

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1292

Introduced by

Representative Kunkel

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

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

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

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

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

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

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

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

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

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