

**SECOND ENGROSSMENT  
with Senate Amendments**

Fifty-seventh  
Legislative Assembly  
of North Dakota

**REENGROSSED HOUSE BILL NO. 1141**

Introduced by

Education Committee

(At the request of the Superintendent of Public Instruction)

1 A BILL for an Act to create and enact three new sections to chapter 15.1-12 of the North  
2 Dakota Century Code, relating to school district reorganization; and to amend and reenact  
3 section 15.1-12-11.1 of the North Dakota Century Code, relating to school district  
4 reorganization bonuses.

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

6 **SECTION 1.** A new section to chapter 15.1-12 of the North Dakota Century Code is  
7 created and enacted as follows:

8 **Reorganization plan - Building fund levy.** The reorganization plan required by  
9 section 15.1-12-09 may propose the inclusion of up to ten mills as a building fund levy. If the  
10 reorganization plan is approved by a majority of electors residing within the boundaries of the  
11 proposed new district, the building fund levy becomes effective, notwithstanding any other voter  
12 approval requirement in section 57-15-16.

13 **SECTION 2.** A new section to chapter 15.1-12 of the North Dakota Century Code is  
14 created and enacted as follows:

15 **Reorganization plan - Interim fund balance.**

- 16 1. The reorganization plan must specify whether the balance in the interim fund of  
17 each district participating in the reorganization is to be wholly or partially allocated  
18 to the general fund of the newly reorganized district.
- 19 2. If the reorganization plan provides that the balance in the interim fund of each  
20 district participating in the reorganization is to be wholly allocated to the general  
21 fund of the newly reorganized district, the reorganization plan may also provide  
22 that the general fund mill levy applicable to property in those participating districts  
23 having a general fund mill levy that is lower than the proposed general fund mill

1           levy for the reorganized district may be raised incrementally, over a period of five  
2           years, to the level proposed for the reorganized district.

3           3.    a.   If the reorganization plan provides that the balance in the interim fund of each  
4               district participating in the reorganization is to be partially allocated to the  
5               general fund of the newly reorganized district, then each participating district  
6               shall divide the amount of its interim fund balance on the day preceding the  
7               effective date of the reorganization by the number of students in average daily  
8               membership in the district during the school year concluding on the day  
9               preceding the effective date of the reorganization.

10          b.   The participating district having the lowest per student interim fund balance  
11               must contribute the total amount of its interim fund balance to the general  
12               fund of the newly reorganized district.

13          c.   Each of the other participating districts shall multiply the lowest district's per  
14               student interim fund amount by the number of students in average daily  
15               membership in their respective districts during the school year concluding on  
16               the day preceding the effective date of the reorganization. Each of the other  
17               participating districts must contribute the lesser of the amount arrived at under  
18               this subdivision or the total amount in its interim fund to the general fund of  
19               the newly reorganized district.

20          d.   If after complying with the requirements of subdivision c, a participating  
21               district has a balance available in its interim fund, the reorganization plan  
22               must allow that balance to be used by or on behalf of property owners  
23               residing within the boundaries of that participating district, as a proportionate  
24               credit against any property taxes owed by the property owners. The  
25               reorganization plan must determine the manner in which the proportionate  
26               credit must be used. The credit may be used either in its entirety on a single  
27               occasion or applied to several taxable years. The credit may not be used  
28               beyond the fifth taxable year.

29           **SECTION 3. AMENDMENT.** Section 15.1-12-11.1 of the 1999 Supplement to the  
30   North Dakota Century Code is amended and reenacted as follows:

31           **15.1-12-11.1. Reorganization bonus - Eligibility - Distribution.**

1. If a school district reorganizes with one or more contiguous school districts or portions of districts, the newly reorganized district is entitled to receive a reorganization bonus, provided at least one of the reorganizing districts is a high school district and that the newly reorganized district ~~consists~~:
  - a. Consists of at least eight hundred square miles [207198 hectares]; or
  - b. Consists of at least five hundred square miles [129499 hectares], has a student enrollment of at least five hundred twenty, and had no practical reorganization alternatives that would have allowed it to meet the requirements of subdivision a.
2. The total reorganization bonus to which a newly reorganized district is eligible consists of:
  - a. Fifty thousand dollars per one hundred square mile [25899 hectares] block, or a major portion thereof, included within the reorganized district and calculated by determining the lesser of the total square mileage [hectares] of the reorganized district or one thousand four hundred square miles [362597 hectares], and subtracting from that amount the square mileage [hectares] of the largest district or portion of a district involved in the reorganization;
  - b. One thousand dollars per student calculated by determining the lesser of the total fall enrollment of the newly reorganized district or seven hundred fifty and subtracting from that amount the fall enrollment in the district or portion of the district that had the largest student population of those districts or portions of districts participating in the reorganization during the school year immediately preceding the effective date of the reorganization; and
  - c. Fifty thousand dollars for each whole school district that formed the reorganized district.
3. The superintendent of public instruction shall distribute the reorganization bonus to each eligible reorganized district during the month of December, following the effective date of the district's reorganization.

**SECTION 4.** A new section to chapter 15.1-12 of the North Dakota Century Code is created and enacted as follows:

**Reorganization bonus - Advanced payment.**

- 1           1. If the boards of two or more school districts vote to study the feasibility and  
2           desirability of reorganizing with each other, the boards may apply to the  
3           superintendent of public instruction for an advanced reorganization payment.
- 4           2. The superintendent of public instruction shall advance a payment of fifteen  
5           thousand dollars to the board of each school district that voted to study the  
6           reorganization, provided that at least one of the participating districts is a high  
7           school district and that the districts, if reorganized, would qualify for a  
8           reorganization bonus under section 15.1-12-11.1.
- 9           3. If the school districts reorganize, the superintendent of public instruction shall  
10           deduct any money advanced under this section from the amount of the bonus due  
11           the newly reorganized district under section 15.1-12-11.1.
- 12           4. If the school districts fail to reorganize, each district must repay the amount  
13           advanced by the superintendent of public instruction under this section, at the time  
14           and in the manner determined by the superintendent of public instruction.