges and shall prepare and publish from time to time vocational standards for junior colleges, provide for their inspection, and make recommendations for accrediting such vocational courses offered by them as may meet the standards prescribed.

§ 2. Amendment.) Section 15-18-07 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

***15-18-07. State Aid for Junior Colleges or Educational Centers.)** There shall be paid to each school district maintaining a junior college or educational center operated by a state-supported institution of higher education meeting the stand-

***Note:** Section 15-18-07 was also amended by section 1, chapter 126, 1965 S.L.

ards prescribed in section 15-18-08, out of funds appropriated for this purpose, the sum of two hundred dollars which shall be paid immediately preceding October first of each year, for every student in attendance during the two full semesters or fall, winter and spring quarters. In addition, the sum of one hundred dollars shall be paid immediately preceding October first of each year for every student in attendance during the two full semesters or fall, winter and spring quarters at a junior college or educational center, provided the school district, city or county shall levy taxes of not less than four mills for the support of such junior college or educational center in accordance with the provisions of sections 15-18-03, 15-18-04.2 or 15-18-05. For the purpose of this section, a "student" shall mean a person enrolled and in attendance, exclusive of temporary absences, in a junior college or educational center operated by a state-supported institution of higher education for a period of not less than thirty days, and carrying a course of study of not less than twelve class hours during each calendar week in academic courses meeting standards prescribed by the state board of higher education, or in trade courses meeting standards prescribed by the state board for vocational education. A class hour shall mean not less than fifty minutes of instruction or supervised laboratory training. Each student enrolled for a period of more than thirty days in any one quarter or semester, but less than two complete semesters or three complete quarters shall entitle the school district to receive proportionate payments based upon the number of weeks the student is enrolled and in attendance, exclusive of temporary absences, bears to the total weeks in the two complete semesters or three quarters. Such calculations shall exclude weeks of regular vacation time.

§ 3. Amendment.) Section 15-18-08 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-18-08. Standards for State Aid.) No school district maintaining a junior college or educational center operated by a state-supported institution of higher education shall be eligible to receive payments as provided in section 15-18-07 unless it maintains an enrollment at all times during all semesters or quarters for which payment is made of not less than one hundred "students" as defined in section 15-18-07 and meets either such academic standards as shall be prescribed by the state board of higher education, or the trade standards as shall be prescribed by the state board for vocational education. The state board of higher education shall provide for an annual inspection of each junior college or educational center operated by a state-supported institution of higher education to deter-

mine compliance with prescribed academic standards; and the state board for vocational education shall provide for an annual inspection of each junior college or educational center operated by a state-supported institution of higher education to determine compliance with prescribed trade standards.

§ 4. Amendment.) Section 15-18-09 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-18-09. Method of Payment.) On or before July fifteenth of each year, the dean or chief administrative officer of each junior college or educational center operated by a state-supported institution of higher education or the superintendent of each school district claiming state aid payments under section 15-18-07, shall file with the commissioner of higher education a verified statement containing the name and residence of each student enrolled in academic courses for whom payments are claimed, together with a listing of each course of study and the number of class hours for which such student was enrolled and in attendance, exclusive of temporary absences, during each week of the period of which payment is claimed; and such dean, officer, or superintendent shall file with the state director for vocational education a verified statement containing the name and residence of each student enrolled in trade courses for whom payments are claimed, together with a listing of each course of study and the number of class hours for which such student was enrolled and in attendance, exclusive of temporary absences, during each week of the period of which payment is claimed. Such other information shall be submitted as may be requested by the state board of higher education or the state board for vocational education. The state board of higher education and the state board for vocational education shall consider all claims submitted for payment from each school district, and on or before September fifteenth of each year shall forward to the state auditor a certified list of all school districts entitled to payments under section 15-18-07, together with the amount of the approved payments. The state auditor shall immediately issue a warrant to each school district entitled to payment in accordance with the certified statements submitted by the state board of higher education and the state board for vocational education. The decision of the state board of higher education, or the state board for vocational education, as the case may be, in regard to all claims for payment shall be final.

Approved March 6, 1965.

CHAPTER 126

S. B. No. 71

(Lips, Mahoney, Solberg)

STATE AID TO JUNIOR COLLEGES

AN ACT

To amend and reenact section 15-18-07 of the North Dakota Century Code as amended, relating to state aid for junior colleges.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-18-07 of the North Dakota Century Code as amended is hereby amended and reenacted to read as follows:

***15-18-07. State Aid for Junior Colleges or Educational Centers.)** There shall be paid to each school district maintaining a junior college or educational center operated by a state-supported institution of higher education meeting the standards prescribed in section 15-18-08, out of funds appropriated for this purpose, the sum of two hundred dollars which shall be paid immediately preceding October first of each year, for every student in attendance during the two full semesters or fall, winter and spring quarters. In addition, the sum of one hundred fifty dollars shall be paid immediately preceding October first of each year for every student in attendance during the two full semesters or fall, winter and spring quarters at a junior college or educational center, provided the school district, city or county shall levy taxes of not less than four mills for the support of such junior college or educational center in accordance with the provisions of sections 15-18-03, 15-18-04.2 or 15-18-05. For the purpose of this section, a "student" shall mean a person enrolled and in attendance, exclusive of temporary absences, in a junior college or educational center operated by a state-supported institution of higher education for a period of not less than thirty days, and carrying a course of study of not less than twelve class hours during each calendar week in academic courses meeting standards prescribed by the state board of higher education, or in trade courses meeting standards prescribed by the state board for vocational education. A class hour shall mean not less than fifty minutes of instruction or supervised laboratory training. Each student enrolled for a period of more than thirty days in any one quarter or semes-

***Note:** Section 15-18-07 was also amended by section 2, chapter 125, 1965 S.L.

ter, but less than two complete semesters or three complete quarters shall entitle the school district to receive proportionate payments based upon the number of weeks the student is enrolled and in attendance, exclusive of temporary absences, bears to the total weeks in the two complete semesters or three quarters. Such calculations shall exclude weeks of regular vacation time.

Approved March 19, 1965.

CHAPTER 127

S. B. No. 53
(Strinden, Beck, Longmire)
(From LRC Study)

SUPERVISED CORRESPONDENCE STUDY

AN ACT

To amend and reenact sections 15-19-01, 15-19-02, 15-19-03, 15-19-04, and 15-19-06 of the North Dakota Century Code, providing that the state high school correspondence program shall be known as the division of supervised correspondence study, relating to curriculum, administration, enrollment procedure, and budget preparation of the division of supervised correspondence study, and repealing sections 15-19-05, and 15-19-07 of the North Dakota Century Code, relating to adult classes established under the correspondence school program and fees to be deposited in the general fund.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-19-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-01. High School Correspondence Courses—Establishment—Enrollment of Pupils—Courses of Instruction.) The state shall provide correspondence courses through the division of supervised correspondence study under the following provisions:

1. A complete high school curriculum by correspondence which has been specifically determined by the state board of public school education as proper and suitable for instruction under correspondence methods, such determination and approval to be made not less than once in each school year, shall be maintained upon the campus of one of the state institutions of higher education by the state board of public school education;

2. Unless specifically excused in writing upon the course application forms by the superintendent or an administrator of the school approving the enrollment application, all pupils under the age of sixteen taking advantage of the provisions of this chapter shall be required to attend their local district schools and to study their correspondence lessons under the supervision of a local supervisor. If not required to attend their local schools, their work may be done at such place as may be designated by the state director in accordance with the rules of the state board of public school education. If in attendance at a local school pupils shall be supplied with desk space in their respective school without charge, and they shall attend school regularly, and shall be under the same disciplinary supervision of the teachers as the other school pupils;
3. The high school correspondence work shall be completed in accordance with the rules and regulations established by the state board of public school education.
4. Correspondence pupils shall pay for books and materials used by them, postage required to mail reports to the division, and such other fees as may be prescribed by the board of public school education.

§ 2. **Amendment.**) Section 15-19-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-02. Administration—Director of Division of Supervised Correspondence Study—Appointments and Duties.) The program of and all activities related to the division of supervised correspondence study shall be the responsibility of and under the supervision of the state board of public school education acting through the superintendent of public instruction. The state director of the division of supervised correspondence study shall be appointed by the state board of public school education acting through the office of the superintendent of public instruction. The director, under the supervision of the superintendent of public instruction shall carry out his responsibilities in the administration of the division of supervised correspondence study in the manner approved by the state board of public school education. The board shall determine the director's qualifications and fix his compensation within limits of legislative appropriations. The director may be discharged at the will of a majority of the state board of public school education. The director shall be responsible to and carry out all policies and directives of the state board of public school education in the administration of

the program of the division of supervised correspondence study.

§ 3. Amendment.) Section 15-19-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-03. Duty of Superintendents of Schools—Authorization of Enrollments.) All applications for enrollment of persons under the age of sixteen years shall be approved by the superintendent or an administrator of a school in the district prior to acceptance of enrollment by the division of supervised correspondence study. All applications for enrollment of persons under the age of sixteen not residing in a high school district shall be approved by the county superintendent of schools prior to the acceptance of such enrollment.

§ 4. Amendment.) Section 15-19-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-04. Duty of Teachers, County and State Officers, and Institutions.) The state board of public school education and the superintendent or a member of the department of public instruction designated by him shall approve the content of courses offered, requirements for certification of teachers, credits granted for each course, and all other things necessary to integrate the correspondence program into other high school programs administered or supervised by the department of public instruction. The state board of public school education and the superintendent of public instruction shall insure that the program shall in no way compete with the public schools of this state for the enrollment of students, encourage students to leave the public schools, or duplicate the facilities of the public schools through offering high school correspondence courses to students having access to such courses in the public schools.

