

**FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2158**

Introduced by

Senators Schaible, Myrdal

Representatives Monson, Hatlestad

1 A BILL for an Act to amend and reenact section 15.1-12-29 of the North Dakota Century Code,  
2 relating to the distribution of the unobligated cash balance of a dissolved school district; and to  
3 declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 15.1-12-29 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15.1-12-29. Dissolution of school district - Unobligated cash balance - Tax credits or**  
8 **refunds - Distribution to another political subdivision.**

9 1. After ten thousand dollars is set aside, as required by section 15.1-12-28, and after the  
10 required amount is deposited in the reimbursement account for job service North  
11 Dakota, as required by section 15.1-12-28.1, ~~any:~~

12 a. Any remaining unobligated cash balance, up to an amount equaling a dissolved  
13 school district's general fund expenditure for the last school year before the  
14 district's dissolution is a credit for real property owners within the boundaries of  
15 the dissolved school district, against taxes levied by the district to which their  
16 property is now attached. If property from the dissolved district is attached to  
17 more than one school district, the percentage of the total credit to which each  
18 eligible real property owner is entitled must equal the percentage that the taxable  
19 valuation of the individual's real property bears to the total taxable valuation of  
20 the dissolved district's property at the time of the attachment order; or

21 b. The county committee may distribute the remaining unobligated cash balance not  
22 exceeding five hundred thousand dollars to another political subdivision located

1                   partially or wholly within the geographic boundaries of the dissolving school  
2                   district. After distributing the funds, the county committee shall distribute any  
3                   remaining unobligated cash balance in accordance with subdivision a.

- 4           2. Upon approval of the board of county commissioners, any school district ~~required to~~  
5           ~~provide~~providing a tax credit under subdivision a of subsection 1 may provide a cash  
6           refund in lieu of the tax credit. At the request of the county auditor, the school district  
7           holding the unobligated cash balance available under subdivision a of subsection 1  
8           shall pay to the county treasurer the amount to be paid to those who own real property  
9           within the dissolved district. The treasurer shall issue the refund to the owner of the  
10          property as shown on the county's assessment list at the time of payment. If there is a  
11          lien for unpaid taxes against the property, the treasurer shall first apply the property  
12          owner's tax credit toward any outstanding balance. Any amount remaining may then  
13          be paid to the property owner. The cash refunds must be calculated proportionately to  
14          the total taxable value of the dissolved district during the last year taxes were levied.
- 15          3. After the requirements of subdivision a of subsection 1 have been met, the county  
16          auditor shall distribute any remaining unobligated cash balance among the school  
17          districts to which the real property of the dissolved district was attached. The  
18          percentage of the remaining unobligated cash balance to which each school district is  
19          entitled equals that percentage of the dissolved district's total taxable valuation which  
20          was attached to the receiving school district.

21       **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.