

EDUCATION

CHAPTER 158

HOUSE BILL NO. 1045

(Bier, Knudson, G. Larson, R. Peterson, Stoltenow, Stone, Wagner)

EDUCATION LAW REVISION

AN ACT to create and enact sections 15-19-08, 15-38-04.1, and 15-47-02.1, and chapters 15-20.1, 15-34.1, 15-34.2, 15-40.1, 15-40.2, and 15-53.1 of the North Dakota Century Code, relating to high school correspondence work, school holidays, discontinuance of schools, vocational education and vocational rehabilitation, compulsory attendance, transportation, state school aid, transfer of students and nonresident tuition, reorganization, annexation, and involuntary dissolution; to amend and reenact sections 12-10-06, 15-22-09, 15-28-01, and 15-28-02, subsections 1, 2, 3, and 14 of section 15-29-08, sections 15-41-06, 15-47-21, 15-47-27, 15-47-33, and 15-49-02, subsection 3 of section 57-15-14, sections 57-15-24, 57-16-04, 57-55-03, 57-55-04, and 16-01-15 of the North Dakota Century Code, relating to personal interest in contracts by public officers, duties of county superintendents, school board elections, powers and duties of school boards, equalization of assets and liabilities among school districts, time for renewal of teachers' contracts, high school course requirements, length of school term, personal interest in school district contracts, tax levy limitations in school districts, county mill levy for schools, mobile home taxation, and voting on certain questions; and to repeal sections 15-22-21, 15-22-22, 15-38-04, 15-41-18, 15-41-19, 15-47-19, and 15-47-20, and chapters 15-20, 15-27, 15-34, 15-40, and 15-53 of the North Dakota Century Code, relating to vocational education and vocational rehabilitation, organization and dissolution of public school districts, compulsory attendance, transportation, state school aid, reorganization, annexation, dissolution of school districts, notice of hearing on dissolution, school holidays, admission of nonresident high school students and tuition fees, equalization of indebtedness by arbitration, and levy by board of arbitration.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) Section 15-19-08 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-19-08. HIGH SCHOOL CORRESPONDENCE WORK.) The amount of

money appropriated by the legislative assembly for correspondence work for a biennium, or so much thereof as may be necessary, shall be expended first by the state board of public school education for high school work by correspondence.

SECTION 2.) Section 15-38-04.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-38-04.1. SCHOOL HOLIDAYS DEFINED.) The following days shall be school holidays, and schools shall not be in session thereon:

1. Every Sunday;
2. New Year's Day, the first day of January;
3. The anniversary of the Declaration of Independence, the fourth day of July;
4. Christmas Day, the twenty-fifth day of December;
5. Memorial Day, the last Monday in May;
6. Thanksgiving Day, the fourth Thursday in November;
7. Good Friday, the Friday next preceding Easter Sunday; and
8. Every day appointed by the president of the United States or by the governor of this state for a public holiday;

provided that, if the first day of January, the fourth day of July, or the twenty-fifth day of December falls upon a Sunday, the school holiday shall be the Monday following. Schools shall be in session as usual on all other legal holidays which do not fall upon a Saturday or Sunday, provided that at least one hour shall be devoted to patriotic exercises consistent with the day. In communities in which community celebrations are held, school shall not be held when so prescribed by the school board on Veterans' Day, the fourth Monday in October; nor shall school be held when so prescribed by the school board, in a schoolhouse which is used as a polling place on a day upon which an election is held throughout the state. If any holiday upon which schools are to be closed under this section falls upon a day which would otherwise be a school day, school districts shall be entitled to foundation aid payments and teachers shall be paid therefor.

SECTION 3.) Section 15-47-02.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-47-02.1. DISCONTINUANCE OF SCHOOLS BY SCHOOL BOARD.) Any elementary or high school may be discontinued by action of

the school board when proper and convenient school facilities for the pupils can be provided in some other public school. In determining what constitutes proper and convenient school facilities, the board shall consider the distance of each child from the nearest other school and all surrounding circumstances. The board may furnish transportation to the nearest school, or may pay an extra allowance over and above the schedule of payments provided for in section 15-34.2-03 or furnish the equivalent thereof in tuition or lodging at some other public school. In case of a dispute between a parent or guardian of a pupil of the school district and the board as to whether the board has furnished or arranged to furnish adequate facilities, the matter may be submitted by such parent or guardian to the board of arbitration consisting of the county superintendent of schools, one arbitrator named by the parent or guardian, and one arbitrator named by the board, and the determination of the arbitrators, after hearing, shall be binding.

SECTION 4.) Chapter 15-20.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

* 15-20.1-01. DEFINITIONS.) In this chapter, unless the context or subject matter otherwise requires:

1. "State board" shall mean the state board of vocational education which is the state board of public school education.
2. "Director" shall mean the director of vocational education.
3. "Division" shall mean the division of vocational rehabilitation established by this chapter.
4. "Division director" shall mean the director of the division of vocational rehabilitation.
5. "Employment handicap" shall mean a physical or mental condition which constitutes, contributes to, or, if not corrected, will probably result in an obstruction to occupational performance.
6. "Disabled individual" shall mean any person who has a substantial employment handicap.
7. "Vocational rehabilitation" and "vocational rehabilitation services" shall mean any services provided directly or through public or private instrumentalities, found by the director to be necessary to compensate a disabled individual for his employment handicap, and to enable him to engage in a remunerative occupation including, but not limited to, medical and vocational diagnosis, vocational guidance, counseling and placement rehabilitation training, physical restoration,

*NOTE: Section 15-20.1-01 was also amended by section 1 of House Bill No. 1533, chapter 171.

transportation, occupational licenses, customary occupational tools and equipment maintenance, and training books and materials.

8. "Rehabilitation training" shall mean all necessary training provided to a disabled individual to compensate for his employment handicap including, but not limited to, manual, preconditioning, prevocational, vocational, and supplementary training and training provided for the purpose of achieving broader or more remunerative skills and capacities.
9. "Physical restoration" shall mean any medical, surgical, or therapeutic treatment necessary to correct or substantially reduce a disabled individual's employment handicap within a reasonable length of time including, but not limited to, medical, psychiatric, dental and surgical treatment, nursing services, hospital care, convalescent home care, drugs, medical and surgical supplies, and prosthetic appliances, but excluding curative treatment for acute or transitory conditions.
10. "Prosthetic appliance" shall mean any artificial device necessary to support or take the place of a part of the body or to increase the acuity of a sense organ.
11. "Occupational licenses" shall mean any license, permit, or written authority required by any governmental unit to be obtained in order to engage in an occupation.
12. "Maintenance" shall mean money payments not exceeding the estimated cost of subsistence during vocational rehabilitation.
13. "Regulations" shall mean regulations made by the director, or the division director, as the case may be, with the approval of the state board.

15-20.1-02. STATE BOARD OF VOCATIONAL EDUCATION - DIRECTOR OF VOCATIONAL EDUCATION - APPOINTMENT, QUALIFICATIONS, ASSISTANTS, DUTIES.) The state board of public school education shall be the state board of vocational education. The state board, acting through the office of the superintendent of public instruction, shall appoint a director and executive officer for vocational education who shall be charged with the administration, under the direction and supervision of the board, of the provisions of this chapter relating to vocational education. The state board, acting through the office of the superintendent of public instruction, shall designate such assistants to the director as may be necessary to carry out the provisions of this chapter. The duties, terms of office, and compensation of the director and of his assistants shall be determined by the state board. The

director shall hold as a minimum a baccalaureate degree received from a recognized college or university. He shall enforce such rules and regulations as the state board may adopt and shall prepare such reports concerning vocational education as the state board may require.

15-20.1-03. POWERS AND DUTIES OF STATE BOARD RELATING TO VOCATIONAL EDUCATION.) The state board shall have all authority necessary to cooperate with the United States office of education in the department of health, education, and welfare, or other department or agency of the United States of America in the administration of acts of Congress relating to vocational education, including the following powers and duties:

1. To administer any legislation enacted by the legislative assembly of this state pursuant to or in conformity with acts of Congress relating to vocational education.
2. To administer the funds provided by the federal government and by this state for the promotion of vocational education, and to contract with:
 - a. Any public or private institution or agency, board of trustees of any agricultural and training school, or school district of this state; or
 - b. Any public or private institution or agency, or political subdivision of another state.
3. To formulate plans for the promotion of vocational education in such subjects as are an essential and integral part of the public school system of education in this state.
4. To provide for the preparation of teachers.
5. To fix the compensation of such officers and assistants as may be necessary to administer the federal acts and the provisions of this chapter relating to vocational education and to pay the same and other necessary expenses of administration from any funds appropriated for such purpose.
6. To make studies and investigations relating to vocational education.
7. To promote and aid in the establishment of schools, departments, or classes, and to cooperate with local communities in the maintenance of vocational schools, departments, or classes.
8. To prescribe the qualifications and provide for the certification of teachers, directors, and supervisors.

9. To cooperate with governing bodies of school districts and with organizations and communities in the maintenance of classes for the preparation of teachers, directors, and supervisors of vocational education, to maintain classes for such purposes under its own direction and control, and to establish and control, by general regulations, the qualifications to be possessed by persons engaged in the training of vocational teachers.

15-20.1-04. ACCEPTANCE OF BENEFITS OF FEDERAL ACTS IN VOCATIONAL EDUCATION AND VOCATIONAL REHABILITATION - COOPERATION WITH FEDERAL GOVERNMENT.) The state of North Dakota hereby accepts all of the provisions and benefits of the acts of Congress to assist states to:

1. Maintain, extend, and improve existing programs and develop new programs in vocational education; and
2. Provide for the vocational rehabilitation of disabled persons

in accordance with state statutes and policies of the state board, and the state board shall comply with such conditions as may be necessary to secure the full benefit of such acts. The state board shall cooperate pursuant to agreement with the federal government in carrying out the purposes of any federal act pertaining to vocational education and vocational rehabilitation, and shall adopt such methods of administration as may be found by the federal government to be necessary for the proper and efficient operation of such agreement.

*15-20.1-05. CUSTODY AND PAYMENT OF VOCATIONAL EDUCATION AND VOCATIONAL REHABILITATION FUNDS.) The state board shall be charged with the duty of administering all funds that are received from federal and state sources for vocational education and vocational rehabilitation purposes. All such moneys received shall be placed in the custody of the state treasurer, and shall be paid by the department of accounts and purchases as directed by certificate of the state board.

15-20.1-06. REIMBURSEMENT OF SCHOOLS TEACHING SUBJECTS IN VOCATIONAL EDUCATION.) The state board shall reimburse approved public or private institutions or agencies, or political subdivisions of this state or of another state, giving instruction in vocational education from funds allocated for that purpose. The state board may prorate the sums available if funds are insufficient to reimburse at the rate established by the state board.

15-20.1-07. COOPERATION OF SCHOOL BOARDS IN VOCATIONAL EDUCATION.) The governing body of any school district and the board of trustees of any county agricultural and training school

*NOTE: Section 15-20.1-05 was also amended by section 2 of House Bill No. 1533, chapter 171.

may cooperate with the state board in the establishment and maintenance of schools, departments, or classes giving instruction in vocational education as approved by the state board, and may use any moneys raised by public taxation for such purposes in the same manner as the moneys for other school purposes are used for the maintenance and support of public schools. When any school, department, or class giving instruction in vocational education has been approved by the state board, it shall be entitled to share in any federal and state funds available for vocational education.

15-20.1-08. 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 of those voting on the question at a countywide special, primary, or general election, and after a public hearing has been held thereon.

15-20.1-09. 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 be governed by title 15 of this Code and 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 sections 15-20.1-08 through 15-20.1-11.

15-20.1-10. SPECIFIC POWERS - TUITION PAYMENTS - BOND ISSUES.) The school board of a vocational school district is specifically authorized to accept on behalf of the district any real or personal property available for distribution 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 enrollments 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.

15-20.1-11. 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 for approval, and only an approved curriculum shall be offered.

15-20.1-12. DIRECTOR OF DIVISION OF VOCATIONAL REHABILITATION.) The state board shall contain a division of vocational rehabilitation. The division shall be administered, under the general supervision and direction of the state board by the division director appointed by such board, in accordance with established personnel standards and on the basis of his education, training, experience, and demonstrated ability. In carrying out his duties under this chapter, the division director:

1. Shall make regulations governing personnel standards, the protection of records and confidential information, the manner and form of filing applications, eligibility and investigation and determination thereof for vocational rehabilitation services, procedures for fair hearings, and such other regulations as he finds necessary to carry out the purposes of this chapter relating to vocational rehabilitation.
2. Shall establish, with the approval of the state board, appropriate subordinate administrative units within the division.
3. Shall appoint, with the approval of the state board, such personnel as he deems necessary for the efficient performance of the functions of the division.
4. Shall prepare and submit to the state board annual reports of activities and expenditures and, prior to each regular session of the legislature, estimates of sums required for carrying out the provisions of this chapter relating to vocational rehabilitation, and estimates of the amounts to be made available for this purpose from all sources.
5. Shall make certification for disbursement, in accordance with regulations, of funds available for vocational rehabilitation purposes.

6. Shall take, with the approval of the state board, such other action as he deems necessary or appropriate to carry out the provisions of this chapter relating to vocational rehabilitation.
7. May delegate, with the approval of the state board, to any officer or employee of the division such of his powers and duties, except the making of regulations and the appointment of personnel, as he finds necessary to carry out the provisions of this chapter relating to vocational rehabilitation.

15-20.1-13. ADMINISTRATION OF VOCATIONAL REHABILITATION.) Except as otherwise provided by law, the state board shall provide vocational rehabilitation services to disabled individuals determined by the division director to be eligible therefor. In carrying out the purposes of this chapter, the division, among other things, may:

1. Cooperate with other departments, agencies, and institutions, both public and private, in providing for the vocational rehabilitation of disabled individuals, in studying the problems involved therein, and in establishing, developing, and providing, in conformity with the purposes of this chapter relating to vocational rehabilitation, such programs, facilities, and services as may be necessary or desirable.
2. Enter into reciprocal agreements with other states to provide for the vocational rehabilitation of residents of the states concerned.
3. Conduct research and compile statistics relating to the vocational rehabilitation of disabled individuals.