§ 5. Amendment.) Section 15-19-06 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-06. Special Operating Fund—Deposit of Collections—Transfers from General Fund Appropriations—Administrative Operational Fund—Preparation of Budget.) A special operating fund for the division of supervised correspondence study shall be maintained within the state treasury and all income and fees collected by the division of supervised correspondence study from any source shall be remitted monthly by the director to the state treasurer and credited to such special operating fund. All expenditures from such fund shall be

within the limits of legislative appropriations and shall be made upon vouchers, signed and approved by the superintendent of public instruction. Upon approval of such vouchers by the state auditing board, warrant-checks shall be prepared by the department of accounts and purchases. The state treasurer shall make periodic transfers upon order of the director of the department of accounts and purchases from the division of supervised correspondence study general fund appropriation to such special operating fund whenever its balance falls so low as to require supplementation.

The state board of public school education may, if it deems advisable, establish an administrative operational fund, of not to exceed ten thousand dollars, out of the special operating fund for the division of supervised correspondence study. The administrative operational fund so established shall be deposited in the Bank of North Dakota and may be drawn upon by the state director of the division of supervised correspondence study for the payment of necessary expenses in the administration and operation of the division of supervised correspondence study within the limits and regulations prescribed by the board of public school education. The director shall submit a full, minute, and itemized statement of every expenditure made during the month to the board in accordance with such rules and regulations as the board may prescribe and thereafter the board may, in its discretion, periodically authorize additional transfers to the administrative operational fund, but the balance in such fund shall never exceed ten thousand dollars, and any unencumbered balance therein at the end of any biennium shall revert to the state treasury. The administrative operational fund may not be used to pay salaries or expenses of the director. The board shall determine the amount of the bond to be posted by the director.

The director shall prepare the budget request of the division of supervised correspondence study for submission to the state budget board. The budget request shall be approved by the state board of public school education prior to its submission for consideration by the director of the budget.

§ 6. Repeal.) Sections 15-19-05 and 15-19-07 of the North Dakota Century Code are hereby repealed.

Approved March 17, 1965.

CHAPTER 128

S. B. No. 151
(Reichert)

VOCATIONAL SCHOOL DISTRICTS

AN ACT

To authorize vocational educational school districts to be established by a county or counties and authorizing a county three-mill levy for maintaining such school districts.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Vocational Schools Authorized — Mill Levy.) Any county or counties within this state may, upon resolution of the board or boards of county commissioners of such county or counties, establish and maintain a school for the purpose of providing vocational education. For the purpose of maintaining such vocational school, the county or counties may levy a tax of not to exceed three mills upon all taxable property within such county or counties. Such levy shall be in addition to any other mill levies authorized by law, if approved by a majority voting at a countywide special, primary, or general election, and after sufficient public hearings have been held thereon.

§ 2. Board Membership—Powers and Duties.) The school board of a vocational school district shall consist of not to exceed seven members, elected from geographical districts which shall be as nearly equal in population as is practicable at the same time and for the same terms as are other county officials. The boundaries of the geographical districts shall be determined by the board of county commissioners or, in the case of several counties combining to form a district, by the boards of county commissioners sitting jointly. The board or boards of county commissioners, as the case may be, shall also appoint the members of the original school board who shall serve until the next regular election of county officials. The provisions of section 15-28-02 shall not apply to a school board elected or appointed in accordance with this section. Such school board shall possess all of the powers granted to a public school board by section 15-29-08 or any other provision of law, insofar as such powers are consistent with the provisions of this Act.

§ 3. Specific Powers—Tuition Payments—Bond Issues.) The school board is specifically authorized to accept on behalf of the district any real or personal property available for distri-

bution by the United States or any of its departments or agencies, and also to accept any federal grants which may be made available in the field of vocational education. It may accept enrollment and set the amount of tuition for students residing outside of the district, provided that the amount of tuition so set shall not exceed the difference between the average cost per student for educating a student in the district and the payment, if any, received by the district from a county equalization fund on behalf of such student. Payments from the county equalization fund of the student's county of residence on behalf of each student attending a vocational school shall be made to the vocational school of attendance at the same rate as paid for high school students. A vocational school district shall be deemed a municipality within the meaning of section 21-03-01.

§ 4. Curriculum—General Powers and Duties.) The curriculum offered students by a vocational school shall be as determined by the school board, provided that such curriculum shall be submitted annually to the state board of vocational education for approval, and only an approved curriculum shall be offered. The provisions of title 15 of this code as applicable to a public school district shall also apply to a district created pursuant to this Act insofar as such provisions are consistent with this Act.

Approved March 15, 1965.

CHAPTER 129

H. B. No. 928

(Coles, Boustead, Brown, Lang)

BOARD OF PUBLIC SCHOOL EDUCATION POWERS

AN ACT

To amend and reenact section 15-21-19 of the North Dakota Century Code, relating to the power of the state board of public school education.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-21-19 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-21-19. Power of State Board of Public School Education.) In addition to its other powers, the state board of public

school education shall have the power, in its sound discretion, to authorize any school district to acquire sites, construct buildings, and operate schools, to discontinue such schools and liquidate the assets thereof, outside its district boundaries if the school district is affected by the impact of federal activities in its area, or if anticipated increased enrollments make it necessary, and if consent is first obtained from the school district within which the school is to be located.

Approved March 8, 1965.

CHAPTER 130

H. B. No. 942

(Bier, Bloom, Johnson (Barnes), Leer)

SCHOOL DISTRICT DISSOLUTIONS

AN ACT

To amend and reenact sections 15-22-21 and 15-22-22 of the 1963 Supplement to the North Dakota Century Code, relating to the mandatory dissolution and annexation of school districts, notices of hearings, and effective dates of orders.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-22-21 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-22-21. Dissolution of School Districts—Duty of County Superintendent.) The county superintendent of schools shall notify the county committee for the reorganization of school districts:

1. When any school district within the county has had its assessed valuation reduced to an amount which will no longer enable the district to raise sufficient funds to carry on normal school operations, or
2. When any school district within the county has not operated a school for the immediately preceding two years providing fifty percent of the pupils from such school district are not attending school in another state, or
3. Of the existence of territory not organized into a school district. Upon receipt of such notice, the county committee shall forthwith give notice of hearing to dissolve

the school district or attach the unorganized territory to other districts in the manner provided in section 15-53-21 and shall after approval by the state board of public school education, provide for its attachment to one or more adjoining school districts effective July 1 next following approval by the state board of public school education. Qualified electors residing in the attached territory shall be entitled to vote and hold office in the school district to the same extent as all other qualified electors residing therein, and such territory shall be part of the school district as fully in every respect as if it had been included in the district when organized. Nothing herein shall prevent the district from providing for the education of such children to the extent that its current budget in the judgment of the school board will permit, or shall relieve the district from any existing responsibility for the education of children attending its schools before the effective date of the order. Nothing herein shall change the effect of any election held within the school district pursuant to chapter 15-48 before the effective date of the order. This section applies to all school districts in the state including the board of education of the city of Fargo and the district under its jurisdiction for school purposes.

§ 2. **Amendment.)** Section 15-22-22 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-22-22. Notice of Hearing—Order of Attachment—Joint County Action.) The county superintendent of schools upon order of the county committee for the reorganization of school districts shall notify the clerk of each school district adjoining any district which is to be dissolved pursuant to section 15-22-21 and any unorganized territory recommended for attachment as therein provided, that a hearing will be held and the time and the place of the hearing by the county reorganization committee, for the purpose of determining to which school district or districts the dissolved or unorganized territory will be attached. Upon or after such hearing the county committee for the reorganization of school districts, shall by resolution order the district dissolved and its territory attached, or the unorganized territory attached, to one or more adjoining school districts in such manner as will, in its judgment, provide the best educational opportunities for pupils of the public schools and the wisest use of public funds for the support of the public school system in such school districts and attached territory. The order shall become effective July

1 following the date of the order or resolution and after approval by the state board of public school education, as provided in section 15-22-21. If any of such adjoining districts is situated wholly or partly in a county other than that which included the district to be dissolved or the unorganized territory affected, any order attaching territory to such adjoining school district shall become effective only upon the adoption of a concurring resolution by the county committee for the reorganization of school districts of the other county in which it is situated. Sections 15-22-21 and 15-22-22 of the North Dakota Century Code as amended shall apply to and govern the rights and obligations of all persons affected by any order of dissolution or attachment entered in conformity with the provisions of those sections prior to such amendment and prior to the effective date of sections 15-22-21 and 15-22-22, as well as any order entered on or after such effective date.

Approved March 17, 1965.

CHAPTER 131

S. B. No. 289
(Beck, Strinden)

NONRESIDENT STUDENT TRANSPORTATION

AN ACT

To provide that nonresident parents or guardians making tuition payments for students attending a school district may enter into an agreement with such school district for the transportation of such students.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Transportation of Nonresident Students—Agreement.) Notwithstanding the provisions of section 15-34-05, a school district may in its discretion provide school bus transportation as herein provided to nonresident students whose parents or guardians have previously entered into an agreement for the payment of tuition costs for such students. The parents or guardians of such nonresident students shall pay the school bus transportation costs as determined by the school board of the receiving district. Costs shall not exceed average per pupil cost of transportation.

Approved March 6, 1965.

CHAPTER 132

S. B. No. 80

(Strinden, Nelson, Roen, Thompson, Beck)

STATE TRANSPORTATION AID

AN ACT

To amend and reenact section 15-34-24 of the 1963 Supplement to the North Dakota Century Code, relating to transportation payments to school districts.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-34-24 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-34-24. Aid for Transportation.) There shall be paid from the county equalization fund to each school district providing school bus transportation in contract school buses or in district owned and operated school buses a sum equal to seven cents per mile for school buses having a capacity of up to nineteen pupils and fourteen cents per mile for school buses having a capacity of twenty or more pupils. Such payments shall be made only to school districts operating school buses in accordance with the laws of this state relating to standards for school buses, and to the qualifications of school bus drivers. Certification as to the compliance with the laws of this state in regard to school buses and their drivers shall be made in such manner and in such detail as the superintendent of public instruction may require at the time an application is made for payments provided under this section.

Approved March 17, 1965.