*15-20.1-14. REHABILITATION SERVICES PROVIDED TO ANY DISABLED INDIVIDUAL - ELIGIBILITY.) Vocational rehabilitation services shall be provided to any disabled individual who is:

1. A resident of the state at the time of filing his application therefor, and whose vocational rehabilitation the division director determines, after full investigation, can be satisfactorily achieved; or
2. Eligible therefor under the terms of an agreement with another state or with the federal government.

*15-20.1-15. REHABILITATION SERVICES PROVIDED TO DISABLED INDIVIDUALS REQUIRING FINANCIAL ASSISTANCE.) Except as may be otherwise provided by law or as may be specified in any agreement with the federal government with respect to classes of individuals certified to the state board thereunder, the following rehabilitation services shall be provided at public cost only to

*NOTE: Section 15-20.1-14 was also amended by section 3 of House Bill No. 1533, chapter 171.

*NOTE: Section 15-20.1-15 was also amended by section 4 of House Bill No. 1533, chapter 171.

disabled individuals found to require financial assistance with respect thereto:

1. Physical restoration.
2. Transportation not provided to determine the eligibility of the individual for vocational rehabilitation services and the nature and extent of the services necessary.
3. Occupational licenses.
4. Customary occupational tools and equipment.
5. Maintenance.
6. Training books and materials.

15-20.1-16. GIFTS - AUTHORIZATION TO ACCEPT AND USE.) The director and the division director, with the approval of the state board, may accept and use gifts made unconditionally by will or otherwise for carrying out the purposes of this chapter. Gifts made under such conditions as in the judgment of the state board are proper and consistent with the provisions of this chapter may be so accepted and shall be held, invested and reinvested, and used in accordance with the conditions of the gift.

15-20.1-17. MAINTENANCE NOT ASSIGNABLE.) The right of a disabled individual to vocational rehabilitation maintenance under this chapter shall not be transferable or assignable at law or in equity.

15-20.1-18. HEARINGS ALLOWED TO AGGRIEVED PERSONS.) Any individual applying for or receiving vocational rehabilitation who is aggrieved by any action or inaction of the division shall be entitled, in accordance with regulations, to a fair hearing by the state board.

15-20.1-19. MISUSE OF VOCATIONAL REHABILITATION LISTS AND RECORDS.) It shall be unlawful, except for purposes directly connected with the administration of the vocational rehabilitation program, and in accordance with regulations prescribed by the state board, for any person or persons to solicit, disclose, receive, or make use of, or authorize, knowingly permit, participate in, or acquiesce in the use of any list of, or names of, or any information concerning persons applying or receiving vocational rehabilitation, directly or indirectly derived from the records, papers, files, or communications of the state or subdivisions or agencies thereof, or acquired in the course of the performance of official duties.

15-20.1-20. LIMITATION OF POLITICAL ACTIVITY.) No officer or employee engaged in the administration of the vocational rehabilitation program shall use his official authority or influence, or permit the use of the vocational rehabilitation

program, for the purposes of interfering with an election or affecting the results thereof, or for any partisan political purposes. No such officer or employee shall take any active part in the management of political campaigns or participate in any political activity, except that he shall retain the right to vote as he may please and to express his opinion as a citizen on all subjects. No such officer or employee shall solicit or receive, nor shall any such officer or employee be obliged to contribute or render any service, assistance, subscription, assessment, or contribution for any political purpose. Any officer or employee violating this provision shall be subject to discharge or suspension.

15-20.1-21. REPORT OF STATE BOARD TO GOVERNOR AND SECRETARY OF STATE.) The state board shall make a biennial report to the governor and the secretary of state on or before the first day of October of each even-numbered year as prescribed by section 54-06-03 and subsection 6 of section 54-06-04. The state board in its report shall set forth the condition of vocational education and vocational rehabilitation in the state, a list of the schools to which federal and state aid for vocational education and vocational rehabilitation has been given, and a detailed statement of the expenditures of federal and state funds for that purpose.

SECTION 5.) Chapter 15-34.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-34.1-01. COMPULSORY ATTENDANCE.) Every parent, guardian, or other person who resides within any school district, or who resides upon any government base or installation without any school district, and has control over any educable child of an age of seven years to sixteen years who does not fall under the provisions of sections 15-34.1-02 or 15-34.1-03, shall send or take such child to a public school each year during the entire time such school is in session.

*15-34.1-02. COMPULSORY ATTENDANCE - DEAF, MUTE, BLIND, OR MENTALLY DEFICIENT PERSONS.) Every parent, guardian, or other person who has control over any deaf, mute, blind, or mentally deficient child of an age of seven years to twenty years, inclusive, shall send the child, if deaf or mute, to the school for the deaf at Devils Lake or other adequate institution for the entire school year, unless excused by the superintendent of that institution; and if blind, to the school for the blind at Grand Forks or other adequate institution for the entire school year, unless excused by the superintendent of said institution; and if mentally deficient, to the state school at Grafton or other adequate institution for the entire school year, unless excused by the superintendent of that institution. Adequate institution shall mean any school, public or private, specializing in the training of handicapped children as stated.

15-34.1-03. COMPULSORY ATTENDANCE - EXCEPTIONS.) The

*NOTE: Section 15-34.1-02 was also amended by section 3 of House Bill No. 1479, chapter 162.

parent, guardian, or other person having control of a child required to attend school by the provisions of this chapter shall be excused by the school board from causing the child to attend school whenever it shall be shown to the satisfaction of the board, subject to appeal as provided by law, that one of the following reasons exists:

1. That the child is in attendance for the same length of time at a parochial or private school approved by the county superintendent of schools. No such school shall be approved unless the branches of instruction usually taught in the public schools are taught therein. The approval or disapproval of such school by the county superintendent shall be subject to appeal to the superintendent of public instruction.
2. That the child has acquired the branches of learning taught in the public schools and has completed high school.
3. That the child actually is necessary to the support of his family, which shall be a question of fact to be determined by the governing board of the district with the approval of the county superintendent of schools, and such determination shall be subject to review by the superintendent of public instruction on appeal.
4. That the child is in such physical or mental condition as to render attendance or participation in the regular or special education program inexpedient or impracticable. Such condition shall be shown by a declaration of a licensed physician if required by the board.

15-34.1-04. PROSECUTION FOR VIOLATION OF COMPULSORY ATTENDANCE LAW - OFFICERS CHARGED WITH ENFORCEMENT.) Every school board member, school superintendent, principal, truant officer, and teacher in any school system in this state, and every county superintendent of schools shall be charged with the enforcement of the provisions of this chapter relating to compulsory school attendance. Such enforcement shall extend to all children who are offered school facilities by the district, regardless of whether or not they actually reside within the district. Such persons shall inquire into all cases of alleged violation of such provisions and shall obtain from any parent, guardian, or other person having custody of any child of school age not attending school in accordance with the requirements of this chapter the reason, if any, for such absence. In school districts not having a school superintendent, the county superintendent of schools shall be notified of any violation of the compulsory school attendance law, and such county superintendent shall report the facts of the violation to the state's attorney of the county. In school districts which have a school superintendent, the school

superintendent or principal shall report to the state's attorney of the county the facts in connection with any violation of the compulsory attendance law. The state's attorney shall prosecute any person who violates the compulsory school attendance provisions of this chapter. The school board of any school district having more than five hundred inhabitants may employ a truant officer to assist in the enforcement of the compulsory school attendance provisions.

* 15-34.1-05. VIOLATION OF COMPULSORY ATTENDANCE PROVISIONS - PENALTY.) Any parent, guardian, or other person failing to comply with the requirements of this chapter is guilty of a misdemeanor and shall be punished by a fine of not less than five dollars nor more than twenty-five dollars for the first offense, and by a fine of not less than ten dollars nor more than fifty dollars for the second and each subsequent offense.

SECTION 6.) Chapter 15-34.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-34.2-01. VEHICULAR TRANSPORTATION OR LODGING MAY BE FURNISHED AT OPTION OF SCHOOL BOARD.) The school board of any school district in the state, in its discretion, may furnish to each family living in the district:

1. Vehicular transportation; or
2. The equivalent of the payments specified in section 15-34.2-03 in lodging at some other public school if the same is acceptable to the family.

The board shall not accord the benefits of either subsection 1 or subsection 2 of this section to any family which is receiving payments under section 15-34.2-03. In the event any school board elects to furnish vehicular transportation by public conveyance, the distance that each student must reside from his school in order to be entitled to such transportation may be determined by the school board in each district, but all students in the district shall be treated on the same basis in accordance with such determination. The furnishing of benefits under this chapter may be extended to families living in the district for the purpose of transporting students to another school district or county agricultural and training school within the state, or another school district outside the state, if the attendance of such students in the other districts is in accordance with the provisions of this title governing the same.

15-34.2-02. TRANSPORTATION OF NONRESIDENT STUDENTS - AGREEMENT - EXCEPTION.) 1. The school board of any school district may furnish vehicular transportation to nonresident students. No transportation shall be furnished unless the district of the students' residence and the admitting district have entered into an agreement for such transportation. Any

*NOTE: Section 15-34.1-05 was also amended by section 1 of Senate Bill No. 2503, chapter 177.

district that furnishes transportation to nonresident students but has not entered into an agreement with the district of the students' residence therefor, shall not be entitled to receive any county equalization fund or state payments for the transportation of the nonresident students.

2. Notwithstanding the provisions of subsection 1 of this section, transportation may be provided to nonresident students whose parents or guardians have entered into an agreement for the payment of tuition costs for such students, and have agreed to pay the transportation costs. The amount of such transportation costs shall be determined by the school board of the admitting district, and shall not exceed the average per-pupil cost of transportation.

15-34.2-03. TRANSPORTATION - PAYMENT OPTIONAL WITH SCHOOL BOARD - SCHEDULE.) The school board of any school district in the state may pay, in its discretion, to each family living more than two miles from a school in the district which is taught the required length of time, a sum per day for each day's attendance of a student or students of such family, when transported by a member of the family or by a conveyance furnished or paid for by the family, or when the family has paid for lodging for the child, according to the distance between the home of the family and the school, at the rate of ten cents per day for each one-half mile over two miles. Such distance shall be measured by the route from the front door of the nearest operating school to the front door of the family's residence according to the most convenient public course of travel. Payments for transportation shall not be limited to the amount set forth in this section where the student or students are required to be transported to another school because the school which they had been attending is closed.

15-34.2-04. DEMAND FOR PAYMENT, WAIVER.) Demand for any payments authorized by a school board under the provisions of this chapter shall be made by the family entitled thereto before the close of the school year, or the same shall be deemed to be waived. Any payment which has not been made within one year following the date of the demand shall be deemed to have been refused and the claim to have expired.

15-34.2-05. TRANSPORTATION EXPENSE - REPORT OF CLERK.) The clerk of the school board shall include an item in his annual statement setting forth any amounts spent for transportation of students or in making any payment in lieu of transportation.

15-34.2-06. PAYMENT OF BOARD AND LODGING FOR HIGH SCHOOL STUDENTS PERMITTED - LEVY.) If more convenient or economical, any school district may pay a reasonable allowance instead of providing vehicular transportation for eligible high school students residing in the district to attend a county agricultural and training school or a high school in another district. Any school

district that furnishes either transportation or an allowance for board and lodging for students attending high schools in another district may levy a tax not to exceed five mills for such purposes, which levy shall not be subject to any mill levy limitations prescribed by law.

15-34.2-07. VEHICULAR TRANSPORTATION - BIDS, CONTRACTS, BONDS.) The school board of any school district which furnishes vehicular transportation to any of its schools, prior to the opening of school each year, shall enter into written contracts for the furnishing of such transportation for the ensuing school year. If the vehicle furnished is privately owned, the owner or lessee of the vehicle and the school board may enter into a contract, which shall not exceed seven years' time. The board shall give at least ten days' notice of the time and place of the letting of such contracts and shall call for sealed bids therefor by publication in a newspaper of general circulation within such district. The notices shall describe the route to be covered by each contract and shall state that the board reserves the right to reject any and all bids, that a bond will be required of each successful bidder in the sum of five hundred dollars or such greater sum as may be set by the board, conditioned for the faithful performance of the duties prescribed by the contract, and that the bids submitted must name the person or persons who will operate the vehicle and describe the nature of the vehicle.

15-34.2-08. CONTRACT FOR VEHICULAR TRANSPORTATION - CONDITIONS FOR GRANTING.) The school board shall let the contract, in each case, to the lowest responsible bidder who furnishes a bond as described in section 15-34.2-07, which will be approved by the board, and who agrees to use a vehicle which, in the judgment of the board, meets standards imposed by the superintendent of public instruction under sections 39-21-27 and 39-21-27.1, is a safe, comfortable, and suitable vehicle for the purpose, and who names one or more drivers who, in the judgment of the board, are competent and responsible. No contract shall be entered into with any member of the board, but a member of the board may be designated in the contract as the operator of a vehicle.

15-34.2-09. CONTENTS OF VEHICULAR TRANSPORTATION CONTRACT - RESTRICTIONS.) The superintendent of public instruction shall prepare a standard form of contract for the furnishing of vehicular transportation and shall distribute copies thereof, upon request, to the various school districts. A contract for the furnishing of vehicular transportation shall:

1. Provide for the operation of any vehicle used in such transportation by the person or persons named in the contract.
2. Describe the vehicle or vehicles which shall be used for the transportation.
3. Describe the route or routes as fixed by the school

board which the vehicle or vehicles described in the contract shall cover, and provide for the amount of compensation to be paid for transportation.

4. Provide that in case it shall become necessary to change in any particular the route or routes specified in the contract, an equitable adjustment of the compensation payable under the contract shall be made by the board and the contract holder.

The contract shall be assignable only upon the written approval of the board. No vehicle other than one described in the contract shall be used to transport students and no person other than the persons named in the contract shall operate any school bus without the written permission of the school board. In temporary emergencies, the president of the board may grant such permission in writing, but permission given by the president of the board under this section shall be valid only until the next regular or special meeting of the board.

15-34.2-10. ARBITRATION OF DISAGREEMENT AS TO COMPENSATION ON CHANGE OF ROUTE.) In case of a change in the route or routes specified in a vehicular transportation contract and the failure of the school board and the contract holder to agree on an adjustment of the compensation specified in the contract, the matter shall be submitted to arbitration. One arbitrator shall be appointed by the board, and one shall be appointed by the contract holder. The two arbitrators thus appointed shall appoint a third arbitrator. The award of the arbitrators shall adjust the compensation of the contract holder to meet the changed situation and shall be binding upon the district and the contract holder.