CHAPTER 133

H. B. No. 578
(Johnson (Barnes), Haugen)

SCHOOL DISTRICT ANNEXATIONS

AN ACT

To amend and reenact sections 15-27-06 and 15-53-26 of the 1963 Supplement to the North Dakota Century Code, relating to school district annexation proceedings.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-27-06 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-27-06. Limitations on Power to Detach and Attach Territory.) No territory shall be detached from one school district for annexation to another school district if the part of the original district remaining after the proposed annexation would have a net assessed valuation as defined in section 57-02-01 (7) of less than one hundred thousand dollars, if one teacher is employed, or less than one hundred twenty-five thousand dollars for each teacher employed in the remaining territory if the remaining territory has a graded school with two or more teachers.

§ 2. Amendment.) Section 15-53-26 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-53-26. Annexation of Remaining Portions of Reorganized District to Other Districts.) When a portion of any public school district has become a part of a reorganized school district under this chapter and a portion of the public school district is not included in the reorganized district, such remaining portion, having a net taxable assessed valuation as defined in section 57-02-01 (7) of less than one hundred thousand dollars for each teacher employed in the remaining territory, shall become a part of a school district adjacent thereto in the following manner:

1. The county school district reorganization committee shall, within forty-five days after the reorganized district has been approved by the voters, order a hearing for the purpose of determining to which district or districts said remaining territory shall be annexed;

2. The hearing shall be held in a designated schoolhouse or a designated place located in the remaining territory and notice of the time and place of the hearing shall be given by publication in the official county newspaper at least fourteen days before the date of the hearing. Within ten days after the hearing, the county committee shall make an order annexing the territory to adjacent school district or districts; and
3. The decision of the county committee shall be subject to review by the state school district reorganization committee upon petition by a majority of the electors residing in said territory.

Approved March 15, 1965.

CHAPTER 134

H. B. No. 634
(Hertz, Gietzen, Meyer)

EFFECTIVE DATE OF REORGANIZATION

AN ACT

To amend and reenact sections 15-27-07 and 15-53-21 of the 1963 Supplement to the North Dakota Century Code, relating to the effective date of attachment or detachment of territory attached or detached from a public school district and to the holding of a public hearing for the voluntary proposal for organization or alteration of school districts.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-27-07 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-27-07. Effective Date of Attachment or Detachment—Equalization—Voting Places.) If territory is annexed to a school district or detached therefrom, under the provisions of this chapter, the change in boundaries shall become effective the next July first after the final approval by the state committee unless another effective date is provided for by the county committee or in the petition, and all the assets and liabilities of the district involved shall be equalized as provided in section 15-47-19. If territory is attached to an existing school district, the electors in such attached territory shall vote on school matters at the nearest polling place in the district to which it is attached.

§ 2. Amendment.) Section 15-53-21 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-53-21. Voluntary Proposals for Organization or Alteration of School Districts.) Proposals for the organization of a new school district, for the consolidation of two or more districts, or for the alteration of the boundaries of established school districts, by any of the means provided for by law, must be submitted by the county committee and county superintendent to the state committee for final approval:

1. After a hearing on petitions is held by the county committee, or
2. After action is taken by the county committee in cases where no petition is required, or
3. For approval before proposals are submitted to the vote of the electors,

as the law may require in each case. Such proposals shall be approved by the county committee and county superintendent and approved by the state committee if in the judgment of said committees they constitute an acceptable part of a comprehensive program for the reorganization of the school districts of the county.

Approved March 15, 1965.

CHAPTER 135

H. B. No. 699
(Bloom)

SCHOOL CENSUS

AN ACT

To amend and reenact subsection 16 of section 15-29-08 of the 1963 Supplement to the North Dakota Century Code, relating to the biennial school census.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Subsection 16 of section 15-29-08 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

16. To cause an enumeration to be made, between the first and thirtieth days of June in each odd numbered year, of all persons under twenty-one years of age within the school district, and to return the same to the county superintendent of schools.

Approved March 15, 1965.

CHAPTER 136

H. B. No. 716
(Bloom, Loerch)

SCHOOL BOARD POWERS

AN ACT

To create and enact subsection 18 of section 15-29-08 of the North Dakota Century Code, as amended by the 1963 Session Laws, relating to group insurance for teachers.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) Subsection 18 of section 15-29-08 of the North Dakota Century Code, as amended by the 1963 Session Laws, is hereby created and enacted to read as follows:

18. To participate in group insurance plans and to pay all or part of premiums thereof.

Approved March 15, 1965.

CHAPTER 137

H. B. No. 714
(Fossum)

SCHOOL TREASURER'S BOND

AN ACT

To amend and reenact section 15-29-11 of the 1963 Supplement to the North Dakota Century Code, relating to the bond of school district treasurers.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-29-11 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-29-11. Treasurer's Bond.) The treasurer of each school district shall furnish to the school district a bond conditioned that he will honestly and faithfully discharge the duties of his office and that he shall safely keep and render a true account of all funds and property that shall come into his hands as such treasurer and pay and deliver the same according to law. Such bond shall be in an amount to be fixed by the school board but shall be not less than twenty-five percent of the maximum amount of money that shall be subject to the treasurer's control at any one time.

Approved March 15, 1965.

CHAPTER 138

S. B. No. 139
(Urdahl, Trenbeath)

TEACHER CERTIFICATION

AN ACT

To amend and reenact section 15-36-01 of the North Dakota Century Code, relating to teachers' certificates and to amend and reenact section 15-36-04 of the North Dakota Century Code, relating to second grade professional certificates.

Be It Enacted by the Legislative Assembly of the State of North Dakota

§ 1. Amendment.) Section 15-36-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-36-01. Teachers' Certificates—Grades.) The superintendent of public instruction shall issue two regular grades of certificates, namely:

1. The second grade professional certificate; and
2. The first grade professional certificate.

Certificates shall be issued only to persons of good moral character who fulfill all the requirements specified by law and by the rules and regulations of the superintendent of public instruction. Be it further provided that on and after July 1, 1969 the superintendent of public instruction shall issue one regular certificate, namely the first grade professional certificate.

§ 2. Amendment.) Section 15-36-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-36-04. Second Grade Professional Certificate—Diploma from State Schools and from Schools Outside of State.) A second grade professional certificate shall be issued:

1. To a graduate of the standard course of the North Dakota normal school or teachers' college who is eighteen years of age or over and who holds the diploma granted to graduates of such course. Such certificates shall be valid for three years from the date of issue of the diploma;
2. To a graduate eighteen years of age or over who holds a diploma from an institution the curriculum of which

is the equivalent of the standard curriculum of the state normal schools or teachers' colleges. The diploma held must evidence the completion of at least a two-year course or sixteen semester hours of professional preparation for teaching. Such certificate shall be valid for three years after the date of issue.

The holder of a second grade professional certificate shall be entitled to a second grade certificate valid for life, upon the completion of eighteen months of successful teaching experience in this state after receiving the certificate and the filing of evidence thereof in the office of the superintendent of public instruction on blanks furnished for that purpose. A second grade professional certificate shall qualify the holder to teach in any of the elementary grades of the public schools of the state. Be it further provided that on and after July 1, 1969 the superintendent of public instruction shall thereafter discontinue issuing second grade professional certificates.

Approved March 15, 1965.

CHAPTER 139

S. B. No. 272

(Urdahl, Lips, Berube, Sinner, Jurgensen)

TEACHERS' PROFESSIONAL RESPONSIBILITIES

AN ACT

Relating to responsibilities of the teaching profession; providing for a professional practices commission and for codes of ethics and standards, complaints, and reprimands; and to amend and reenact sections 15-36-15 and 15-36-16 of the North Dakota Century Code, relating to the revocation of teachers' certificates by the superintendent of public instruction.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Responsibilities of the Teaching Profession.) The legislative assembly hereby declares the profession of teaching in the public schools of this state to be a profession affected by high public interest, and that it is in the best interest of the state that such profession be recognized and that it accept its professional responsibilities in the development and promotion of high standards of ethics, conduct, and professional performance and practices. For the purposes of this Act, the "profession of teaching" or "teaching profession" shall mean persons engaged in teaching in the public schools and persons

providing related administrative, supervisory, or other services in the public schools requiring certification from the department of public instruction.

§ 2. Teachers' Professional Practices Commission.) There is hereby created a Teachers' Professional Practices Commission consisting of nine members, a majority of which shall be classroom teachers, appointed by the governor from a list of nominees submitted by the North Dakota education association. The list of nominees shall include at least three nominees for each position upon the commission. The term of office of members of the commission shall be three years commencing on July 1 of the year of appointment, except that original appointments shall be for staggered terms of one, two, and three years in order that the terms of three members of the commission shall expire each year thereafter. Vacancies shall be filled for an unexpired term in the same manner as original appointments. No person shall serve for more than two consecutive terms as a member of the commission.

The commission shall annually select a chairman, vice chairman, and secretary. Meetings shall be held after ten days' notice to all members at the call of the chairman or upon request in writing of a majority of the commission. A majority shall constitute a quorum and a majority of such quorum shall have authority to act upon any matter properly before the commission. It shall adopt its own rules of order and procedure not inconsistent with this Act and shall hold meetings pursuant to the provisions of this Act on days not in conflict with regular school attendance.

No member of the commission shall receive any compensation or expense allowance from the state for his service upon the commission, but the North Dakota education association may pay the expenses of such members in carrying out their duties as members of the commission.

§ 3. Duties of Commission and Superintendent of Public Instruction.) It shall be the duty of the commission to develop and revise, consistent with state law, professional codes or standards relating to ethics, conduct, and professional performance and practices of persons engaged in the profession of teaching in the public schools. In the development of such professional codes and standards, the commission shall solicit the assistance of members of the teaching profession and representatives of school administrators, school board officers, and other interested citizens. The commission shall recommend such professional codes and standards as it may approve to the superintendent of public instruction, who after a hearing thereon may, consistent with state law, approve or revise such

codes and standards as he deems proper and in the best interest of the public and the profession, and thereafter shall promulgate such approved or revised codes and standards as regulations in accordance with chapter 28-32.

§ 4. Complaints Against Teachers.) The commission shall accept and investigate complaints against any member of the teaching profession engaged in teaching in the public schools in regard to violation of regulations promulgated in accordance with section 3 of this Act or otherwise pertaining to his personal or professional conduct or performance, or such investigation may be made upon its own motion. Following such investigation the commission may dismiss such complaint as unfounded, issue a written warning and reprimand, or, following an opportunity for such teacher to informally appear before the commission, file a formal complaint with the superintendent of public instruction requesting the suspension for a period of time or revocation of the teachers' certificate of the teacher involved and stating the reasons therefor. The commission shall make the results of its investigation fully available to the superintendent of public instruction in such cases. Upon receipt of such formal complaint, the superintendent of public instruction shall proceed as provided in sections 15-36-16 and 15-36-17 and in accordance with section 15-36-15.

§ 5. Amendment.) Section 15-36-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-36-15. Revocation of Teachers' Certificates—Grounds—Effect.) The superintendent of public instruction shall suspend for a period of time, or revoke and annul any teachers' certificate granted in this state upon any or all of the following grounds:

1. For any cause which would have authorized or required him to refuse to grant the certificate if the facts were known at the time when the certificate was granted;
2. For incompetency, immorality, intemperance, or cruelty of the certificate holder;
3. For the commission, by the certificate holder, of a crime as defined in the laws of this state, or of the United States;
4. For the refusal by the certificate holder to perform his duty as a teacher or for his general neglect of the work of the school;
5. For the breach, by the certificate holder, of his contract with any school district;

6. Serious violation or a series of violations of the professional codes and standards promulgated in accordance with law.

The revocation of a certificate shall terminate the employment of the holder of such certificate in the school in which he is employed when the certificate is revoked, but the teacher shall be paid to the time he received notice of the revocation. Appeals from any order of revocation may be taken to the district court of Burleigh County as provided by chapter 28-32.

§ 6. Amendment.) Section 15-36-16 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-36-16. Proceedings to Revoke Certificate.) The superintendent of public instruction may upon his own motion, or upon the receipt of a formal complaint by the teachers' professional practices commission alleging grounds for the revocation or suspension for a period of time of any person's teachers' certificate shall, make such preliminary investigation as he may deem necessary, and if it shall appear probable that such grounds exist, he shall proceed with proceedings in accordance with chapter 28-32. Upon the completion of such proceedings if the superintendent of public instruction shall find that grounds for revocation or suspension for a period of time do exist, he shall issue his order in the manner provided in chapter 28-32 to revoke the teachers' certificate of such person as provided in section 15-36-15.

Approved March 6, 1965.

CHAPTER 140

H. B. No. 636

(Montplaisir, Sanstead, Larsen (Grand Forks), Harrison)

"TEACHER" DEFINED

AN ACT

To amend and reenact subsection 1 of section 15-39-01 of the North Dakota Century Code, relating to the definition of a teacher.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Subsection 1 of section 15-39-01 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. "Teacher" shall include:
 - a. All persons employed in teaching in any state institution or by any school board or other governing body of any school district of this state;
 - b. All superintendents and assistant superintendents employed in any state institution or in the school system of any school district in this state;
 - c. All principals, assistant principals, and special teachers in any state institution or in the school system of any school district in this state;
 - d. The superintendent of public instruction and all county superintendents of schools and their assistants;
 - e. All supervisors of instruction;
 - f. All state school inspectors and supervisors;
 - g. Every person engaged as president, dean, school librarian, or registrar of any state institution;
 - h. The secretary of the North Dakota education association and any assistants to the secretary holding at least a first grade professional certificate;
 - i. The commissioner of higher education;
 - j. Any person who serves in the capacity of substitute or part-time teacher and earns more than the maximum allowed by the federal Social Security Act for the receipt of full social security benefits in any one school year.

Approved March 6, 1965.

CHAPTER 141

S. B. No. 147
(Lips)

TEACHERS' RETIREMENT CREDITS

AN ACT

To amend and reenact sections 15-39-15 and 15-39-36 of the North Dakota Century Code, relating to out-of-state teachers and counting military service as teaching service.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-39-15 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-15. Teacher Coming from School Not Included in Provisions of Chapter to Pay Back Assessments.) Any teacher who comes from a school or educational institution supported by public taxation out of North Dakota and becomes a teacher in a public school or state institution within North Dakota may elect to have not to exceed seven years out-of-state teaching accredited in North Dakota provided he declares his request to the board of trustees of this fund for such out-of-state credit within the first year after he begins teaching in North Dakota or within one year of the time when such out-of-state teaching combined with teaching within North Dakota shall aggregate twenty-five years, provided that out-of-state teaching time shall not exceed seven years. Every such teacher shall be advised of the provisions of this section by the school board in writing at the time of employment, and a copy of such notice with written acknowledgment thereof, shall be filed with the teachers' insurance and retirement fund board. Before receiving any retirement annuity, he shall pay assessments to the fund for the number of years out-of-state teaching he elects based upon his first annual salary in a public school or state institution in this state, or, if he has taught in North Dakota previously, upon his first salary in the state after his resumption of teaching in this state. After July 1, 1949, assessment payments on out-of-state teaching shall be doubled. The rate of interest shall be six percent, the same interest as required of North Dakota teachers having delinquent assessments within the state.

§ 2. **Amendment.)** Section 15-39-36 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-36. Military Service in National Emergency Counted as Teaching Service.) A teacher who has been granted an honorable discharge from the United States armed forces for services rendered during a national emergency, if he was engaged in the occupation of teaching in North Dakota at the time of entering the service, or who had been engaged in teaching in North Dakota prior to such time but was attending an institution of higher learning for the purpose of improving himself in such profession at the time of entry into the armed services, shall be entitled to have the time of such service counted as teaching service under the provisions of this chapter, upon the payment of the assessments which would have been collected from him if he had continued as a teacher during the time of such service. Such back assessments for military service and teaching time must be paid within one year of the time when such military service combined with teaching within North Dakota shall aggregate twenty-five years, provided that:

1. The period of military service included shall not exceed seven years; and
2. A period of not less than the last five years of teaching must have been within the state of North Dakota; and
3. Payment of back assessments for years of teaching shall include simple interest at a rate of six percent per annum, provided that no interest shall be charged on assessments for time spent in the military service.

Approved March 15, 1965.

CHAPTER 142

S. B. No. 342

(Roen, Strinden, Lips, Mutch)

TEACHERS' RETIREMENT ELIGIBILITY

AN ACT

To amend and reenact section 15-39-27 of the North Dakota Century Code, and to create and enact subsection 5 of section 15-39-28 of the North Dakota Century Code, relating to the eligibility to participate in the teachers' insurance and retirement fund and retirement annuities.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-39-27 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-27. Eligibility to Participate in Fund.) Any teacher who is employed as such in a public school or state institution and who has complied with the provisions of this chapter may retire and receive the annuity provided for in section 15-39-28 in the following cases:

1. After a period or periods aggregating twenty-five years of service as a teacher, of which eighteen years, including the last five years, of teaching shall have been spent in public schools or state institutions of this state, if such teacher shall have paid into the fund all of the assessments required under the provisions of this chapter. If a teacher shall retire before attaining the age of fifty-five years, eligibility for the retirement annuity shall be deferred until the age of fifty-five years is attained.
2. After a period or periods aggregating fifteen years of service as a teacher in the public schools or state institutions of this state, when such teacher suffers from total disability, such total disability to be determined by the board after an examination of such teacher has been made by two physicians appointed by the board. The annuity is payable, during the period of such total disability, only if such teacher shall have paid into the fund all of the assessments required under the provisions of this chapter. Said annuity is payable only during the period of such disability. The fees of such physicians shall be paid by the applicant. Payment of the annuity based upon such disability shall commence the first

month following the determination of the disability by the board and the payment of any deficiency in assessments as provided in this section, regardless of the age of the teacher at such time. Payment of the annuity shall continue for and during such period of disability and terminate with the month following recovery from such disability. The board shall ascertain by inspections annually or as often as necessary to determine the disability status of an annuitant.

3. A teacher who has met all requirements for an annuity, except that of actual retirement from teaching, but continues to teach shall have the right to select option one or option two, as described in section 15-39-29, and to name a beneficiary to receive, in the event of the teacher's death, the reduced retirement allowance as provided in sections 15-39-28 and 15-39-29. A written designation of the choice of option and beneficiary must be filed with the board of trustees of this fund in order for such choices to be effective. A teacher may make alterations in such choice of options at any time before retirement. If a continuing teacher who has duly registered such choices with the board should die before retiring from teaching, he shall be considered to have retired on the date of his death, and his designated beneficiary, if living, shall receive the retirement allowance for life as provided by the terms of the option previously selected by the teacher. The reduced retirement allowance shall be computed on the ages of teacher and beneficiary as of the date of death of the teacher. Should a continuing teacher later retire voluntarily before death, then sections 15-39-28 and 15-39-29 shall apply directly except that any previously registered choice of option and beneficiary shall continue in full force and effect and may not be changed.
4. After a period aggregating ten years of service as a teacher in the public schools or state institutions of this state, a teacher who has attained the age of fifty-five years shall be eligible to receive an annuity ratably reduced in proportion to the number of years thereof.

If an applicant for annuities under either subsection 1 or subsection 2 or subsection 4 of this section has not paid into the fund assessments equal to the amounts required to be paid under section 15-39-14, he shall pay any deficiency into the fund before receiving the annuity.

§ 2.) Subsection 5 of section 15-39-28 of the North Dakota Century Code is hereby created and enacted to read as follows:

5. If said teacher shall have retired and applied for an annuity under the provisions of section 15-39-27, subsection 4, he shall receive as an annuity a sum equal to two percent of the total earnings in salaries for the years of teaching service for which assessments were paid. Said annuity, however, shall not be less than three hundred dollars in any one year, subject to all the provisions of this chapter.

Approved March 6, 1965.

CHAPTER 143

S. B. No. 298

(Lashkowitz, Luick, Jurgensen)

TEACHERS' RETIREMENT MINIMUM

AN ACT

To amend and reenact section 15-39-28.1 of the 1963 Supplement to the North Dakota Century Code, establishing a minimum retirement annuity for certain members of the teachers' insurance and retirement fund.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-39-28.1 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-28.1. Retirement Annuities — Minimum.) Notwithstanding any other provision of law to the contrary, the amount of annuity payable to any teacher who has retired under the provisions of this chapter, shall not be less in amount than the sum of sixty dollars per month.