15-34.2-11. TRANSPORTATION OF STUDENTS - AUTHORITY OVER DRIVERS AND STUDENTS.) The operator or operators of vehicles used in the transportation of students under a contract entered into as provided in this chapter shall be under the supervision and direction of the board, superintendent, principal, and teachers of the schools at all times while on duty. The disciplinary authority of the schools shall exist over all students while being transported to and from the schools, and the operator shall be charged with their control and discipline while they are being transported.

15-34.2-12. SCHOOL BOARDS' AUTHORITY TO PURCHASE SCHOOL BUS EQUIPMENT.) School boards shall have the power to purchase a bus body, a chassis, or a complete motor bus. Such bus body, chassis, or complete motor bus shall meet the standards set up under the authority of section 39-21-27.1. School boards shall be required to advertise for bids in accordance with the provisions of section 15-47-15. School boards may use money in the general fund to purchase a bus body, a chassis, or a complete motor bus on the installment plan, provided that the payment of such plan shall not extend over a period greater than four years.

15-34.2-13. STORAGE FACILITIES FOR BUSES.) School boards shall have the power to lease for purchase, purchase, or construct storage facilities for school buses upon advertised bids as provided in section 15-47-15. For the purpose of such lease for purchase, purchase, or construction, the school board may use moneys in the general fund or the building fund of the district which are not otherwise obligated.

15-34.2-14. QUALIFICATIONS, CHARACTER, AND AGE OF SCHOOL BUS DRIVERS.) The driver of a school bus shall be in good physical and mental health, able-bodied, free from communicable diseases, and shall have normal use of both hands, both feet, both eyes, and both ears. It shall be the duty of school boards to designate reputable physicians to examine each driver annually. It shall be the duty of each driver to present the physician's certificate of physical fitness to the employing school board before a contract is signed. Such driver shall possess a good moral character, shall be at least eighteen and not more than sixty-five years of age, and shall be required to have a North Dakota driver's license. The term school bus as used in this section shall mean a passenger motor vehicle having an actual seating capacity of twelve or more passengers.

15-34.2-15. TRANSPORTATION OF STUDENTS OUTSIDE STATE BY SCHOOL BUS - WHEN PERMITTED.) A school district may extend its route into a bordering state for the purpose of transporting students from such bordering state when the superintendent of public instruction has entered into a reciprocal agreement with such bordering state as provided in chapter 15-40.2.

15-34.2-16. TRANSPORTATION OF NONPUBLIC ELEMENTARY AND HIGH SCHOOL STUDENTS - CONDITIONS.) When authorized by the school board of a public school district providing transportation for public elementary and high school students, elementary and high school students attending nonpublic schools may be transported on public school buses to and from the point or points on established public school bus routes on such days and during the times that the public school district may authorize and agree to the transportation of such students only when there is passenger room available on such buses, according to the legal passenger capacity for such buses, when such buses are scheduled according to the provisions of this section; provided, however, no payments shall be made from county equalization funds or state funds for any mileage costs for any deviation from the established public routes which may be caused by any agreement entered into pursuant to this section.

*15-34.2-17. PREPARATION FOR RELIGIOUS DUTIES - ABSENCE FROM PUBLIC SCHOOLS - DEAF, BLIND, MENTALLY DEFICIENT MAY NOT BE PAID TRANSPORTATION.) Parents, guardians, or other persons having control of a child of compulsory school age may have such child excused from school attendance for the purpose of sending him to any parochial school to prepare such child for religious duties, for a total period of not exceeding six months in the

*NOTE: Section 15-34.2-17 was also amended by section 1 of House Bill No. 1046, chapter 178.

aggregate, and such period may extend over one or more years. No transportation shall be furnished and no payments shall be made under the provisions of this chapter for any child who is attending a parochial school under the provisions of this section nor for any deaf, blind, or mentally deficient child who is not attending the public schools of the district lawfully.

SECTION 7.) Chapter 15-40.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-40.1-01. DEFINITION OF "HIGH SCHOOL STUDENT".) As used in this chapter and in the provisions relating to payments from the county equalization fund, the term "high school student" shall include only students who:

1. Have completed all of the work of the first eight grades, but have not completed the work of the twelfth grade.
2. Are residents of this state.

15-40.1-02. STATE SCHOOL AID.) All payments authorized by this chapter shall be made by the state treasurer out of the general fund of the state within the limits of legislative appropriation.

15-40.1-03. COUNTY EQUALIZATION FUND - HOW CONSTITUTED.) There shall be in each county a county equalization fund which shall consist of the taxes collected by virtue of the mill levy made as provided by section 57-15-24 and payments from the state under the provisions of this chapter after the deductions are made as provided in section 15-39-23. The distribution of moneys in county equalization funds shall only be made pursuant to the provisions of this chapter. If an apportionment of a county equalization fund is withheld from any district, it shall be retained in the fund and disbursed in the same manner as other moneys in the fund. Grants from the state under the provisions of this chapter shall be converted into and become a part of the county equalization fund of each county.

15-40.1-04. DETERMINATION OF SUMS DUE COUNTY EQUALIZATION FUNDS.) For purposes of this section:

1. "County average" means the countywide average percentage of market value at which taxable property in a county has been assessed after final equalization.
2. "State average" means the statewide average percentage of market value at which all taxable property in the state has been assessed after final equalization.

Immediately following the final meeting of the state board of equalization, the state tax commissioner shall certify to the superintendent of public instruction the countywide average

percentage of market value at which all taxable property in each county has been assessed after final equalization and the state-wide average percentage of market value at which all taxable property in the state has been assessed after final equalization. The superintendent of public instruction shall then determine the amount of the grants-in-aid to which each county is entitled. Any county which, according to the certificate of the tax commissioner, has a county average that is equal to the state average, shall be entitled to a sum determined by subtracting from the full amount of the payments to be made in the county, the product of the taxable assessed valuation of property in the county multiplied by twenty and five-tenths mills, and the balance will be the amount of aid to which the county is entitled.

Any county which, according to the certificate of the tax commissioner, has a county average that is less than the state average, shall be entitled to a sum determined by subtracting from the full amount of the payments to be made in the county, the product of the taxable assessed valuation of property in the county after adjusting such valuation upwards to equal the taxable valuation of property that would have existed for such county had the property in such county been assessed at the state average, by twenty and five-tenths mills. The balance will be the amount of aid to which the county is entitled for such fund.

Any county which, according to the certificate of the tax commissioner, has a county average that is more than the state average, shall be entitled to a sum determined by subtracting from the full amount of the payments to be made in the county the product of the taxable assessed valuation of the property in the county after adjusting such valuation downwards to equal the taxable valuation of property that would have existed for such county had the property in such county been assessed at the state average, by twenty and five-tenths mills. The balance will be the amount of aid to which the county is entitled for such fund.

The superintendent of public instruction shall determine the product of the taxable valuation of property in the county, after adjusting such valuation upwards or downwards to equal the taxable valuation of property that would have existed for such county had the property in such county been assessed at the state average, by twenty-one mills. The superintendent of public instruction shall certify such amount to the county auditor of each county that has a county average that is less than or more than the state average, which shall be converted to mills and levied by the county auditor upon all taxable property in the county in lieu of the twenty-one mill levy specified in section 57-15-24.

15-40.1-05. 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, within the limits of legislative appropriation, on or before September fifteenth of each year. The 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 15-40.1-04, shall determine what amounts in addition to the September 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. On or before December first, the department of accounts and purchases shall pay to each county equalization fund, within the limits of legislative appropriation, the amounts needed in addition to the September fifteenth payment in order to constitute fifty percent of the sum found to be due under the provisions of this chapter. On or before February first, payments equal to one-fourth of the total payments shall be made to each respective equalization fund, and the balance shall be paid on or before April first.

*15-40.1-06. DECLARATION OF LEGISLATIVE INTENT.) It is the intent of the legislative assembly to support elementary and secondary education in this state from state and county funds based on the educational cost per pupil, exclusive of the cost of physical facilities, transportation, and current indebtedness. It is hereby found that the educational cost per pupil during the first year of the 1969-1971 biennium is two hundred thirty dollars and for the second year of the biennium the educational cost is two hundred forty dollars and shall be the basis for calculating grants-in-aid on a per-pupil basis as provided in sections 15-40.1-07 and 15-40.1-08. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 shall have an educational cost of two hundred twenty dollars, which shall be the basis for calculating grants-in-aid on a per-pupil basis as provided in section 15-40.1-07 for the school year of 1970-71.

15-40.1-07. HIGH SCHOOL PER-PUPIL PAYMENTS - AMOUNT - STUDENT ATTENDING SCHOOL IN FOREIGN STATE.) There shall be paid each year from the county equalization fund to all school districts operating high schools, to school districts contracting to educate high school pupils in a federal school, all county agricultural and training schools, the state school for the blind, the state school for the deaf, and the state industrial school, that amount of money resulting from multiplying the factor 1.32 times the educational cost per pupil as provided in section 15-40.1-06 for each high school pupil registered in such schools each year, subject to adjustment as provided in section 15-40.1-09. However, no payment shall be made for those pupils

*NOTE: Section 15-40.1-06 was also amended by section 1 of Senate Bill No. 2093, chapter 185.

for whom federal agencies provide education. 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, and the other standards prescribed by this chapter have been met. Districts that did not maintain high schools during the year of 1964-1965 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.

15-40.1-08. ELEMENTARY PER-PUPIL PAYMENTS - AMOUNT.) There shall be paid out of the county equalization fund to school districts of the county operating elementary schools, to school districts contracting to educate elementary pupils in a federal school, to the state school for the blind, the state school for the deaf, and the state industrial school, employing teachers holding valid certificates or permits, payments based on the number of registered students at the beginning of each school year, adjusted as provided in section 15-40.1-09, as follows:

1. In one-room rural schools there shall be paid that amount of money resulting from multiplying the factor of 1.25 times the educational cost per pupil as provided in section 15-40.1-06 for each of the first sixteen pupils in average daily membership, and for each additional pupil in average daily membership there shall be paid .9 times the educational cost per pupil as provided in section 15-40.1-06, except that no payment shall be made for more than twenty pupils in average daily membership.
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 1.0 times the educational cost per pupil as provided in section 15-40.1-06 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 .9 times the educational cost per pupil as provided in section 15-40.1-06, except that no payment shall be made for more than twenty-five pupils in average daily membership in each classroom or for each teacher.
3. In elementary schools having one hundred or more pupils in average membership there shall be paid that amount of money resulting from multiplying the factor of .9 times the educational cost per pupil as provided in section 15-40.1-06 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.

15-40.1-09. APPLICATION FOR PAYMENTS - VERIFICATION AND DETERMINATION OF PAYMENTS FOR HIGH SCHOOL STUDENTS - REPORT OF COUNTY SUPERINTENDENT OF SCHOOLS - APPEAL.) Immediately upon the completion of the registration of students at the beginning of each school term and in no event later than September tenth of each year, the clerk of each school district within or without this state which is claiming payments from a county equalization fund under the provisions of this chapter shall file with the county superintendent of schools a claim on a form prescribed by the superintendent of public instruction stating the number of students registered in high school and elementary grades for which payments are claimed, and such other information as may be reasonably requested by the superintendent of public instruction. Not later than December first, the superintendent of public instruction shall certify to the department of accounts and purchases a list of the school districts and schools not operated by school districts entitled to payments from the county equalization fund, together with the amounts to which the several districts and schools are entitled. Such certification shall include an adjustment in the amounts to which the districts and schools are entitled, based upon the difference between payments made under this chapter to such districts and schools for the previous school year as compared to the amount calculated, as provided in sections 15-40.1-07 and 15-40.1-08, upon the average daily membership during the previous school year. 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.

Immediately upon the termination of the school term and in no event later than July fifteenth of each year, the clerk of each school district within or without this state which has received payments from a county equalization fund under the provisions of this chapter shall file with the county superintendent of schools a verified statement of the name, residence, and membership of elementary and high school students as provided for in this section, and number of units of high school work taken by each high school student enrolled during the previous school year. Such statement shall be attested to by the county superintendent of schools. The county superintendent shall investigate the validity of the statement and shall determine the residence and other qualifications of each student named in the statement filed with him. He shall certify to the superintendent of public instruction on or before September first of each year the number of

enrolled students in each district in his county for the previous school year upon which any adjustment may be based as provided in this section. If any statement is disallowed in whole or in part, notice thereof and the names of students who are disallowed shall be reported to the superintendent of public instruction and to the district filing the statement. Any district may appeal to the superintendent of public instruction from the determination of the county superintendent of schools on or before September fifteenth in the year in which the determination is made. The superintendent of public instruction may change or modify the determination of the county superintendent if the evidence submitted by the district warrants a modification. The judgment of the superintendent of public instruction shall be final.

* 15-40.1-10. PAYMENTS OF COUNTY EQUALIZATION FUNDS TO SCHOOLS AND SCHOOL DISTRICTS.) County equalization funds shall be paid to schools and school districts as follows:

1. STATE PER-PUPIL PAYMENTS. As soon as possible after receiving per-pupil payments from the state as provided for in section 15-40.1-05, and in any event no later than September twenty-fifth, December fifteenth, February fifteenth, and April fifteenth, the county superintendent of schools shall certify to the county auditor a list of the schools or school districts within or without the state that are entitled to per-pupil payments from the county equalization fund and the amounts thereof. The county auditor shall pay to each district or school the amount certified upon receiving the certificate. Payments shall be made by auditor's warrants and shall be deposited in the general fund of the district or school.
2. COUNTY TWENTY-ONE MILL LEVY PER-PUPIL PAYMENTS. All moneys accumulated in the county equalization fund from the twenty-one mill county levy and from all other sources except the state per-pupil payments referred to in subsection 1 of this section, shall be paid by the county auditor, after certification by the county superintendent of schools, to the schools and school districts entitled thereto, on or before March thirty-first and May fifteenth of each year. Payments shall be made by auditor's warrants and shall be deposited in the general fund of the district or school.

If a school district embraces land in more than one county, the county superintendent of schools of the county in which the largest portion of the area of the school district is located shall determine the county equalization fund payments for such district and shall certify to the auditor of each county the amount to be paid by such county which shall be in the same ratio as the number of pupils of the school district residing in such county bears to the total number of pupils of the district.

*NOTE: Section 15-40.1-10 was also amended by section 1 of Senate Bill No. 2494, chapter 186.