Approved March 19, 1965.

CHAPTER 144

S. B. No. 95

(Sinner, Strinden, Roen, Forkner, Berube)

TEACHERS' RETIREMENT PAYMENTS

AN ACT

To amend and reenact section 15-39-32 of the North Dakota Century Code, relating to teachers' insurance and retirement fund annuity payments.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-39-32 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-32. Annuities Payable Monthly.) The state treasurer shall pay the annuities monthly upon the warrants prepared and issued by the department of accounts and purchases and signed by the state auditor upon the certificates of the president or the secretary of the board.

Approved February 26, 1965.

CHAPTER 145

S. B. No. 150

(Lips, Nelson, Trenbeath, Hernett, Kjos, Robinson, Roen, Kisse)

STATE PER PUPIL PAYMENTS

AN ACT

To amend and reenact section 15-40-12 and 15-40-26 of the North Dakota Century Code and sections 15-40-14 and 15-40-24 of the North Dakota Century Code as amended by the 1963 Supplement, relating to high school and elementary per pupil payments respectively.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-40-12 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40-12. Declaration of Legislative Intent.) It is the intent of the legislative assembly to support elementary and second-

dary education in this state from state and county funds at fifty percent of the educational cost per pupil per year, as adjusted by other provisions of law, exclusive of the cost of physical facilities, transportation and current indebtedness. One hundred seventy-six dollars is determined to be fifty percent of such per pupil cost.

§ 2. Amendment.) Section 15-40-14 of the 1963 Supplement to the North Dakota Century Code, is hereby amended and reenacted to read as follows:

15-40-14. Payments from County Equalization Fund—Amount—Student Attending School in Foreign State.) There shall be paid from the county equalization fund to all school districts operating high schools, to school districts contracting to educate high school pupils in a federal Indian school, all county agricultural and training schools, the state school for the blind, the state school for the deaf and state training school, that amount of money resulting from multiplying the factor 1.32 times the educational cost per pupil as provided in section 15-40-12 from each high school pupil in average daily membership in such schools each year. However no payment shall be made for Indian pupils in districts in which the school facilities are being provided, maintained and staffed wholly or in part by the federal government for the education of the Indian pupils. Such payments shall not be made unless four or more units of standard high school work approved by the superintendent of public instruction are offered during the current year, only certificated teachers have been employed, teachers have been paid not less than the minimum legal salaries, and the other standards prescribed by this chapter have been met. Districts that did not maintain high schools during the year of 1954-1955 shall not be eligible for payments unless they have a minimum enrollment of twenty-five pupils if four years of high school work are offered, a minimum enrollment of twenty pupils if three years of high school work are offered, a minimum enrollment of fifteen pupils if two years of high school work are offered, and a minimum enrollment of ten pupils if one year of high school work is offered. A student who lives within twenty miles of another state or in a county bordering on another state and in a school district which has no high school, or which does have a high school and the attendance has been authorized in accordance with the provisions of section 15-40-17, with the approval of the county superintendent of schools, may attend a four year public high school in an adjoining state and payments from the county equalization fund shall be paid to the district in which the high school which he attends is located in the amount provided for in this section. For purposes of this chapter "average daily membership" shall mean the total days all

students in a given school are in attendance, including legal school holidays and days set aside for a North Dakota education association convention, plus the total days all students are absent, divided by one hundred eighty days. School districts educating children of agricultural migratory workers during the months of June, July, and August shall not be restricted to payments for a one hundred eighty day school term.

§ 3. Amendment.) Section 15-40-24 of the 1963 Supplement to the North Dakota Century Code, is hereby amended and reenacted to read as follows:

15-40-24. Elementary Per Pupil Payments—Amount.) There shall be paid out of the county equalization fund, to the school districts of the county operating elementary schools, to school districts contracting to educate elementary pupils in a federal Indian school, and to the state school for the blind, the state school for the deaf and the state training school, employing teachers holding valid certificates or permits, payments based on the average daily membership as provided for in section 15-40-14, the following amounts:

1. In one room rural schools there shall be paid that amount of money resulting from multiplying the factor of 1.32 times the educational cost per pupil as provided in section 15-40-12 for each of the first sixteen pupils in average daily membership and for each additional pupil in average daily membership there shall be paid the educational cost per pupil as provided in section 15-40-12 except that no payment shall be made for more than twenty pupils in average daily membership; and
2. In elementary schools having under one hundred pupils in average daily membership there shall be paid that amount of money resulting from multiplying the factor of 1.1 times the educational cost per pupil as provided in section 15-40-12 for each of the first twenty pupils in average daily membership in each classroom or for each teacher and for each additional pupil in average daily membership in each classroom or for each teacher there shall be paid the educational cost per pupil as provided in section 15-40-12 except that no payment shall be made for more than twenty-five pupils in average daily membership in each classroom or for each teacher; and
3. In elementary schools having one hundred or more pupils in average membership there shall be paid the educational cost per pupil as provided in section 15-40-12 for each of the first thirty pupils in average daily membership in each classroom or for each teacher except

that no payment shall be made for more than thirty pupils in average membership in each classroom or for each teacher.

Payment shall not be made for Indian pupils in districts in which the school facilities are being provided, maintained and staffed wholly or in part by the federal government for the education of Indian pupils.

§ 4. **Amendment.)** Section 15-40-26 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

***15-40-26. Credit for Tuition Paid by District of Residence or Parent or Guardian.)** A credit equal to the per pupil payments as provided in section 15-40-24 shall be allowed against tuition charged by the district in which an elementary pupil is enrolled in all cases where the tuition for such pupil is paid by the district in which the pupil resides or where the tuition is paid by the pupil's parent or guardian. An elementary student who lives in a county in this state bordering on another state and who, because of more convenient roads, distances or other circumstances, has the recommendation of the county superintendent of schools to attend a public school in an adjoining state, may attend such public school. The home county shall pay the school district in such neighboring state an amount equal to the per pupil payments as provided in section 15-40-24 toward the elementary tuition for such pupils. Such elementary students attending public schools in a foreign state shall be counted in the county from which they come in calculating the obligations of said county. The payment of such foreign elementary tuition shall be paid by the home county.

Approved March 19, 1965.

***Note:** Section 15-40-26 was also amended by section 4, chapter 146, 1965 S.L. The wording of the two amendments is identical.

CHAPTER 146

S. B. No. 54

(Strinden, Berube, Beck, Longmire)

(From LRC Study)

NONRESIDENT SCHOOL PUPILS

AN ACT

To create and enact section 15-40-17.1 of the North Dakota Century Code, and to amend and reenact subsections 3 and 14 of section 15-29-08 and sections 15-40-17 and 15-40-26 of the North Dakota Century Code, relating to the admission of nonresident pupils in the public schools and payment of tuition for nonresident pupils.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Subsections 3 and 14 of section 15-29-08 of the 1963 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

3. To send pupils into another school district when, because of shorter distances and other conveniences, it is to the best interests of the school district to do so, and in such instances the board may pay the tuition of such pupils to the district to which they are sent. The school board may make arrangements for the education of pupils in a federal Indian school and contract with the superintendent of the Indian agency for the payment of tuition for these pupils. The board may arrange, and when petitioned to do so by a majority of electors of the district shall arrange, with the school boards of other districts to send to such other districts pupils who can be taught conveniently therein, and for the payment of their tuition and for furnishing and paying for their transportation to and from the schools in such other districts. The admitting districts shall receive pupils only when schools of the admitting districts will not be injured or overcrowded and the board of the sending district and the board or boards of the receiving district or districts have entered into an agreement governing the attendance of such pupils as may be enrolled or when tuition will be paid by a parent or guardian in the manner provided in subsection 14 of this section. The school district in which a child resides at the time any court order or act of a juvenile commissioner or any other lawful authority which shall have been issued requiring such child to stay for any prescribed period at a foster home or a home maintained by any nonprofit

corporation, shall be construed to be the residence district of such child for purposes of applying this subsection or section 15-40-17 relating to tuition payments, whenever such child shall attend any public school. Such residence district shall be liable for tuition in the amount provided in such sections upon claim by the district in which such child is attending school.

14. To admit to the schools of the district pupils from other districts when it can be done without injuring or overcrowding the schools, and to make regulations for the admission of such pupils. The board may make proper and necessary rules for the assignment and distribution of pupils to and among the schools in the district and for their transfer from one school to another. When an elementary pupil is admitted from another district, credit on his tuition shall be given by the district admitting him to the extent of school taxes paid in the admitting district by the parent or guardian of the admitted pupil. If the attendance of an elementary pupil from another district is necessitated by shorter distance or other reasons of convenience, approval or disapproval shall be given by a three-member committee consisting of the county judge, state's attorney, and the county superintendent of schools within fifteen days after consulting the school boards of both districts concerned, and the balance of the tuition, after credit for taxes paid and the credit allowed for county equalization fund payments according to the provisions of section 15-40-26, shall be paid by the district from which the pupil is admitted, but the whole amount of the tuition shall not exceed the average cost of elementary education per child in the county. Such cost shall include expenditures from the general and sinking and interest funds and annual receipts of the building fund. Districts not complying with the decision of the committee herein provided shall forfeit their county equalization payments to the schools receiving the pupils. The board may admit pupils residing in unorganized territory adjacent to the district to the schools in the district and may arrange with the parents or guardians of such pupils for the payment of tuition. The admission of nonresident high school students shall be governed by the provisions of chapter 15-40.

A school board may admit elementary pupils from other districts to its schools when it can be done without injury or overcrowding the schools even if such pupils have not received approval from the school board of their residence or from the three-member county

committee provided the parent or guardian pays the tuition of each pupil, which tuition shall be equal to the actual per pupil cost of educating an elementary pupil in the admitting district for the previous school year, calculated in the same manner as provided in section 15-40-17.1, except that such calculations shall be based on elementary school costs. Not less than one-half of the yearly tuition shall be paid by the parent or guardian in cash on the date of enrollment and the school board of the admitting district shall execute a contract in writing with the parent or guardian requiring any balance of the tuition to be paid in cash on or before the first day of the second semester.