15-40.1-11. FRACTIONAL PAYMENTS.) Should the moneys in the county equalization fund be insufficient to make all payments, the payments to the various school districts or schools shall be prorated by the county superintendent of schools on a fractional basis. When fractional payments are made, additional payments may be made from time to time as sufficient moneys come into such fund, so as to make full payments under this chapter, provided that if the appropriation made by the legislative assembly is inadequate to meet all claims against such appropriation and is thus the cause of the insufficiency in the county equalization fund, such prorated fractional payments made pursuant to this section shall constitute payment in full.

15-40.1-12. BALANCE IN FUND AFTER PAYMENTS - HOW DIVIDED.) Any balance remaining in the county equalization fund after making payments as provided for in sections 15-40.1-07, 15-40.1-08, and 15-40.1-18, shall be divided among those school districts with territory in the county. Each district with territory in the county shall receive a proportionate amount of the fund according to the average daily membership of students residing within the county, without regard to whether such students attend schools in that county or in another county. No payments shall be made for students attending school outside of the state.

15-40.1-13. RECEIPTS FROM FEDERAL FUNDS.) All moneys paid to the state by the secretary of the treasury of the United States under the provisions of an Act of Congress of February 25, 1920, chapter 85, 41 Statutes at Large, page 437, entitled "An Act to Promote the Mining of Coal, Phosphate, Oil, Oil Shale, Gas, and Sodium on the Public Domain", shall be credited to the state general fund and shall be distributed only pursuant to the terms of this chapter. Such moneys shall be deemed the first moneys withdrawn or expended from the general fund for state school aid purposes.

15-40.1-14. TAYLOR GRAZING ACT FUNDS - DISPOSITION.) Payments to the state from the federal government under the provisions of 43 United States Code 315i (the Taylor Grazing Act), shall be apportioned by the state treasurer among the counties in the state in the proportion that the number of acres of Taylor Grazing Act land in each county bears to the total amount of such land in the state. Such distributions shall be credited to the county equalization fund of the county receiving them and expended for the support of the public schools.

15-40.1-15. DEFINITIONS.) The following words when used in sections 15-40.1-16 through 15-40.1-18 shall have the meanings respectively ascribed to them in this section:

1. "School district" means any type of school district prescribed by the laws of this state.
2. "Route" means a highway, road, or street over and upon

which a school bus regularly travels in accordance with a schedule maintained for the transportation of pupils from their homes to schools.

3. "Daily mileage" means twice the distance computed to the nearest tenth of a mile traveled in a single trip by each school bus over its scheduled route or routes.
4. "School bus" means any vehicle or other means of conveyance owned or operated by a school district or any vehicle subject to a contract for transportation of school pupils in accordance with the provisions of section 15-34.2-07.

*15-40.1-16. 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 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.

15-40.1-17. APPLICATION FOR TRANSPORTATION PAYMENTS.) On or before July fifteenth of each year, the clerk of each school district in this state providing school bus transportation shall certify to the county superintendent of schools the number of school buses operated on a contract basis or owned and operated by the district, the manufacturer's rated pupil capacity of each such bus, the daily mileage each such bus traveled on a school bus route during the school year in transporting pupils to and from school, the amount of transportation payments claimed, and such other information as the superintendent of public instruction may require. On or before the first day of September in each year, the county superintendent of schools shall certify all claims for transportation payments submitted by school districts in the county to the state superintendent of public instruction. At the time the county superintendent of schools certifies such claims to the superintendent of public instruction, he shall also give notice to any district of any disallowance that may have been made by him in the claim for transportation payments. Any district may appeal the decision of the county superintendent of schools to the superintendent of public instruction on or before the fifteenth day of September of any year in which the determination is made. The superintendent of public instruction may change or modify the determination of the county superintendent if the evidence submitted by the district warrants a

*NOTE: Section 15-40.1-16 was also amended by section 1 of Senate Bill No. 2460, chapter 187.

modification. The judgment of the superintendent of public instruction shall be final.

15-40.1-18. STATE TRANSPORTATION PAYMENTS TO COUNTY EQUALIZATION FUND - COUNTY EQUALIZATION FUND TRANSPORTATION PAYMENTS TO SCHOOL DISTRICTS.) State payments to county equalization funds and the distribution of such payments from county equalization funds to school districts, as aid for transportation, shall be as follows:

1. STATE TRANSPORTATION PAYMENTS TO COUNTY EQUALIZATION FUNDS. The superintendent of public instruction shall determine the total amount of payments to be made to the county equalization fund of each county for transportation aid. The department of accounts and purchases shall pay the sum certified by the superintendent of public instruction to each county, where it shall be credited to the county equalization fund. Such payments shall be made in the same manner and at the same time as other payments from the state to county equalization funds are made, as provided in section 15-40.1-05.
2. COUNTY EQUALIZATION FUND PAYMENTS TO SCHOOL DISTRICTS. Payments from the county equalization fund to the respective school districts entitled to payment therefrom shall be upon warrant of the county auditor at the same time and in the same manner as state and county per-pupil payments from the county equalization fund to the respective school districts are made, as provided in section 15-40.1-10.

15-40.1-19. SUPERINTENDENT OF PUBLIC INSTRUCTION - RULE-MAKING POWER - PREPARATION OF BLANK FORMS.) The superintendent of public instruction may make such rules and regulations governing the certification by the county superintendents of schools of the information and evidence required by the provisions of this chapter and governing appeals from decisions of the county superintendents of schools, as may be necessary. He shall prepare and distribute among the county superintendents of schools blanks forms for the certificates of the school districts to the county superintendents and of the county superintendents to the superintendent of public instruction.

15-40.1-20. PENALTY FOR FALSE REPORT.) Any school official who shall falsify any report in connection with the administration of the state fund and county equalization funds shall be guilty of a misdemeanor.

SECTION 8.) Chapter 15-40.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-40.2-01. TRANSFER OF PUPILS TO OTHER DISTRICTS - TUITION AGREEMENTS.) The school board of any district may send elementary

or high school 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 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 pupils to such other districts 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.

15-40.2-02. RECEIVING OF PUPILS BY ADMITTING DISTRICTS.) Any school district shall admit elementary and high school pupils from other districts to its schools when it can be done without injuring or overcrowding such schools and after the board of the sending district and the board of the admitting district 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 for in this chapter.

15-40.2-03. LEGISLATIVE INTENT RELATING TO TUITION PAYMENTS.) It is the intent of the legislative assembly that school districts educating pupils in other school districts shall pay the full cost of education. Such costs shall be determined on the basis of average daily membership and shall include annual expenditures from the general fund and annual educational expenditures from all special funds. To such average current operating expense in the county for elementary or high school students, as the case may be, shall be added double the statewide total of all school districts' annual expenditures from sinking and interest funds, plus double the statewide total of all school districts' annual tax receipts to the building funds, divided by the average daily membership of the state. From this amount, there shall be deducted for each individual pupil such payments as are received for him from the county equalization fund and state payments received by the admitting district, and a credit applied for any school taxes paid to the admitting district by the parent or guardian of the admitted pupil. The amount remaining shall be the tuition charge for the individual pupil, and shall be paid under the provisions of this chapter.

If the district of residence and the parent or guardian are both paying tuition, the credit allowed under this section for taxes paid to the admitting district by the parent or guardian shall be credited to the district of residence and the parent or guardian in proportion to the amount of tuition paid by each.

Nothing contained in this chapter shall affect the right of a school district to charge and collect such tuition as may be fixed by agreement from pupils who are not residents of this state, in accordance with the provisions of section 15-40.2-10.

15-40.2-04. NONRESIDENT TUITION PAYMENTS MANDATORY - PAYMENTS ARE EXCLUSIVE.) Any school district that admits non-resident pupils to its schools as provided by this chapter, shall

charge tuition for such pupils. The whole amount of such tuition shall be paid by the district from which the pupil is admitted, in accordance with section 15-40.2-03, or by his parent or guardian, in accordance with section 15-40.2-06.

No school district shall charge or collect from any non-resident pupil, his parent 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 pupils.

15-40.2-05. APPLICATION OF PARENT OR GUARDIAN FOR PAYMENT OF TUITION BY DISTRICT.) The parent or guardian of any pupil who is a resident of a district may apply to the school board of the school district of residence of the pupil for approval of the payment of tuition charges to another school district for attendance of the pupil 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 the event such application shall be disapproved, the parent or guardian of the pupil may file an appeal with the county superintendent of schools, and a three-member 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 pupil concerned and render a decision in regard to payment of the tuition charges. In making such decision, the committee shall determine whether the pupil is a high school pupil, which, for purposes of this section, shall be defined to mean grades nine to twelve, inclusive, or whether the pupil is an elementary school pupil, which, for purposes of this section, shall be defined to mean grades one through eight, inclusive, and then proceed in accordance with the following:

1. HIGH SCHOOL. If the pupil is a high school pupil and the committee finds that the attendance of such pupil is necessitated by shorter distances, previous attendance in another high school, inadequacy of curriculum considering the educational needs of the particular pupil, or other reasons of convenience, it shall approve the payment of tuition by the district of residence of the pupil, obligating such district of residence to pay the same. The committee's approval for the payment of tuition may be for any fixed number of school terms, up to the completion of the pupil's high school education. The decision of the committee may be appealed to the state board of public school education and the decision of the board shall be final.
2. ELEMENTARY. If the pupil is an elementary pupil and the committee finds that the attendance of such pupil is necessitated by shorter distances or other reasons of convenience, it shall approve the payment of tuition by the district of residence of the pupil, obligating such district of residence to pay the same.

The committee's approval for the payment of tuition shall be limited to one school term, and subsequent applications for the payment of tuition may be made annually. The decision of the committee shall be final.

If any portion of the school district lies in more than one county, the committee shall consist of the county judge, state's attorney, and county superintendent of schools from each county lying within the district, and the concurrence of at least two members from each county shall be necessary for a majority of the committee. In the event that the district of residence of the pupil does not comply with the decision requiring that the tuition charges be paid, the admitting district shall notify the county superintendent of schools of the county of the pupil's residence and the state superintendent of public instruction of such fact, and upon verification by the county superintendent of schools that such tuition payments are in fact due the admitting district and are unpaid, all county equalization fund payments including payments from the state for foundation aid to the district of residence of the pupil, shall be withheld until the tuition due has been fully paid.

This section shall not be construed to require the district of residence to provide pupil transportation or payments in lieu thereof, for pupils for whom the payment of tuition has been approved.

15-40.2-06. PAYMENT OF TUITION BY PARENT OR GUARDIAN - WHAT TUITION CONTRACT SHALL CONTAIN.) If the payment of tuition for pupils attending school in another district is refused by the school board of the pupil's residence and, upon application by the parent or guardian, the three-member committee disapproves the payment of tuition, such tuition may be paid by the parent or guardian of the pupil. Not less than one-half of the yearly tuition shall be paid by the parent or guardian on the date of enrollment, and the school board of the admitting district shall execute a contract in writing with the parent or guardian of the pupil requiring the payment of any balance of tuition on or before the first day of the second semester.

15-40.2-07. PAYMENT OF TUITION BY FEDERAL GOVERNMENT, AUTHORITY TO ACCEPT.) Payments under title 1 of Public Law 874 may be accepted as tuition for a nonresident pupil by an admitting district, if the parent of such pupil both resides and is employed upon an installation owned by the federal government, and the school boards of the district of residence and the admitting district both approve the payment of such sum in lieu of other tuition for the nonresident student.

15-40.2-08. RESIDENCY DETERMINATION IN CHILD PLACEMENT CASES - DECISION BY THREE-MEMBER COMMITTEE - PROVISIONS OF SECTION 15-40.2-05 TO APPLY.) For purposes of applying this chapter, the school district in which a child resides shall be construed to be the residence district of such child:

1. At the time any court order or order of a juvenile supervisor shall have been issued requiring such child to stay for any prescribed period at a foster home or home maintained by any nonprofit corporation; or
2. At the time of any placement for any prescribed period of time by a county or state welfare agency with the consent of the parent or guardian at a foster home or home maintained by any nonprofit corporation.

Such residence district shall be liable for tuition upon claim by the admitting district, provided that in the event of placement by a county or state welfare agency with the consent of the parent or guardian, the determination of tuition may be subject to an appeal filed with the county superintendent of schools and the three-member committee referred to in section 15-40.2-05 shall within fifteen days consult with the school boards of the districts concerned and with the parent or guardian of the pupil concerned and render a decision in regard to the tuition charges. Those provisions of section 15-40.2-05 relating to multicounty districts, notification of unpaid tuition, and withholding of county equalization fund payments and state payments shall apply to this section.

15-40.2-09. ATTENDANCE IN PUBLIC SCHOOLS OF BORDERING STATES, WHEN PERMITTED - CONTINUATION OF ATTENDANCE WHEN DISTRICT ANNEXED OR REORGANIZED.) Students may attend a school in a bordering state under the following circumstances:

1. A student who lives within twenty miles of another state or in a county bordering on another state may, with the approval of the school board, attend a public school in a bordering state, and the school board of the school district within which such student resides may contract with the bordering state for the education of such student.
2. A student who resides within a school district which is annexed to or reorganized with another district or districts, and which has been sending students to a school district in a bordering state because of proximity or terrain, shall be permitted to attend or continue attending school in the district in the bordering state.

If a request for attendance is denied under subsection 1 or 2 by the school board of the district in which the student resides, an appeal may be made to the three-member committee referred to in section 15-40.2-05. The decision of the committee may be appealed by the school board, or the parent or guardian of the student, to the state board of public school education, whose decision shall be final. In the event that the district does not comply with a decision requiring that tuition charges be paid, county equalization fund payments and state payments shall be withheld as provided in section 15-40.2-05.

Payments shall be made by the county of the pupil's residence to the school district in the bordering state for attendance under the provisions of this section in an amount equal to the per-pupil payments as provided in sections 15-40.1-07 or 15-40.1-08, as the case may be, and the remainder of the pupil's tuition as determined under section 15-40.2-10 shall be paid by the district of the pupil's residence. Pupils attending public schools in bordering states in accordance with this section shall be certified by the district in the bordering state to the county superintendent of the county of the pupil's residence, and payments shall be made from the county to the school district in the bordering state.

This section shall not be construed to require the district of residence to provide pupil transportation, or payments in lieu thereof, for pupils for whom the payment of tuition has been approved.

15-40.2-10. RECIPROCAL MASTER AGREEMENTS FOR PUPIL ATTENDANCE IN OTHER STATES.) The superintendent of public instruction may enter into reciprocal master agreements with the appropriate state educational agencies or officers of bordering states in regard to the cost of educating elementary and high school pupils in the public schools in such bordering states. Such reciprocal agreements may provide for payment on a per-pupil basis from the county equalization fund for pupils from this state attending schools in bordering states in a sum equal to payments received by the district of the pupil's residence from the county equalization fund. The superintendent of public instruction, by certificate to the department of accounts and purchases, shall authorize payments from the appropriation for state payments to the county equalization fund for the attendance of pupils in bordering states, and the department of accounts and purchases, within the limits of legislative appropriations, shall make such payments. The balance of the tuition payment by the pupil's district of residence shall not exceed the amount established by reciprocal agreement less the amount paid from the county equalization fund to the school district in the bordering state.

15-40.2-11. FEDERAL TUITION CONTRACTS.) The school board may make arrangements for the education of pupils in a federal school and contract with federal officials for such education. Such contracts may be in the form of tuition charges mutually agreed upon, the sharing of education operational costs and facilities, or any other type of contract which will be agreeable to the school district.

15-40.2-12. LEVY FOR TUITION CHARGES PERMITTED.) 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 chapter may levy an amount sufficient to pay tuition charges, which levy shall not be subject to any mill levy limitations prescribed by law.

SECTION 9.) Chapter 15-53.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-53.1-01. DEFINITIONS.) In this chapter unless the context or subject matter otherwise clearly requires:

1. "Reorganization of school districts" shall mean and include the formation of new school districts, the alteration of the boundaries of established school districts, and the dissolution or disorganization of established school districts, through or by means of:
 - a. The uniting of two or more established districts.
 - b. The subdivision of one or more districts.
 - c. The transfer to an established district of a part of the territory of one or more districts; or the attachment thereto of all or any part of the territory of one or more districts subject to disorganization for any of the reasons now specified by law; or the transfer therefrom of any part of the territory of one or more districts subject to disorganization for any of the reasons now specified by law; or the transfer therefrom of any part of the territory of said established districts.
 - d. Any combination of the methods of the aforementioned.
2. "County committee" and "state committee" shall mean, respectively, the county committee for the reorganization of school districts and the state committee for the reorganization of school districts hereinafter provided for by this chapter.
3. "County superintendent" shall mean the county superintendent of schools.

15-53.1-02. REORGANIZATION NOT TO INCLUDE ANNEXATION OR DISSOLUTION.) Article III, reorganization of school districts, shall not apply to article II, annexation of public school districts, or article IV, involuntary dissolution of public school districts, except where specifically referenced in articles II and IV. It is the intent of the legislative assembly that articles II and IV of this chapter shall remain separate and additional methods for the changing of school district boundaries.

ARTICLE II - Annexation of Public School Districts

15-53.1-03. PUBLIC SCHOOL DISTRICTS - AREAS WHICH ARE OR MAY BECOME.) All school districts in the state of North Dakota, except the Fargo school district, are public school districts and shall be governed by the provisions of this article. Any

area may be constituted a public school district in the manner prescribed and shall be governed thereafter by the provisions of this article. When any territory or area is added to a city, such addition, upon incorporation into the city, shall become a part of the school district comprising or embracing the city. The term "city" as used in this chapter shall include any community or communities established or which have come into existence as a result of federal projects carried on within this state and which are situated upon government-owned property.

15-53.1-04. PUBLIC SCHOOL DISTRICTS - CORPORATE POWERS - CORPORATE NAME - NAME CHANGE.) Every public school district shall be a body corporate for school purposes and the name of such school district shall be substantially as follows:

" _____ Public School District No. _____
of _____ County, State of North Dakota."

The school district shall possess all the powers and shall perform all the duties usual to corporations for public purposes or conferred upon it by law. Under its name it may sue and be sued, enter into contracts, and convey such real and personal property as shall come into its possession by will or otherwise. It may have a corporate seal by which its official acts may be attested. Whenever in the judgment of the school board of any school district it is deemed desirable to change the name of the school district, or whenever one-third of the electors of the district shall submit a petition requesting a change in the name of the school district, the board shall submit the proposed name change at the next school election. Upon ratification of the proposed change of such name by a majority of the ballots cast on the question, the school district shall be renamed accordingly. The clerk of the school board of the district shall notify the county auditor, the county superintendent of schools, and the superintendent of public instruction of any change in the name of the district.

*15-53.1-05. ATTACHMENT OF ADJACENT TERRITORY TO SCHOOL DISTRICT - PETITION.) Territory contiguous to a public school district, whether in the same county or in another, may be attached to such school district by the county committee upon written application signed by two-thirds of the electors of the contiguous territory after hearing and subject to the provisions of section 15-53.1-29. The sufficiency of the petition and the determination of the number of electors necessary to constitute a two-thirds majority shall be determined by the county committee. As used in the words "territory contiguous" in this section, the word "territory" shall mean all or any portion or part of an organized school district, and the word "contiguous" shall mean any two or more tracts which are in actual contact at least to the extent of touching at a common corner.

*15-53.1-06. ANNEXATION HEARINGS - EQUALIZATION - NOTICE OF HEARINGS.) Before detaching territory from one school district or annexing territory to another school district, the county

*NOTE: Section 15-53.1-05 was also amended by section 2 of House Bill No. 1545, chapter 195.

*NOTE: Section 15-53.1-06 was also amended by section 2 of House Bill No. 1545, chapter 195.

committee shall hold a hearing on the annexation therefor. At least fourteen days prior to the time the hearing is to be held, the committee shall cause notice of such hearing to be published in the official newspaper of the county in which the school district is located, or if no newspaper is published in the county, the notice shall be published in a newspaper in an adjoining county in this state. At such hearing the county committee shall receive testimony for the purpose of determining the value and amount of all school property and all bonded and other indebtedness of each school district affected by a change in boundaries, and shall consider the amount of all outstanding indebtedness and make an equitable adjustment of all property, assets, debts and liabilities among the districts involved; and, if the annexation is approved by the state committee, the county committee may cause a tax to be levied against each district affected in accordance with the provisions of section 15-47-21 which will equalize the several interests fairly. If the adjoining district is in another county or counties, the county committees of all counties affected shall consider and jointly effect the annexation if a majority of the members of each of the county committees approve the annexation. In the event that the annexation is approved by a majority of the members of one or more county committees, the county superintendent of the county in which the annexing district is located shall submit the annexation to the state committee for approval or disapproval, and in such instance approval of the annexation shall have the same effect as approval by all county committees. If the annexation does not receive the approval of any county committee, it shall not be presented to the state committee. An appeal from the decision of the state committee may be had to the district court of the county in which the annexing district is located, in accordance with applicable provisions of chapter 28-32.

* 15-53.1-07. EFFECTIVE DATE OF ATTACHMENT OR DETACHMENT - VOTING PLACES.) If territory is annexed to a school district or detached therefrom, under the provisions of this article, 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. 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.

Article III - Reorganization of Public School Districts

15-53.1-08. TITLE AND PURPOSE.) This article shall be known and may be cited as an "Act to Provide for the Reorganization of School Districts". It shall have for its purpose the formation of new school districts and the alteration of the boundaries of established school districts in order to provide a more nearly equalized educational opportunity for pupils of public schools, a higher degree of uniformity of school tax rate among districts, and wiser use of public funds expended for the

*NOTE: Section 15-53.1-07 was also amended by section 1 of Senate Bill No. 2198, chapter 196.

support of the public school system.

15-53.1-09. CLASSIFICATION OF ELEMENTARY SCHOOL DISTRICTS WHERE COUNTY AGRICULTURAL AND TRAINING SCHOOLS ARE LOCATED.) For purposes of school district reorganization as provided in this article, an elementary school district in which a county agricultural and training school is located shall be considered a high school district.

15-53.1-10. STATE BOARD AS STATE COMMITTEE.) The state committee shall be the state board of public school education.

*15-53.1-11. COUNTY COMMITTEE - SIZE, COMPENSATION, VACANCIES, TERM.) In each county in this state there shall be a county committee which shall be formed by the selection of one resident from each of the county commissioner districts within the county. Each member shall receive the actual and necessary expenses incurred by him in the performance of his official duties in accordance with the schedule for state officers and employees. In addition thereto, each member may also receive five dollars as compensation for each meeting of the committee actually attended by him. All payments for compensation and expenses shall be made upon warrant by the department of accounts and purchases as directed by the department of public instruction from moneys appropriated for that purpose.

The term of each county committee member shall be three years, staggered so that one term shall expire each year. Members of the county committee shall be selected by appointment by the county superintendent of schools with the approval of the board of county commissioners. Vacancies shall be filled in the same manner for the unexpired portion of the term. In the event a committee member shall fail, refuse, or be unable to perform his duties as a member of such committee, the county superintendent of schools, upon petition of a majority of the school boards having territory in whole or in part within the district which such committee member was appointed to represent, shall declare the position of such member upon the committee to be vacant, and shall immediately appoint a new member to the committee from that district.

15-53.1-12. COUNTY COMMITTEE - MEETINGS - QUORUM.) A chairman who shall be the presiding officer shall be selected from among the members of the county committee by majority vote, and shall serve for one year and until a successor is chosen. The county superintendent shall be the secretary of the committee, but shall have no vote. Meetings of the committee shall be held upon call of the chairman or a majority of the members thereof. A majority of the members of the committee shall constitute a quorum. The county superintendent shall be allowed and paid his actual and necessary expenses incurred while in the performance of his duties. Additional expenses shall be chargeable and payable as an expense of the county.

*NOTE: Section 15-53.1-11 was also amended by section 3 of House Bill No. 1545, chapter 195.

15-53.1-13. STATE'S ATTORNEY TO REPRESENT COMMITTEE.) The state's attorney of any county within which a school district is located in whole or in part shall, upon request of the county committee, act as legal advisor of and render opinions in writing to the committee or its officers. The state's attorney shall also defend the committee or any of its officers in any legal proceedings arising out of the conduct of the business of the board. In the event that the defense in such proceedings would result in a conflict with the duties of such state's attorney in regard to other public officials or under any law, the board of county commissioners shall employ a special counsel to represent the committee or defend against such proceedings. Compensation of special counsel, in such amount as may be agreed to by the county commissioners, shall be paid out of the county general fund.

15-53.1-14. COMPREHENSIVE STUDY OF COUNTY MADE BY COUNTY COMMITTEE - CONSIDERATIONS.) The county committee may make a comprehensive study of the county school system whenever deemed necessary in order to consider and determine:

1. The taxable assessed valuation of existing districts and the differences in such valuation under possible reorganization plans.
2. The size, geographical features, and boundaries of the districts.
3. The number of pupils attending school and the population of the districts.
4. The location and condition of school buildings and their accessibility to the pupils.
5. The location and condition of roads, highways, and natural barriers within the districts.
6. The school centers where children residing in the districts attend high school.
7. Conditions affecting the welfare of the teachers and pupils.
8. The boundaries of other governmental units and the location of private organizations.

The committee shall also give due consideration in the preparation of a plan for the reorganization of school districts to the educational needs of local communities; to economies in transportation and administration; to the future use of existing satisfactory school buildings, sites, and playfields; to a reduction in disparities in per-pupil valuation among school districts; to the equalization of the educational opportunities of pupils;

and to any other relevant matters which in its judgment are of importance.

15-53.1-15. DETERMINATION AND ADJUSTMENT OF PROPERTY, ASSETS, DEBTS AND LIABILITIES AMONG DISTRICTS.) The county committee shall determine the value and amount of all school property and all bonded and other indebtedness of each school district affected in a reorganization plan, and shall consider the amount of all outstanding indebtedness and make an equitable adjustment of all property, assets, debts and liabilities among the districts involved after the hearing provided for in section 15-53.1-16.

15-53.1-16. PUBLIC HEARING ON PROPOSALS FOR REORGANIZATION - HEARING TESTIMONY FOR ADJUSTING.) The county committee shall hold a public hearing on the advisability of any proposal by such committee for the reorganization of school districts which involves the formation of a new district or the transfer from one established district to another of any territory in which children of school age reside. Notice of hearings shall be given by publishing a notice in the official county newspaper at least fourteen days prior to the date of such hearing. If the county committee fails to call such hearing and to give the required public notice, a petition signed by twenty-five percent of the electors in the area proposed to be included in the new school district and presented to the committee shall make it mandatory for a hearing to be called. The notice of such hearing shall be published within ten days after the date of filing of the petition, and shall set forth the date selected for the hearing, which shall not be more than twenty days after the date of publication. The county committee shall also hear at such time as may be fixed by it, testimony offered by any person or school district interested in any proposal of the county committee to form a new district, to transfer territory from one school district to another, or to attach to an established district or districts all or any part of another district subject to disorganization for any of the reasons now specified by law; such testimony to be heard for the purpose of finding and determining the following:

1. The value and amount of all school property of whatever nature involved in the proposed action.
2. The nature, amount, and value of all bonded, warrant, and other indebtedness of each school district affected by the proposed action, including all unexecuted obligations with separate consideration given to the amount of outstanding indebtedness incurred for current expenses, the amount incurred for permanent improvements, and the location of such improvements in order that an equitable adjustment of all property, debts and liabilities among the districts involved be made.

The county committee shall keep a record of all hearings on

the reorganization of school districts and of all findings and terms of adjustment of property, debts and liabilities among the districts involved, and shall submit the same to the state committee at the time of submitting a plan as provided in section 15-53.1-17. A subcommittee composed of not less than three members of a county committee, or three members of the county committee of each county concerned in case territory in two or more counties is involved, may hold any hearing that the county committee is required to hold.

15-53.1-17. REORGANIZATION PLAN PREPARED AND SUBMITTED TO STATE COMMITTEE.) The county committee shall prepare and submit to the state committee a comprehensive plan for the reorganization of school districts within the county. Such plan shall be accompanied by:

1. A map showing the boundaries proposed under any plan for the reorganization of school districts, prepared and submitted in compliance with the provisions of this article.
2. A description of the boundaries aforementioned.
3. Recommendations respecting the location of schools, the utilization of existing buildings, the construction of new buildings, including dormitories, and the transportation requirements under the proposed plan for the reorganization of school districts. Such recommendations shall not be binding upon such proposed school district except as otherwise provided by law.
4. A summary of the reasons for such proposed reorganization of school districts.
5. Recommendations specifying whether such reorganized districts shall have five, seven, or nine-member school boards, and whether such members shall be elected at large or from designated geographic districts.
6. Such other reports, records, and materials as the state committee may require.