§ 2. Amendment.) Section 15-40-17 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40-17. High School Payments Are Exclusive—Exception.) No school district shall charge or collect from any non-resident high school student, his parents or guardian, or the district of his residence, any registration, textbook, or laboratory fee, or any other fee or charge which is not charged to or for all resident high school students. However, a high school district shall charge tuition for nonresident high school students. The whole amount of such tuition, except as hereinafter provided, shall be paid by the district from which the pupil is admitted and shall equal the average cost of high school education per child in the county less payments from county equalization funds and from the state under this chapter. Such costs shall include expenditures from the general and sinking and interest funds, and receipts from the building fund. Credit on tuition charges shall be given by the admitting district to the extent of school taxes paid to the admitting district by the parent or guardian of the admitted student. In the event any district not providing high school education should fail or refuse to pay the tuition charges, the admitting district shall notify the county superintendent of schools of the county of residence of the student and the state superintendent of public instruction of such fact, and upon verification by the county superintendent of schools that such tuition payments are due the admitting district, all county equalization fund payments and payments from the state under this chapter to the district of residence of the student shall be withheld until the tuition due the admitting district has been fully paid.

The parent or guardian of any student who is a resident of a district providing a high school education may apply to the school board of the school district of residence of the student for approval of the payment of tuition charges to another

school district for attendance of the student at the high school in such other school district. If the school board of the district of residence shall approve such application, it shall pay the tuition charges in accordance with the application as approved. In the event such application shall be disapproved, the parent or guardian of the child may appeal the question to the county superintendent of schools, and a committee consisting of the county judge, state's attorney, and the county superintendent of schools shall within fifteen days consult with the school boards of the districts concerned and with the parent or guardian of the student concerned and render a decision in regard to the tuition charges. If the committee shall find the attendance of the student in question is necessitated by shorter distance, previous attendance in another high school, inadequacy of curriculum considering the educational needs of the particular student, or other reasons of convenience it may approve the payment of such tuition charges. The school district of residence of the student shall thereafter be required to pay such tuition charges, and upon notification by the admitting district of the failure of the district of residence to pay such tuition charges, all county equalization payments and payments from the state under this chapter to the district of residence shall be withheld in the same manner as provided in this section in the case of a district not providing a high school education. If the committee shall find that the attendance of the student at a high school outside the district is not necessitated by shorter distance, previous attendance in another high school, inadequacy of curriculum considering the educational needs of the particular student, or other reasons of convenience, the district of residence shall not be required to pay such tuition charges. The decision of the committee may be appealed to the state board of public school education, and the decision of such board shall be binding upon all parties. The school board of any school district approving the payment of high school tuition charges or required to make such payments under the provisions of this section may levy an amount sufficient to pay tuition charges which levy shall not be subject to any mill levy limitations prescribed by law. This chapter, however, shall not affect the right of a school district to charge and collect such tuition as may be fixed by agreement from students who are not residents of this state.

§ 3.) Section 15-40-17.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-40-17.1. Payment of Tuition by Parents of Nonresident Students.) Notwithstanding the provisions of section 15-40-17 a school district may admit nonresident students for whom tuition payments have not been approved by the school board

of their residence or the three-member county committee, if such admittance can be done without injuring or overcrowding the school to which the student will be admitted, and if tuition is paid by the parent or guardian in the amount and manner prescribed in this section. Tuition shall be equal to the actual per pupil cost in the admitting district and shall be based on the actual cost of educating a high school student for the previous school year, less payments from county equalization funds. Such costs shall include expenditures from the general and sinking and interest funds and receipts from the building fund. Credit on tuition charges shall be given by the admitting district to the extent of school taxes paid to the admitting district by the parent or guardian of the admitted student. Not less than one-half of the yearly tuition shall be paid by the parent or guardian in cash on the date of enrollment and the school board shall execute a contract in writing with the parents or guardian of the student requiring the payment of any balance of the tuition in cash on or before the first day of the second semester.

§ 4. Amendment.) Section 15-40-26 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

***15-40-26. Credit for Tuition Paid by District of Residence or Parent or Guardian.)** A credit equal to the per pupil payments as provided in section 15-40-24 shall be allowed against tuition charged by the district in which an elementary pupil is enrolled in all cases where the tuition for such pupil is paid by the district in which the pupil resides or where the tuition is paid by the pupil's parent or guardian. An elementary student who lives in a county in this state bordering on another state and who, because of more convenient roads, distances or other circumstances, has the recommendation of the county superintendent of schools to attend a public school in an adjoining state, may attend such public school. The home county shall pay the school district in such neighboring state an amount equal to the per pupil payments as provided in section 15-40-24 toward the elementary tuition for such pupils. Such elementary students attending public schools in a foreign state shall be counted in the county from which they come in calculating the obligations of said county. The payment of such foreign elementary tuition shall be paid by the home county.

Approved March 15, 1965.

***Note:** Section 15-40-26 was also amended by section 4, chapter 145, 1965 S.L. The wording of the two amendments is identical.

CHAPTER 147

H. B. No. 700
(Bloom, Bier, Bowman)

PUPILS ATTENDING SCHOOL OUT-OF-STATE

AN ACT

To amend and reenact section 15-40-15 of the North Dakota Century Code as amended by the 1961 Supplement, relating to pupils residing in annexed or reorganized districts attending school in a bordering state.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-40-15 of the 1961 Supplement to the North Dakota Century Code, is hereby amended and reenacted to read as follows:

15-40-15. Reciprocal Agreement for Payment from County Equalization Fund.) The superintendent of public instruction may enter into reciprocal agreements with the state educational agencies or officers of bordering states in regard to the attendance of elementary and high school pupils in a bordering state and payments from the county equalization fund for high school and elementary students attending public schools in a bordering state and payments from the county equalization fund for high school and elementary students attending public schools in a bordering state. Such agreements may provide for the payment from the county equalization fund for students from North Dakota attending schools in adjoining states in sums equal, on a per student basis, to payments from the county equalization fund received by North Dakota schools. The superintendent of public instruction by certificate to the department of accounts and purchases may authorize such payments, from the appropriation for state school aid to the county equalization fund, to schools in adjoining states for the attendance of such high school and elementary students. The payment by the district of residence for each student shall not exceed the payments established by reciprocal agreement less the amounts otherwise paid for such student under the provisions of this chapter. The department of accounts and purchases, within the limits of legislative appropriation, shall make such payments to the appropriate public school, school district or agency of the adjoining state. Such reciprocal agreements may include but shall not be limited to payments for tuition and transportation costs connected with the education of such children in bordering states. Be it further provided that students from areas historically

attending school in a bordering state and residing in a district annexed to or reorganized with another district or districts within North Dakota shall be permitted to continue attending school in a district in a bordering state.

Approved March 15, 1965.

CHAPTER 148

H. B. No. 579

(Johnson (Barnes), Olafson, Powers (Barnes), Hertz)

DISTRIBUTION OF STATE SCHOOL AID

AN ACT

To amend and reenact section 15-40-19 of the 1963 Supplement to the North Dakota Century Code, relating to the distribution of payments to the county equalization fund by the department of accounts and purchases.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-40-19 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40-19. Distribution of Payments to County Equalization Funds—Duty of Department of Accounts and Purchases.) The superintendent of public instruction shall certify to the department of accounts and purchases a list of all county equalization funds in the state together with a statement of payments equal to one-fourth of the total payments made to each respective equalization fund during the previous fiscal year and the department of accounts and purchases shall pay each county equalization fund such amounts due from the general fund, within the limits of legislative appropriation, upon warrants prepared and issued by the department and signed by the state auditor on or before October fifteenth of each year. Upon receiving the certifications of the county superintendent of public instruction, after certifying to the respective county auditors the amount that shall be levied on all taxable property in accordance with section 15-40-18, shall determine what amounts in addition to the October fifteenth payments are necessary to constitute one-half of the payments due to each county equalization fund for the current school year and shall certify to the department of accounts and purchases a list of all county equalization funds in the state together with a statement of the payments due such funds. The department

of accounts and purchases shall pay to each county equalization fund from the general fund, within the limits of legislative appropriation, upon warrants prepared and issued by the department and signed by the state auditor, the amounts needed in addition to the October fifteenth payment in order to constitute fifty percent of the sum found to be due under the provisions of this chapter on December first and the balance on March first.

Approved February 22, 1965.

CHAPTER 149

H. B. No. 558
(Hoffner, Borstad)

COUNTY AGRICULTURAL SCHOOLS, DISCONTINUANCE

AN ACT

Relating to the disposition of facilities of county agricultural and training schools.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. County Agricultural and Training Schools—Discontinuance—Disposal of Assets.) Upon the filing with the board of county commissioners of any county having a population of less than ten thousand persons according to the latest federal decennial census, of a petition containing the signatures of qualified electors of the county at least equal in number to fifteen percent of the vote cast for governor at the most recent general election, calling for the disposal of the assets of a county agricultural and training school, the board of commissioners may consider such petition at its next regular meeting. If the board shall decide in favor of disposing of such assets, the question of such disposal shall be submitted to the electors of the county at the next general election or at a special election called by the board for such purpose. If a special election is ordered, it shall be held in the same manner and upon the notice prescribed by law for other elections. The published and posted notice of the election shall state its object and the reason for disposal of such assets. If a majority of electors voting upon the question favor the disposal of such assets, the board of county commissioners may proceed to dispose of all of the physical assets, real and personal, in such manner as may be in the best interest of the county and any public school district interested in purchasing the same.

Approved March 2, 1965.

CHAPTER 150

H. B. No. 575

(Johnson (Barnes), Froeschle)

KINDERGARTENS

AN ACT

To amend and reenact sections 15-45-02 and 15-45-03 of the North Dakota Century Code, relating to kindergartens.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-45-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-45-02. Kindergarten Curriculum—Rules and Regulations.) The school board shall establish a curriculum for kindergarten and such other rules and regulations governing the kindergartens as it may deem best, and shall govern them, so far as practicable, in the manner and by the officers provided by law for the government of other public schools.