15-53.1-18. PLAN INVOLVING TERRITORY IN MORE THAN ONE COUNTY.) A plan for the reorganization of school districts involving territory lying in two or more counties shall be prepared by joint action of a special committee composed of not less than three members of the county committee of each county involved and shall be submitted to each respective county committee for its approval. In the event that the reorganization plan is approved by a majority of the members of one or more county committees, or the members of one or more of the special committees fail or refuse to meet with the committee or committees from other

counties, the county superintendent of the county in which the largest number of pupils who would be affected by the proposed new district reside shall submit the reorganization plan to the state committee for approval or disapproval. Approval of the reorganization plan by the state committee shall have the same effect as approval by all the county committees. If the reorganization plan fails to receive the approval of any county committee, it shall not be presented to the state committee for review.

15-53.1-19. COMPLETED PLANS FOR DISTRICT OR DISTRICTS MAY BE SUBMITTED PRIOR TO COMPREHENSIVE COUNTY PLAN.) The county committees, from time to time, may submit to the state committee a plan for the reorganization of one or more districts without awaiting the completion of a comprehensive plan; provided, however, that such plan fits into and becomes an integral part of such comprehensive plan as the county committee is required to prepare.

15-53.1-20. STATE COMMITTEE - POWERS AND DUTIES.) The state committee shall:

1. Aid county committees in carrying out their powers and duties under this article by furnishing them, with the assistance of the employed staff of the state committee, with other necessary clerical assistance, and with such plans of procedure, standards, data, maps, forms, and other materials and services as may be necessary.
2. Receive, file, and examine plans and data for the reorganization of school districts submitted by county committees, and shall approve such plans and data when they are found by the state committee to provide for a satisfactory school district system for the counties and the state and for an equitable adjustment of property, debts and liabilities. Whenever a plan submitted by a county committee is found by the state committee to be unsatisfactory, or whenever the terms of adjustment so submitted are found not to be fair and equitable, the state committee shall so notify the county committee and upon request shall assist the county committee in the revision of the plan or terms of adjustment, which revision shall be completed by the county committee and resubmitted within ninety days after such notification.
3. Appoint a county committee, in case no county committee is elected, as required in section 15-53.1-11, or in case a committee so elected shall fail or refuse to submit plans, records, reports, and other data as provided for in this article.
4. Transmit to the county superintendent of each county affected a copy of the plan for reorganization of school districts approved by the state committee; a copy of approved terms of adjustment of property, debts and

liabilities; a statement of the findings and conclusions of the state committee respecting such approved plans and terms of adjustment; and copies of maps, reports, records, and all other pertinent material submitted to the state committee by the county committee.

5. Establish standards by the promulgation of rules and regulations to govern the county and state committees for school district reorganization in the development and approval of school district reorganization plans or annexation proceedings. Such standards shall require any school district to be formed or reorganized under any reorganization plan or annexation proceedings providing for the operation of a high school to have sufficient tax base and fiscal capacity to clearly permit the reorganized district to offer the minimum curriculum prescribed by section 15-41-24 taught by teachers possessing the qualifications required by section 15-41-25. Exceptions to such standards shall be allowed by the county or state committees only in extreme cases where because of sparsity of population or geographical barriers it is absolutely impossible to obtain compliance with them. No reorganization plan or annexation proceedings shall be approved by the county or state committees unless it shall have logical boundaries following a uniform pattern without undue irregularities.

15-53.1-21. STATE COMMITTEE - EMPLOYEES.) The superintendent of public instruction shall be the director of school district reorganization. The director shall appoint and employ such personnel as may be necessary to enable the committee to carry out the powers and duties imposed upon it by this chapter and to fix the compensation for such appointees and employees.

15-53.1-22. APPROVED PLAN RECEIVED BY COUNTY SUPERINTENDENT - DUTY OF SUPERINTENDENT TO CALL SPECIAL ELECTION - DEFINITION OF VOTING UNITS - FAVORABLE RESULTS.) Upon receipt from the state committee of an approved plan for the reorganization of school districts, and approved terms of adjustment of property, debts and liabilities among the districts involved, the county superintendent shall call a special election of the voters residing within the territory of the proposed new district, such election to be held at the place or places therein which have been determined by the county superintendent to be convenient for the voters. In holding such election, all existing districts within the proposed new district containing one or more incorporated cities regardless of number or size shall vote as a single unit, and all existing districts within such proposed new district regardless of number or size which do not contain one or more incorporated cities shall vote as a single unit. For the purposes of this section, all districts containing incorporated cities shall be considered an incorporated area, and all districts which do not contain at least one incorporated city shall be considered

an unincorporated area. Notice of such election, stating the time and place of holding the election, shall be published by the county superintendent in the official county newspaper at least fourteen days before the election. The election notices shall clearly state that the election has been called for the purpose of affording the voters an opportunity to approve or reject a proposal for the formation of a new school district and shall also contain a description of the boundaries of the proposed new district and a statement, if there be any, of the terms of adjustment of property, debts and liabilities applicable thereto. The county superintendent shall appoint judges and clerks of the elections and the election shall be held and conducted in the same manner and the polls shall open and close at the same time as specified for elections in public school districts. The result of the elections shall be certified and delivered to the county superintendent within three days after the closing of the polls. If a majority of all votes cast by the electors residing within the unincorporated area of a proposed new district and the majority of all votes cast by the electors within the incorporated area of a proposed new district are both in favor of the formation of the district, the county superintendent shall make the proper adjustment of the property, assets, debts and liabilities as provided in such approved plan and shall organize and establish such districts and in so doing shall perform all other necessary duties that are required by law to be performed by the county superintendent in connection with the organization and establishment of new school districts of any kind or type.

15-53.1-23. ELECTIONS FOR CONSOLIDATING OR REORGANIZING TWO OR MORE REORGANIZED SCHOOL DISTRICTS.) Notwithstanding the provisions of section 15-53.1-22, whenever reorganization proceedings are had for the purpose of consolidating or otherwise affecting two or more school districts previously reorganized under the provisions of chapter 15-53 or 15-53.1, 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.

15-53.1-24. TRANSPORTATION REQUIRED.) A reorganization plan shall provide for the transportation of students and shall specify if family-type or public school bus-type of transportation shall be used, and if such plan is approved by the voters of the new proposed district, then it shall be mandatory upon the school board of such district to provide adequate and practical transportation of the type specified, except that if family-type transportation is specified, the school board may later substitute public school bus transportation. A reorganized school district shall not be bound by the schedule of payments or limitations provided in section 15-34.2-03, and shall establish such schedule of transportation payments as may be proper under the circumstances affecting that district, but in no event shall such newly established schedule of payments be less than the amounts specified in section 15-34.2-03 for family conveyance-type transportation.

15-53.1-25. PROPOSAL REJECTED, REVISION MADE - NEW ELECTION HELD.) If a proposal for the formation of a new school district is rejected by the voters at the election provided for in section 15-53.1-22, the county committee may at any time after three months from the date of such election, and after a public hearing is held in the manner provided in section 15-53.1-16, make such revision as it deems advisable in the boundaries proposed for such new district and in the terms of adjustment of the property, debts and liabilities thereof, as the case may be, and resubmit the same to the state committee for approval. If the boundaries of the proposed new district or the terms of adjustment, as the case may be, as revised, are approved by the state committee, notice thereof shall be transmitted to the county superintendent, as provided for in section 15-53.1-20. Upon receipt of such notice the county superintendent shall call, in the manner and for the purpose specified in section 15-53.1-22, a special election of the voters residing within the revised boundaries of the proposed new district. If a majority of all votes cast by the electors residing within the unincorporated area of a proposed new district and a majority of all votes cast by electors within the incorporated area of the proposed new district are both in favor of the formation of the district, the county superintendent shall proceed to organize and establish such district and to perform the necessary duties related thereto in the same manner and to the same effect as is provided in section 15-53.1-22.

15-53.1-26. SCHOOL BOARDS IN REORGANIZED AND ORIGINAL DISTRICTS.) After the establishment of any new school district, the school board for such new school district shall be elected at the regular annual school district election or at a special election called by the county superintendent of schools for that purpose. The first election to elect a school board in a newly reorganized district shall be governed by the provisions of chapter 15-28. Members of school boards elected in the newly reorganized districts shall not enter upon the duties of such office until the time specified in section 15-53.1-28. School boards in original school districts included within a reorganized district shall continue and remain in existence until the time specified in section 15-53.1-28 at which time the new school board elected for the newly reorganized district as provided in this section shall become the governing body of such school districts; provided, however, that prior to the completion of the reorganization of any school district under the provisions of this article, the existing school board of any school district shall not contract or place such district under any obligation, except upon the recommendation of the county committee. Subsequent annual elections in such school district shall be governed by the laws pertaining hereto.

*15-53.1-27. CONTINUANCE OF ELEMENTARY SCHOOLS IN REORGANIZED DISTRICTS.) Each elementary school included in reorganized school districts shall be kept in session as provided by law, except that any school may be discontinued when the people in the old district where the school is located, by a majority vote, approve its closing or when a petition requesting that the school

*NOTE: Section 15-53.1-27 was also amended by section 1 of House Bill No. 1352, chapter 197.

be discontinued is signed by two-thirds of the electors in the old district where the school is located and is presented to the school board in the reorganized district. The board may reopen such school at any time upon its own motion.

15-53.1-28. EFFECTIVE DATE OF APPROVED REORGANIZATION PLANS - TRANSFER OF ALL PROPERTY.) Any reorganization plan voted upon and approved shall become operative and effective on the first day of July following its final approval. Any officer of a school district incorporated in whole or in part into a reorganized school district shall within thirty days from the date the reorganization is effective, turn over to the reorganized school district all of the property and other assets as finally adjusted and determined by the county committee. Unless it is otherwise agreed and provided by the reorganization plan, debts, obligations, and liabilities of the several districts or parts of districts incorporated into the reorganized district shall become the general debt, obligation, and liability of the reorganized district

15-53.1-29. 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 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 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.

15-53.1-30. COUNTY AND STATE OFFICERS TO COOPERATE WITH COMMITTEES.) The county and state officers shall make available to the county committee and the state committee such information from public records in their possession as is essential to such committees in the performance of their duties.

15-53.1-31. DUTIES IMPOSED UPON COUNTY SUPERINTENDENT AND OFFICERS WHERE REORGANIZED DISTRICTS CONSTITUTE JOINT DISTRICTS.) The duties imposed upon and required to be performed by the county superintendent under the provisions of this chapter or under other provisions of law are in like manner imposed upon and required to be performed by all county superintendents affected by a reorganization of school districts involving territory in two or more counties.

15-53.1-32. APPEAL FROM DECISION OF COUNTY COMMITTEE IN MAKING ADJUSTMENTS OF PROPERTY, DEBTS AND LIABILITIES.) An appeal may be taken to the district court on any question of adjustment of property, debts and liabilities among the districts involved in which the power to make an adjustment or adjustments has been extended by this chapter. Any person feeling aggrieved by the decision of the county committee after the hearing provided for in section 15-53.1-16 may appeal from such decision. Such appeal shall be taken within thirty days after the decision of the committee on the adjustment of the property, debts and liabilities, by serving a written notice of appeal upon a member of the county committee. If the court finds the terms of the adjustment in question to be not legally or equitably constituted, it shall make an adjustment that is equitable and legal. Any determination by the court with respect to the adjustment of property, debts and liabilities among the districts or areas involved shall not otherwise affect the validity of the reorganization or creation of any district or districts under the provisions of this article.

15-53.1-33. 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 article and a portion of the public school district is not included in the reorganized district, such remaining portion, having a net assessed valuation as defined in subsection 7 of section 57-02-01 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 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 the remaining territory shall be annexed.
2. The hearing shall be held in a designated school-house, 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 remaining territory to adjacent school district or districts.
3. At such hearing the county committee shall receive testimony for the purpose of determining the value and amount of all school property and all bonded and other indebtedness of such school district affected by a change in boundaries, and shall consider the amount of all outstanding indebtedness and make an equitable adjustment of all property, assets, debts

and liabilities among the districts involved; and, if the annexation is approved by the state committee, the county committee may cause a tax to be levied against each district affected in accordance with the provisions of section 15-47-21 which will equalize the several interests fairly.

4. The decision of the county committee shall be reviewed by the state committee and approved if in the judgment of the state committee the effect of the decision is consistent with the existing program for the reorganization of the school districts of the county.

15-53.1-34. SALE OR REMOVAL OF SCHOOL BUILDINGS IN REORGANIZED DISTRICTS.) On motion of the school board, or on petition of a majority of the electors in an original school district included in a reorganized district established in accordance with the provisions of this article, for the sale or removal of a schoolhouse in such district, if the building has not been used as a public school for the preceding school year, the school board of the reorganized district may have the school building moved to the place designated in the petition, or sold if the petition so provides. The proceeds of such sale shall be placed in either the general fund or the building fund or the reorganized district, in the discretion of the school board. In the event such sale or removal is to a political subdivision of this state, it may be made for less than the fair market value of the school building upon motion unanimously approved by the school board.

* 15-53.1-35. TRANSFER OF LAND UPON REORGANIZATION OR ANNEXATION.) The legal title to all land owned by an original school district which has been included in a reorganized district or annexed to another district and which is not subject to a possibility of reverter or right of re-entry if title is held by other than the original district, shall be vested in the school board of the reorganized school district or the district to which such property is annexed upon approval of the reorganization plan by the electors or upon orders of the county superintendent of schools or the reorganization committee, as the case may be. If the reorganized district or district to which such property is annexed includes less than the whole of the former district, legal title to the land of the former district shall vest in the school board of the district in which such land is situated after reorganization or annexation. A certificate prepared by the county superintendent of schools wherein the land in question is located, stating the legal description of the land involved, and the fact that the school district formerly owning the land has become either annexed, attached, or reorganized with another school district, may be recorded in the office of the register of deeds of the county in which the land is situated.

* 15-53.1-36. PUBLICATION COSTS OF REORGANIZATION NOTICES.) All costs of publishing such notices as may be required in school district reorganization proceedings as provided in this article

*NOTE: Section 15-53.1-35 was also amended by section 4 of House Bill No. 1545, chapter 195.