§ 2. Amendment.) Section 15-45-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-45-03. Kindergarten Teachers—Qualifications.) Kindergarten teachers shall hold valid certificates issued by the superintendent of public instruction entitling them to teach in the elementary schools of this state. Training must include special courses in kindergarten education at approved institutions of higher learning.

Approved February 25, 1965.

CHAPTER 151

H. B. No. 644

(Vogel, Larsen (Grand Forks), Loerch, Hardmeyer)

TEACHERS' SICK LEAVE

AN ACT

To amend and reenact section 15-47-35 of the North Dakota Century Code, relating to the number of days of permissible absence annually due to sickness that shall be provided in the employment contract of any teacher.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) Section 15-47-35 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-47-35. Ten Days Annual Sick Absence—Cumulative.) The employment contract of any teacher, as defined in section 15-47-26, shall provide for at least ten days permissible absence annually due to sickness, without loss in pay for the period; and shall further provide for any unused portion of such annually permissible absence to be cumulative from year to year, with a minimum accumulation of twenty days.

Approved March 8, 1965.

CHAPTER 152

S. B. No. 119

(Mahoney, Morgan)

MEDICAL CENTER LOANS

AN ACT

To amend and reenact section 15-52-20 of the 1963 Supplement to the North Dakota Century Code, relating to loan conditions applicable to loans by the medical center loan fund board.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-52-20 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-20. Loan Conditions.) Loans granted by the board under the terms of sections 15-52-10 through 15-52-28 are to be

upon the condition that the full amount thereof shall be repaid to the board in cash with six percent interest annually from the date of each payment by the board pursuant to a loan agreement, the repayment to be in yearly installments on a schedule set by the board and the first installment becoming due and payable one year from the date on which the applicant completes his internship if a medical student or one year from the date of graduation from a dental school if a dental student. If prior approval is obtained from the board such first installment shall not become due and payable until one year from the date on which the applicant completes additional residency or other advanced study or military service of not more than three years' duration. In the case of applicants who have agreed to enter medical or dental practice in a North Dakota municipality of five thousand population or less which is either without a qualified physician or dentist or in need of additional medical or dental personnel, each year of actual practice in such municipality shall be equivalent to repayment of one-fifth of the unpaid balance of the loan and of one-fifth of the accrued interest thereon. The term "practice" under the agreement and repayment provisions of this chapter includes employment in the state of North Dakota as a medical intern.

Approved February 26, 1965.

CHAPTER 153

S. B. No. 228
(Sinner)

SCHOOL REORGANIZATION ELECTIONS

AN ACT

To amend and reenact section 15-53-14.1 of the North Dakota Century Code, as amended by the Session Laws of 1963, relating to elections for consolidating or reorganizing two or more reorganized school districts.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 15-53-14.1 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-53-14.1. Elections for Consolidating or Reorganizing Two or More Reorganized School Districts.) Notwithstanding the provisions of section 15-53-14, whenever reorganization pro-

ceedings are had for the purpose of consolidating or otherwise affecting two or more school districts previously reorganized under the provisions of chapter 15-53, each of such reorganized school districts shall vote as a separate unit and such reorganization proceedings shall be adopted only when approved by all voting units.

Approved March 17, 1965.

CHAPTER 154

H. B. No. 940
(Unruh, Tweten)

REFUNDING REVENUE BONDS

AN ACT

To create and enact section 15-55-02.1 of the North Dakota Century Code, providing authorization for and limitations on issuing refunding bonds by the state board of higher education and to amend and reenact section 15-55-14 of the North Dakota Century Code, relating to constructing, operating and financing revenue producing buildings at higher education institutions.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) Section 15-55-02.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-55-02.1. Refunding Bonds.) The amount of refunding bonds which the state board of higher education may issue under this chapter shall not exceed the principal amount of the bonds to be refunded. Bonds may be refunded whether heretofore or hereafter issued, but no bonds may be refunded hereunder unless they either mature or are callable for prior redemption under their terms within fifteen (15) years from the date of issuance of the refunding bonds, or unless the holder or holders thereof voluntarily surrender them for exchange or payment. Outstanding bonds of more than one issue or series and bonds for refunding and other bonds to construct, furnish or equip any building or addition for which bonds are authorized may be combined into one issue or series and may provide for and restrict the combination of future series with the issue. Except as in this section otherwise provided, such bonds shall mature and bear interest and shall have such details and shall be authorized and issued in the manner in this chapter provided. Refunding bonds so issued may carry forward for the payment of the refunding bonds such security

and sources of payment as were pledged to the payment of the bonds refunded, and a combined issue of refunding and other bonds may combine such security and sources of payment with a pledge of the revenues of buildings acquired in whole or in part from the proceeds of the issue, including the security and sources of payment of any future series of refunding bonds or revenues of any building acquired from the proceeds of a future series if and to the extent that provision is made for combination of future series with the issue. If refunding and other bonds are combined into one issue or series, the word "building" as used in this chapter shall be construed to refer to all the buildings the revenues of which are pledged. Any bonds issued for refunding purposes may either be delivered in exchange for the outstanding bonds authorized to be refunded or may be sold at either public or private sale for not less than the par value of the bonds, or may be sold in part and exchanged in part. The sale price may exceed the principal amount of refunding bonds and the excess may be used to provide for payment of redemption premiums of the bonds to be refunded and to provide for expenses of the issuance and sale of the bonds and the retirement of the outstanding bonds, but the interest cost to maturity shall not exceed the limitation imposed by section 15-55-02. All other proceeds of sale shall, to the extent needed, be immediately applied to the retirement of the bonds to be refunded, or such proceeds or investments thereof shall be placed in escrow to be held and applied to the payment of the bonds to be refunded.

Such proceeds may, in the discretion or pursuant to covenant of the board, be invested in obligations of the United States of America, or in obligations fully guaranteed by the United States of America, but the obligations so purchased must have such maturities and bear such rates of interest payable at such times as will assure the existence of money sufficient to pay the bonds to be refunded when due or when redeemed pursuant to call for redemption, together with interest and redemption premiums, if any. The proceeds or obligations so purchased shall be deposited in trust with the trustee for the refunded bonds, or with the banking corporation or association which is the paying agent for the refunded bonds, or with the state treasurer, to be held, liquidated and the proceeds of such liquidation paid out for the payment of the bonds to be refunded and interest and redemption premiums thereon as such refunded bonds become due or subject to redemption under call for redemption previously made, or upon earlier voluntary surrender thereof with the consent of the board. The determination of the board in issuing refunding bonds that the issuance and sale of

refunding bonds is necessary for the best interests of the institution and that the limitations herein imposed upon the issuance of refunding bonds have been met shall be conclusive in the absence of fraud or arbitrary and gross abuse of discretion.

§ 2. Amendment.) Section 15-55-14 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-55-14. Rental Income from Unencumbered Revenue Producing Buildings May Be Applied to Bond Retirement.) The state board of higher education, when issuing bonds under the provisions of this chapter and the powers herein granted, shall have additional powers as follows:

1. When the state board of higher education has issued bonds as provided in this chapter for the purpose of securing funds for all or part of the cost of construction, equipment, and furnishing of any new revenue producing building for any of the state-supported institutions of higher learning of the state of North Dakota, or for the purpose of refunding any such bonds, said board is hereby authorized to cover, from time to time, into the interest and principal payment fund for bonds issued, or into a fund for operation and maintenance of the building so financed or into a fund for repair or replacement of the building, its equipment and furnishings, the rental or income from revenue producing buildings which are not encumbered or impressed with any lien and which are located upon the campuses of such institutions.
2. In case of destruction of such revenue producing buildings by fire, tornado, cyclone, or other cause, the proceeds from insurance on such revenue producing buildings shall be covered into the bond payment fund for the payment of bonds issued under this chapter unless such insurance may be and is used for the repair or replacement of the building, its equipment and furnishings.
3. The rental income from said revenue producing buildings and the proceeds of insurance thereon may be irrepealably pledged to the payment of the principal and interest of the bonds issued as in this chapter provided, or to the expenses of operation and maintenance or repair or replacement of the building, its equipment and furnishings.

4. The bonds issued under the provisions of this chapter, shall not be an indebtedness or obligation of the state of North Dakota or of any of the state institutions nor of any board, bureau, or officer of the state of North Dakota, but such bonds shall be payable solely out of income and revenue as provided in this chapter.

The rental or income from the revenue producing buildings, as defined herein, of any educational institutions of higher learning of the state shall be covered only into a fund for a revenue producing building for such educational institution and not to any other institution.

Approved March 15, 1965.

CHAPTER 155

S. B. No. 358

(Committee on Delayed Bills)

HIGHER EDUCATION FACILITIES BONDS

AN ACT

To provide for the issuance by the state of bonds to finance the construction and equipping of buildings and facilities at state-supported institutions of higher education backed by the full faith and credit of the state, providing for their payment, and appropriating the proceeds of such bonds for such purposes, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Declaration and Finding of Public Purpose.) The legislative assembly of the state of North Dakota hereby declares and finds that it is and has been its purpose in preparing and adopting the provisions of this Act to promote the advancement of the citizens of this state through making available more adequate facilities for higher education in the state of North Dakota, thereby promoting the economic welfare of the citizens of the state and the economic progress of the state.

§ 2. State of North Dakota General Obligation Bonds—Higher Education Facilities Series—Bond Purpose.) An issue of general obligation bonds of the state, to be designated as State of North Dakota Bonds, Higher Education Facilities Series, in the amount of ten million dollars, is hereby authorized under the authority of section 182 of the Constitution, for the sole purpose of providing and equipping facilities at the state-supported institutions of higher education. As used

in this Act, the term "facilities" shall mean and include buildings used for classroom, library, laboratory, workshop, administration and maintenance purposes, and landscaping, furnishings, and equipment associated therewith.