*NOTE: Section 15-53.1-36 was also amended by section 5 of House Bill No. 1545, chapter 196.

shall be paid by each of the districts affected by the plan in the same proportion as the amount of each district's territory relates to the amount of territory of the newly proposed school district, should the reorganization plan fail to be approved by the voters at the election at which the plan is submitted. Should such reorganization plan be approved at the election, all such costs shall be paid by the newly reorganized school district.

15-53.1-37. REORGANIZED SCHOOL DISTRICTS - PROPORTIONATE RATE OF TAX - DEFINITION OF "AGRICULTURAL LANDS".) Where any school district is in the process of being formed or reorganized under the provisions of this article, the county committee shall include in its reorganization plan submitted under the provisions of section 15-53.1-17, a recommendation for a proportionate rate of tax for school purposes to be levied on and between agricultural land and personal property having taxable situs on agricultural land as one class of property within the proposed reorganized school district, and other taxable property as a second class of property in the same school district, where an unequal tax burden would result from a uniform rate of tax on all property in the district. This proportionate rate between classes of property shall be approved, disapproved, or adjusted by the state committee. For purposes of this section, "agricultural lands" shall have the same meaning and classification as "agricultural lands" within the purview of subsection 15 of section 57-02-08 wherein farm structures and improvements located on such lands are in a class for tax exemption.

15-53.1-38. ALTERATION OF PROPORTIONATE RATE.) After approval or adjustment by the state committee, the proportionate rate of tax between the two classes of property set forth in section 15-53.1-37 shall not be altered by the school board of the new district without approval by vote of a majority in each class of the respective taxpayers affected. For the purposes of such vote, a person shall vote as a member of one class only, and where there is a conflict in his interests because he will pay taxes under section 15-53.1-37 on properties in both classes, he shall vote as an owner of the class of property on which his residence is situated.

15-53.1-39. CHANGES IN REORGANIZATION PLAN.) At any time after the reorganization plan has become effective, any provision of the reorganization plan theretofore or thereafter adopted, including those affecting the adjustment of assets and liabilities but excepting those provisions defining the boundaries of the district, may be changed by a majority vote of the electorate without approval of the state or county committees. The school board in the reorganized district may, upon its own motion, or shall, upon the filing with it of a petition containing a number of signatures equal to at least one-third of the total number of votes cast at the most recent school district election, submit the question of authorizing the change at the next regular or special election. The new election shall follow the election procedure provided in section 15-53.1-22 and shall involve the same

geographic areas as were concerned with the original reorganization election. Electors within any territory which has been annexed to the reorganized district shall vote with either an incorporated area or unincorporated area depending on the status of the annexed area at the time of its annexation and as defined by section 15-53.1-22. If a majority of all votes cast by the electors residing in each of the geographic areas are in favor of the proposed change, then the proposed change shall be effected.

*15-53.1-40. POWERS OF SCHOOL BOARD IN REORGANIZED DISTRICT - EXCEPTIONS.) After five years from the effective date of the reorganization plan, the school board of a reorganized district shall exercise the powers granted to a school board by section 15-29-08 or any other provision of law regardless of limitations contained in the reorganization plan. The provisions of this section shall not be construed as authorizing the school board of a reorganized district to exercise any powers prohibited or limited by sections 15-53.1-24, 15-53.1-27, 15-53.1-34, 15-53.1-38, or 15-53.1-39.

Article IV - Involuntary Dissolution of Public School Districts

15-53.1-41. DISSOLUTION OF SCHOOL DISTRICTS - DUTY OF COUNTY SUPERINTENDENT.) The county superintendent shall notify the county committee:

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;
2. When any school district within the county has not operated a school by the thirty-first day of December of the year following the calendar year in which such operation ceased, providing fifty percent of the pupils from such school district are not attending schools 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 15-53.1-29 and shall, after approval by the state committee, provide for its attachment to one or more adjoining school districts effective July first next following the approval. 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

*NOTE: Section 15-53.1-40 was also amended by section 2 of House Bill No. 1352, chapter 197.

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.

15-53.1-42. NOTICE OF HEARING - ORDER OF ATTACHMENT - JOINT COUNTY ACTION.) The county superintendent upon order of the county committee shall notify the clerk of each school district adjoining any district which is to be dissolved pursuant to section 15-53.1-41, 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 committee, for the purpose of determining to which school district or districts the dissolved or unorganized territory will be attached. At such hearing, the county committee shall receive testimony for the purpose of adjusting properties, debts and liabilities of the district to be dissolved in accordance with the provisions of section 15-53.1-06. Upon or after such hearing the county committee 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 first following the date of the order or resolution and after approval by the state committee, as provided in section 15-53.1-41. If that portion of the order providing for attachment of the dissolved or unorganized territory is rendered ineffective or suspended for any reason, the portion of the order providing for the dissolution shall also be suspended until such time as the attachment becomes effective. If any of such adjoining district 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 of the other county in which it is situated.

SECTION 10. AMENDMENT.) Section 12-10-06 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

12-10-06. PERSONAL INTEREST IN CONTRACT BY PUBLIC OFFICER - PUNISHMENT - EXCEPTION.) Every public officer authorized to sell or lease any property, or make any contract in his official capacity, who contrary to law voluntarily becomes interested

individually in such sale, lease, or contract, directly or indirectly, is guilty of a misdemeanor. Provided, however, that contracts of purchase or employment, by a political subdivision, may be entered into with an officer of such political subdivision if such contracts are unanimously approved by the other members of the governing body of the political subdivision by a finding unanimously adopted by such other members and entered in the official minutes of the governing body, to be necessary for the reason that the services or property obtained are not otherwise available at equal cost. The provisions of this section shall not apply to sales, leases, or contracts entered into between school boards and school board members or school officers.

SECTION 11. AMENDMENT.) Section 15-22-09 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-22-09. DUTIES IN GENERAL.) The county superintendent of schools shall have the general superintendence of the schools in the county except those in districts which employ a district superintendent of schools and shall exercise such other powers and perform such other duties as are prescribed by law.

SECTION 12. AMENDMENT.) Section 15-28-01 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-28-01. SCHOOL BOARD MEMBERS, NUMBER, AND TERMS - ELECTIONS TO BE AT LARGE - REORGANIZED DISTRICTS VOTE ONCE.)

1. Each school board of a public school district in this state shall be composed of five members, unless:

- a. Such district has increased its membership under the provisions of this section;
- b. Such district has increased its membership under the provisions of any prior law permitting such increase; or
- c. Such district is, at the time of the effective date of this section, operating with a school board composed of a greater or lesser number of members than five, in which case the number of members of such board shall remain unchanged unless increased under the provisions of subsection 2 of this section.

2. The number of school board members in any public school district may be increased to either five, seven, or nine if a petition signed by at least one-third of the voters of the school district as determined by the number of persons voting at the most recent annual school district election is filed with the school board asking for such increase, and the increase is approved by a majority of the voters of the district voting at a special election called for that purpose. If approved, the additional members shall be elected to the board at the next annual

school district election in the same manner as other school board members. If the total number of board members after the increase is approved is five, two shall serve until the first annual election, two until the second annual election, and one until the third annual election thereafter. If the total number of board members after the increase is approved is seven, three shall serve until the first annual election, two until the second annual election, and two until the third annual election thereafter. If the total number of board members after the increase is approved is nine, three shall serve until the first annual election, three until the second annual election, and three until the third annual election thereafter. All such members shall serve for the terms prescribed above and until their successors are elected and qualified, and the length of the respective terms of those members elected as a result of the increase in membership of the board shall be determined by lot. In no event shall the length of any term which existed prior to the increase in membership and which is held by a member who has duly qualified, be modified by such determination. Terms subsequent to the first shall be for the normal term of three years, and until a successor is elected and qualified. School board members shall be elected at large, except that if the district in which they are elected has been reorganized under the provisions of chapter 15-53 or article III of chapter 15-53.1, such members may be elected either at large or by geographical area. In districts reorganized under the provisions of chapter 15-53 or article III of chapter 15-53.1, in which an increase in the membership of the board is proposed, the election on the reorganization plan shall take the place of the petition and election requirements of this subsection, and approval of the reorganization plan shall have the same effect as if the approval were by the election provided for in this subsection.

SECTION 13. AMENDMENT.) Section 15-28-02 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-28-02. RURAL MEMBERS OF SCHOOL BOARD.) When a school district is composed of six or more sections of land having a city within its boundaries and when the population of the school district does not exceed two thousand persons, at least two members of the school board shall be residents upon farms outside the corporate limits of the city. When a school district is composed of six or more sections of land and has within its boundaries a city with a population of more than two thousand but less than fifteen thousand persons, and has at least twenty-five families residing upon farms outside the corporate limits of the city but upon farmsteads located within the school district and sending children to school in such school district, at least one member of the board shall be a resident upon a farm outside the corporate limits of the city. Provided that when the assessed taxable valuation of the rural area of a school district containing a city is greater than the assessed taxable valuation of the urban area of the district, the majority of

the members of the school board shall reside upon farms outside the corporate limits of the city.

For purposes of this section, school board members shall be considered as rural members and as residing upon a farm if they reside within a city that according to the latest federal census has a population of two hundred or less and is located within a school district that has four or more incorporated cities within its boundary.

SECTION 14. AMENDMENT.) Subsection 1 of section 15-29-08 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. To establish for all children of legal school age residing within the district, a system of free public schools which shall furnish school privileges equally and equitably.

SECTION 15. AMENDMENT.) Subsection 2 of section 15-29-08 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. To organize, establish, operate, and maintain such elementary and high schools as it may deem requisite and expedient, to acquire sites and construct buildings and other facilities in connection therewith, and to change the location of or discontinue such schools and liquidate the assets thereof in the manner prescribed by law; provided that no site shall be acquired or building constructed, or no school shall be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.

SECTION 16. AMENDMENT.) Subsection 3 of section 15-29-08 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

3. To send pupils into another school district, and to make arrangements for the education of pupils in a federal school and contract with federal officials for such education, all as provided by law.

SECTION 17. AMENDMENT.) Subsection 14 of section 15-29-08 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

14. To admit to the schools of the district pupils from other districts as provided by law, and to make rules and regulations for such admission, for the assignment and distribution of pupils to and among the schools, and for their transfer from one school to another.

SECTION 18. AMENDMENT.) Section 15-41-06 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-41-06. HIGH SCHOOL COURSES - REQUIREMENTS - CREDITS.) Four units of high school work shall be considered the minimum number of any year from the ninth grade to the twelfth grade, inclusive. All unit courses shall be taught a minimum of forty minutes a day for at least one hundred eighty days, subject to the provisions of section 15-47-33, except that all natural science courses shall exceed forty minutes to such an extent as may be determined by the superintendent of public instruction. In all high schools and in all schools maintaining any of the grades from the ninth to the twelfth, inclusive, and doing high school work, it shall be made possible for each grade to complete four units of work each year. The work which is done by pupils in any school which does not conform to the requirements contained in this section shall not be accredited by the superintendent of public instruction through state high school examinations or otherwise.

SECTION 19. AMENDMENT.) Section 15-47-21 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-47-21. TAX LEVIES FOR EQUALIZATION BETWEEN SCHOOL DISTRICTS LIMITED - REMITTANCE TAX.) When the amount to be levied on each of several districts or parts of districts affected by a change in school district boundaries has been determined, a list of the several amounts shall be made, and the respective amounts shall be set forth opposite the name of the district to which it is chargeable. The entire levy shall be stated substantially in the form provided for certifying school taxes, shall be addressed to the county auditor, and shall be signed by a majority of the members of the county committee or committees. Opposite the several descriptions of property on the tax list shall be entered the names of the school districts within which the property is situated. The levy shall be a valid levy on the taxable property of each district. Not more than fifteen mills of the levy shall be extended against the taxable property in any one year, and the levy, not exceeding fifteen mills on the dollar, shall be extended from year to year until the whole amount has been levied. The county auditor shall preserve the levies and shall extend the several rates from year to year as required by law for school district taxes, and the tax shall be collected at the same time and in the same manner as other taxes are collected, and paid over to the proper school district within which the property upon which the tax is paid is situated. The proceeds of taxes upon parts of districts lying outside of the district with which they are equalized shall be paid to the treasurer of the school district within which the property is situated. The taxes levied for equalization purposes shall be in addition to all other taxes for school purposes. The provisions of this section shall apply to proceedings under article

II, annexation, and article IV, involuntary dissolution, of chapter 15-53.1, but shall not apply to article III, reorganization, of chapter 15-53.1 except where specifically so referenced.

SECTION 20. AMENDMENT.) Section 15-47-27 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

* 15-47-27. TIME FOR RENEWAL OF TEACHERS' CONTRACTS.) Any teacher who has been employed by any school district, the director of institutions, or the state board of higher education in this state during any school year, shall be notified in writing by the school board, the director of institutions, or the state board of higher education, as the case may be, not earlier than the fifteenth day of February and not later than the fifteenth day of April in the school year in which he or she has been employed to teach, of the determination not to renew the teacher's contract for the ensuing school year, if such determination has been made; and failure to give such written notice on or before said date shall constitute an offer to renew the contract for the ensuing school year under the same terms and conditions as the contract for the then current year. On or before April fifteenth in any year and not earlier than February fifteenth, all teachers shall be notified of a date, which shall not be less than thirty days after the date of such notice, upon which they will be required to accept or reject proffered re-employment, and failure on the part of the teacher to accept said offer within such time shall be deemed to be a rejection of the offer. Any teacher who shall have accepted the offer of re-employment, either by the action or nonaction of the school board, the director of institutions, or the state board of higher education, on or before April fifteenth, as herein provided, shall be entitled to the usual written contract for the ensuing school year, as provided by law and shall notify the school board, the director of institutions, or the state board of higher education, in writing of his or her acceptance or rejection on or before the date specified or before May fifteenth, whichever is earlier. Failure on the part of the teacher to provide such notification shall relieve the school board, the director of institutions, or the state board of higher education, of the continuing contract provision of sections 15-47-26 through 15-47-28. Nothing in this section shall be construed as in any manner repealing or limiting the operation of any existing law with reference to the dismissal of teachers for cause.

SECTION 21. AMENDMENT.) Section 15-47-33 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-47-33. LENGTH OF ELEMENTARY AND SECONDARY SCHOOL YEAR TERM.) All elementary and secondary schools in this state shall provide at least one hundred eighty days of classroom instruction during each school term. Any day in which classes cannot be held because of acts of God, epidemic, or failure of physical

*NOTE: Section 15-47-27 was further amended by section 2 of Senate Bill No. 2332, chapter 190.

facilities shall be included in the one hundred eighty days provided for in this section.