§ 3. Preparation of Bonds.) The preparation, handling, issuance, sale, and delivery of bonds under this Act shall be supervised and controlled by the industrial commission, which shall issue and sell them upon request of the board of higher education in such manner, in such number of series, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations as the board of higher education shall request subject to the limitations contained in this Act; provided, however, that bonds in not more than the sum of five million dollars shall be issued and sold during the biennium beginning July 1, 1965, and ending June 30, 1967, and the balance of the issue as authorized by section 2 of this Act shall be issued and sold as provided in this section and Act. The bonds of each series shall mature in order of serial numbers, and the first installment of principal thereof shall fall due not more than three years and the last installment not more than twenty years from the date of the bonds, and no installment of principal of the series maturing in any year shall be less than one-third of the amount of the largest installment maturing in any subsequent year after two years from the issue date, except that the amount of such installments of principal may be fixed in such manner that the increase thereof from year to year approximately equals the decrease from year to year in the interest on the bonds remaining unpaid. The bonds shall be executed by the governor and by the state treasurer under the great seal of the state of North Dakota and shall be attested by the secretary of state, and any coupons attached thereto shall be executed by the signatures of the same officers. The signatures of all officers on the coupons and the seal and the signatures of all but one officer on the face of each bond may be printed, lithographed, stamped, or engraved thereon. The state auditor and secretary of state shall also endorse and sign on each bond a certificate showing that the bond is issued pursuant to law and is within the debt limit. Interest on each bond shall cease at maturity, or on a prior date upon which the bond shall have been called for prepayment and redemption in accordance with its terms, unless the holder shall then present the same for payment and

payment is refused. The industrial commission upon request of the board of higher education shall have power also to issue bonds of the state to refund bonds issued hereunder at any time on such terms and under such conditions as to it may seem proper, and as are consistent with the provisions of the bonds refunded or are consented to by the holders of such bonds.

§ 4. Sale and Delivery of Bonds—Deposit of Proceeds.) The industrial commission shall act as agent of the state for the negotiation, sale, and delivery of all bonds issued under this Act. Such bonds shall be sold from time to time at the request of the board of higher education for cash at not less than par and accrued interest to the best advantage of the state. In offering such bonds for sale the industrial commission shall reserve the right to reject any or all bids therefor. All of the proceeds of the bonds shall be received by the industrial commission and by it placed in a separate fund in the state treasury to be used only for the purpose for which such bonds are issued.

§ 5. Bonds Tax Exempt.) All bonds issued under the provisions of this Act and interest thereon shall be exempt from taxation.

§ 6. Bonds a General Obligation of the State of North Dakota.) Upon receipt of payment therefor, the industrial commission shall deliver to each purchaser of bonds issued under this Act the bonds purchased by him, and upon delivery of such bonds the full faith and credit and unlimited taxing resources of the state of North Dakota shall stand pledged for the punctual full payment of each and all of such bonds and the interest thereon to the lawful holder and owner thereof as bonds and coupons become due and are presented for payment.

§ 7. Facility Fee—Board to Set Amount.) The board of higher education shall set a facility fee to be charged annually to each student at the time of his registration at an institution under the control of the board. Such fee shall be in an amount to be determined by the board, and the total of all such fees charged shall be in an amount sufficient to pay not less than fifty percent of the interest and principal of such bonds as such principal and interest become due in the following year and to and including July 1 in the year thereafter. All amounts collected under this section shall be deposited in the educational building fund which is hereby created.

§ 8. Transfers from General Fund.) On the first day of each month commencing with the first month after any bonds are issued under authority of this Act and until all such bonds

are retired, the state treasurer shall transfer the amount of forty thousand dollars from the state general fund to the educational building fund, except that during the biennium beginning July 1, 1965, and ending June 30, 1967, such transfer shall be in the amount of twenty thousand dollars each month.

§ 9. Appropriation.) There is hereby appropriated from the educational building fund all funds required for the payment of interest and principal of all bonds issued and sold under this Act as such principal and interest become due, and this appropriation and any taxes and other provisions for payment of said bonds and interest shall not be repealed or discontinued until the said bonds and interest shall have been paid.

§ 10. Educational Building Fund.) All moneys transferred in accordance with sections 7 and 8 of this Act shall be placed in the educational building fund. This fund shall be maintained by the state treasurer and shall be used and disbursed for the following purposes:

1. To provide for the payment and security of the principal and interest due on any bonds issued under the provisions of this Act. For this purpose the treasurer shall transfer from the educational building fund to the sinking fund as provided for in section 11 of this Act, whenever necessary, so much of the moneys in the educational building fund then on hand as may be required, or all thereof if necessary, to produce a balance in the sinking fund equal to the sum of the interest due and to become due within eighteen months plus the principal due and to become due within twenty-four months thereafter on all outstanding series of such bonds.
2. To finance the construction, reconstruction, and betterment of buildings and the provision of equipment therefor at state institutions of higher learning as may be authorized from time to time by the legislative assembly, provided that no disbursement for such purpose shall be made at any time when the balance in the sinking fund is less than specified in subsection 1 of this section.

§ 11. Sinking Fund.) The sinking fund for the payment of bonds issued under this Act, together with interest thereon, shall be established and maintained in the office of the state treasurer who shall be its official custodian and shall at all times maintain adequate books and records thereof. The state treasurer shall make reports of the condition of the sinking fund to the board of higher education on its request. Any

taxes levied and all sums appropriated and transferred under the provisions of sections 10, 12, and 13 of this Act for payment of such bonds and interest shall be deposited in the sinking fund and shall be disbursed by the state treasurer solely for the payment of the bonds and interest thereon directly or through a paying agent to be designated by him.

§ 12. Transfer from Bond Proceeds Fund and Tax Levy for Deficiency.) If on December 1 of any year the balance in the sinking fund is less than the sum necessary to pay principal and interest upon such bonds due during the succeeding twelve months, a sum sufficient to pay such amounts shall be transferred from the special fund in the state treasury in which the proceeds of the bonds have been deposited and if after the transfer the balance in the sinking fund is still less than the sum necessary to pay principal and interest on such bonds due during the succeeding twelve months, the state treasurer shall immediately inform the members of the state board of equalization who shall forthwith meet and proceed to levy a tax upon the aggregate net assessed value of the taxable property within the state in such amount as is required to make up such deficiency.

§ 13. Transfer of Balance.) Upon the retirement of all general obligation bonds issued hereunder and the interest thereon any unexpended balance in the sinking fund created by this Act shall be transferred by the state treasurer to the educational building fund.

§ 14. Certificates of Indebtedness Against Uncollected Taxes.) If at any time the balance in the sinking fund for an issue of bonds under this Act is not sufficient to pay maturing bonds and interest punctually when due, or when the sinking fund is threatened with a deficit, the state treasurer may borrow sufficient funds upon certificates of indebtedness of the state of North Dakota to cover payment of principal or interest or both so as to cure or forestall default. Such certificates may be issued in anticipation of collection of taxes, shall be signed by the governor and state treasurer, shall mature not more than three years from date of issue and shall bear interest at a rate to be determined by the state treasurer. They shall be retired from tax collections and shall be eligible for purchase by the state of North Dakota and its several agencies and departments and the trust funds thereof.

§ 15. Investment of Funds.) The proceeds of bonds and moneys in the sinking fund for bonds issued under this Act shall be deposited in the Bank of North Dakota at interest or invested in direct obligations of the United States, as directed by the state investment board.

§ 16. Protection of Purchaser.) The purchaser of bonds issued under this Act shall not be obliged to see to the application of the purchase price thereof but shall be protected fully in paying for such bonds by the receipt of the board of higher education or of its agent delivering such bonds as herein provided.

§ 17. Mortgage—Delivery to Escrow Agent.) At the time of the execution of the bonds authorized by this Act, there shall be executed a mortgage upon state-owned enterprises and industries as authorized by section 182 of the Constitution to secure the payment of bonds and interest thereon, which property now has a value in excess of the requirements of section 182 of the Constitution. Such mortgage shall be executed by the governor and attested to by the secretary of state and shall be deposited with a trustee to be selected by the industrial commission, to be held by such trustee to secure the prompt payment of bonds and interest thereon until all bonds are retired.

§ 18. Limitation of Action.) No action shall be brought or maintained in any court of this state questioning the validity of any bonds issued under this Act or of any tax levied for such bonds unless such action shall have been commenced within thirty days after the adoption of the resolution of the industrial commission awarding sale of such bonds.

***§ 19. Appropriation of Proceeds.)** The proceeds of any and all bonds sold pursuant to the provisions of this Act are hereby appropriated to the state board of higher education for use in the construction and equipping of facilities authorized by this Act at state institutions of higher education as determined by the board and in accordance with such schedule of priorities as may be prescribed by such board.

§ 20. Emergency.) This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 17, 1965.

CHAPTER 156

H. B. No. 572

(Brown, Lang, Boustead, Wagner)

STATE SURPLUS PROPERTY

AN ACT

To create and enact section 15-61-05 of the North Dakota Century Code, relating to the disposition of surplus property of state departments, agencies, or institutions.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) Section 15-61-05 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-61-05. Disposition of State Surplus Property.) Whenever any department, agency, or institution of the state of North Dakota has in its possession property which is surplus, and it appears to the head of such department, agency, or institution that such surplus property may be used by any other department, agency, or institution of the state or any political subdivision of the state, he shall inform the director of the department of accounts and purchases, which department shall then proceed to dispose of said property in the following manner:

1. By transferring it to other state departments, institutions, or agencies without cost, except for transportation expenses which shall be paid by the receiving agency; or
2. If not disposed of under subsection 1, then by sale either on sealed bids reserving the right to reject all bids, or by negotiation at fair value if such method is deemed more feasible; or
3. If not disposed of under subsections 1 or 2, title to the property shall be transferred to the surplus property director, who shall dispose of it by transferring it to political subdivisions without cost, except for transportation expenses.

All proceeds of property sold under authority of this section shall be deposited in the general fund. This section shall not be construed as prohibiting the exchange of items as a part of the purchase price of new items by any department, agency, or institution nor shall this section be applicable to equipment disposed of pursuant to section 24-03-15.

Approved March 15, 1965.