SECTION 22. AMENDMENT.) Section 15-49-02 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-49-02. PERSONAL INTEREST IN SCHOOL DISTRICT CONTRACTS PROHIBITED - EXCEPTIONS.) No school board member or other school officer shall be interested personally, directly or indirectly, in any contract requiring the expenditure of school funds unless such contract has been unanimously approved by the school board, and a finding made and unanimously adopted by the board and entered into the official minutes that the services or property to be furnished are not otherwise obtainable elsewhere at equal cost. Regardless of this section, any school board, by resolution duly adopted, may provide for the contracting at any time thereafter, for minor supplies or incidental expenses with members of its school board or other school officers, except that the amount thereof shall not exceed that amount required for the acceptance of bids as set forth in section 15-47-15. Any violation of the provisions of this section shall be a misdemeanor.

SECTION 23. AMENDMENT.) *Subsection 3 of section 57-15-14 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

3. Any school district giving four years of standard high school work may levy taxes not to exceed thirty-four mills; provided that there shall be no limitation upon the taxes which may be levied by any school district having a total population in excess of four thousand according to the last federal decennial census if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted and approved by a majority of the electors voting at any regular or special election upon such question. In the event such election is held in a reorganized district, it shall be conducted and approved or disapproved in the same manner and subject to the same conditions as provided in section 15-53.1-22 for elections for approval of school district reorganization plans. The question of authorizing or discontinuing such unlimited taxing authority in any school district shall be submitted to the electorate at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of not less than ten percent of the electors of the district as determined by the county superintendent for such county in which such school is located; provided, however, that the approval of discontinuing such unlimited taxing authority shall not affect the tax levy in the calendar year in which the election is held. The election shall be

*NOTE: Subsection 3 of section 57-15-14 was further amended by section 1 of Senate Bill No. 2324, chapter

held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing an unlimited mill levy;

SECTION 24. AMENDMENT.) Section 57-15-24 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-15-24. COUNTY MILL LEVY FOR SCHOOLS.) The county auditor, at the time the annual levy of taxes is made, shall levy a tax of twenty-one mills on the dollar on all taxable property in the county to be placed in the county equalization fund for apportionment as provided by law except that the county auditor of any county which, according to the certificate of the tax commissioner, has on a countywide average assessed its taxable property at a percentage of market value that is either less or more than the statewide average percentage of market value at which all taxable property has been assessed shall convert the amount certified to him by the superintendent of public instruction to mills and make such levy upon all taxable property in the county in lieu of such twenty-one mill levy specified by this section. The levy provided for in this section shall be over and above any tax levy limitations provided by law.

SECTION 25. AMENDMENT.) Section 57-16-04 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-16-04. INCREASE MAY BE FOR FIVE YEARS - EXTENSION - DISCONTINUANCE.) The governing board of the school district may submit the question of authorizing an excess levy for the current year and not to exceed four succeeding years. The notice of election shall give the year or years for which authorization is sought for an excess levy as well as the percentage of excess which is to be voted upon. Prior to the termination of the excess levy, such levy may be extended for a term not to exceed the original term of the increase upon the unanimous approval by the governing board of the school district, and further extensions may be made for the same number of years prior to each termination date upon the unanimous approval of the governing board of the school district. The question of discontinuing such extended excess levy in any school district shall be submitted to the electorate at the next regular election upon the filing with the school board of a petition containing the signatures of not less than ten percent of the electors of the district as determined by the county superintendent for such county in which such school is located; provided, however, that the approval of discontinuing such extended excess levy shall not affect the tax levy in the calendar year in which the election is held. The election shall be held in the same manner and subject to the same conditions as provided in section 15-53.1-22 for elections for approval of school district reorganization plans.

SECTION 26. AMENDMENT.) Section 57-55-03 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-55-03. WHEN TAXES BECOME DUE AND DELINQUENT.) The tax for a trailer shall become due upon expiration of fifteen days after such trailer is brought into this state and upon January fifteenth of each year thereafter. If the tax on any mobile home or trailer house, or sleeping trailer becomes due between January fifteenth and March seventeenth and, if not paid on or before March seventeenth, it shall become delinquent on the following first day of April, at which time a penalty of two percent of the amount of delinquent tax shall be added. If the tax on any mobile home or trailer house, or sleeping trailer shall become due after March seventeenth, it shall become delinquent on the fifteenth day after it became due and, if not paid on or before that day, shall be subject to a penalty of two percent of the amount of delinquent tax. An additional penalty of one percent of the amount of any delinquent and unpaid tax shall attach on the first day of each calendar month, not including however, the month in which the tax became delinquent. The total penalties shall not exceed ten percent of the amount of tax. Taxes may be prorated in three equal installments, if the amount of the tax due is forty dollars or more and upon application of the taxpayer. Upon application for installment payments, the county auditor shall authorize payment of the tax in not to exceed three equal installments, due without penalty, on or before April first, July first, and October first of the year in which the tax becomes due. The penalty provided in this section shall also apply to installment payments, which shall become delinquent fifteen days after the date said installment was due and payable.

SECTION 27. AMENDMENT.) Section 57-55-04 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-55-04. TAXES - HOW DETERMINED - DISBURSEMENT.) The tax for each trailer shall be determined by the county auditor by placing a valuation on such trailer and its contents pursuant to standards and guides as determined by the state tax commissioner and applying such value to the total of all of the most recent mill levies applying to property within the taxing district wherein the trailer is located.

SECTION 28. AMENDMENT.) Section 16-01-15 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

16-01-15. CERTAIN QUESTIONS NOT TO BE VOTED UPON FOR THREE MONTHS.) Whenever at any election a bond issue or mill levy question has failed to receive the required number of votes for approval by the electors, the matter shall not again be

submitted to a vote until a period of at least three months shall have expired and in no event shall more than two elections on the same general matter be held within twelve consecutive calendar months.

SECTION 29. REPEAL.) Chapters 15-20, 15-27, 15-34, 15-40, and 15-53 of the 1969 Supplement to the North Dakota Century Code; sections 15-22-21, 15-22-22, 15-38-04, and 15-41-18 of the 1969 Supplement to the North Dakota Century Code; and sections 15-41-19, 15-47-19, and 15-47-20 of the North Dakota Century Code are hereby repealed.

Approved March 8, 1971

CHAPTER 159

SENATE BILL NO. 2127
(Hernett)

INVESTMENT OF SCHOOL
TRUST FUNDS

AN ACT to amend and reenact sections 15-01-02, 15-03-04, 15-03-15, and 15-03-18 of the North Dakota Century Code, relating to the investment of various permanent funds under the control of the board of university and school lands.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-01-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-01-02. POWERS - CONTROL OF PUBLIC LANDS AND PERMANENT FUNDS.) The board shall have:

1. Full control of the selection, appraisalment, rental, sale, disposal, and management of:
 - a. Lands donated or granted by or received from the United States or from any other source for the support and maintenance of the common schools.
 - b. All lands which shall fall to the state by escheat.
 - c. All lands donated or granted by or received from the United States or from any other source for the maintenance of the educational, penal, or charitable institutions.
 - d. All lands acquired by the state through the investment of the permanent school funds of the state as the result of mortgage foreclosure or otherwise.

2. Full control of the investment of the permanent funds derived from the sale of any of the lands described in subsection 1 of this section.
3. Full control of such percent of the proceeds of any sale of public lands as may be granted to the state by the United States on such sale.
4. Full control of the proceeds of any property that shall fall to the state by escheat and of the proceeds of all gifts and donations to the state for the support or maintenance of the common schools, and of all other property otherwise acquired by the state for the maintenance of the common schools. Any gift to the state not specifically appropriated to any other purpose shall be considered as a gift for the support and maintenance of the common schools.

*SECTION 2. AMENDMENT.) Section 15-03-04 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-04. INVESTMENT OF FUNDS - PURCHASE OF SECURITIES AND MORTGAGES - APPRAISAL.) Subject to the provisions of section 15-03-05, the board of university and school lands shall invest the money belonging to the permanent funds under its control in the following securities:

1. 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 the property on which the same may be loaned, such value to be determined by the board of appraisal of school lands.
2. All investments that are enumerated under section 21-10-07 of this Code as legal investments for the state investment board.

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

15-03-15. MEETING TO CONSIDER INVESTMENTS AND APPROVAL OF FARM LOANS - NOTICE - VOTE REQUIRED.) The board of university and school lands shall not purchase nor approve the purchase of any securities nor approve the application for any farm loan except at a meeting of the board held pursuant to a notice given by the secretary of the board to every member in time to afford each member an opportunity to be present at the meeting. The notice shall specify that the question of the purchase or the action on a proposal for the purchase of

*NOTE: Section 15-03-04 was also amended by section 1 of House Bill No. 1479, chapter 162.

certain securities or the approval of the application for certain farm loans is to be considered at the meeting. A majority vote of all the members of the board shall be required to purchase any securities or to approve the application for any farm loan, and such vote shall be taken by yeas and nays and shall be duly recorded in the books of the board. The president of the Bank of North Dakota or an officer of the Bank designated by him shall serve as counsel and advisor to this board and must approve, with the exception of farm loans, the investment of funds in securities enumerated in section 21-10-07 of the North Dakota Century Code.

SECTION 4. AMENDMENT.) Section 15-03-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-18. COMMISSIONER TO RECEIVE AND PRESENT OFFERS FOR SALES OF SECURITIES - MAINTAIN RECORDS OF MORTGAGES AND SECURITIES.) The commissioner of university and school lands shall receive and present to the board all offers for the sale of securities. He shall keep such books as may be necessary to register and describe all securities and mortgages purchased or taken by the board for the benefit of any of the permanent funds under its control. The books kept by the commissioner shall be ruled to permit:

1. The registry of the name and residence of the person offering to sell any bonds, securities, or mortgages.
2. If bonds, the designation of the municipality, corporation, or sovereignty for which the offer is made.
3. A full and detailed description of every governmental bond, whether of the United States, this or any other state, or a municipality, and the date, number, series, amount, and rate of interest of each bond, and when the interest and principal, respectively, are payable.
4. If mortgages, a description of the property mortgaged.
5. If any other security, a full and detailed description of the security according to sound accounting principles.

The foregoing record shall be made before the completion of the purchase of any bond, security, or mortgage.

Approved March 11, 1971

CHAPTER 160

SENATE BILL NO. 2037
(Goldberg, L. Larson, Lowe,
Melland, Robinson, Wenstrom, Wilhite)
(Legislative Council Study)

LAND DEPARTMENT FEES

AN ACT to authorize the board of university and school lands to charge fees, and to repeal section 15-02-10 of the North Dakota Century Code.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. BOARD OF UNIVERSITY AND SCHOOL LANDS TO SET AND ESTABLISH FEES - COLLECTIONS.) The board of university and school lands shall have authority to set and establish fees in amounts equal to the cost of the issuance of patents, deeds, leases, assignments, land contracts, holding land sales, furnishing documents, and receiving and processing all loans made by the board. All leasing fees for agricultural purposes shall be collected by the county treasurer of the county wherein such land is leased at the time the first payment is made for leases, and such funds shall be deposited in the general fund of the county. All other fees provided for in this section shall be deposited in the general fund of the state treasury.

SECTION 2. REPEAL.) Section 15-02-10 of the North Dakota Century Code is hereby repealed.

Approved February 19, 1971

CHAPTER 161

SENATE BILL NO. 2217
(Committee on Appropriations)

STATE LAND MAINTENANCE FUND

AN ACT to create and provide for the creation of a state land maintenance fund, and to amend and reenact sections 15-01-05, 15-03-02 and 15-03-03 of the North Dakota Century Code, relating to the payment of salaries and expenses of the office of commissioner of university and school lands from such fund, and declaring an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. CREATION OF MAINTENANCE FUND - INCOME DERIVED FROM STATE ASSETS.) Ten per centum (10%) of the income derived from any state assets under the control of the board of university and school lands shall constitute a fund to be known as the state lands maintenance fund.

SECTION 2. PAYMENT OF SALARIES AND EXPENSES FROM MAINTENANCE FUND - VOUCHERS AND WARRANTS.) All salaries and expenses of the office of the commissioner of university and school lands shall be paid from said state lands maintenance fund upon vouchers in duplicate, approved by the commissioner, setting forth the accounts covered thereby, duly itemized, one copy to be retained in the commissioner's office and the other to be filed with the department of accounts and purchases, and warrants for the payment thereof drawn by said department of accounts and purchases upon said fund.

SECTION 3. APPORTIONMENT OF MAINTENANCE FUND BALANCES QUARTERLY.) Any balance remaining over a minimum balance of twenty thousand dollars in said state lands maintenance fund on March 31, June 30, September 30 and December 31 of each year shall be apportioned by the department of accounts and purchases among the several funds from which derived.

SECTION 4. AMENDMENT.) Section 15-01-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-01-05. EXPENSES OF BOARD - HOW PAID - LIMITATIONS.) Necessary incidental expenses of the board, within the limits of any appropriation made therefor by the legislative assembly, shall be paid by the department of accounts and purchases from

the state land maintenance fund upon satisfactory vouchers. The department of accounts and purchases shall issue its warrant for such expenses.

SECTION 5. AMENDMENT.) Section 15-03-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-02. INTEREST AND INCOME FROM GRANT LANDS.) All moneys accumulating in the interest and income fund arising from the sale or leasing of any lands granted by the state or by the constitution of the state of North Dakota for any institution of higher education of the state are pledged specifically for the maintenance of the institution for which such lands were granted after deducting the cost of administering such funds as provided in this act.

SECTION 6. AMENDMENT.) Section 15-03-03 of the 1969 Supplement to 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 after deducting the cost of administering such funds as provided in this act.

SECTION 7. 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 27, 1971

CHAPTER 162

HOUSE BILL NO. 1479
(Mertens)

SCHOOL FUNDS -
AUTHORIZED INVESTMENTS

AN ACT to amend and reenact sections 15-03-04 and 15-06-01, subdivision h of subsection 2 of section 15-39-01, sections 15-47-02, 25-07-01, 25-07-05, and 25-07-07 of the North Dakota Century Code, and to amend and reenact section 15-34.1-02 as contained in section 5 of House Bill No. 1045, as approved by the forty-second legislative assembly, deleting the words "and dumb" from the phrase "deaf and dumb" and substituting the word "deaf" for the word "mute", and to amend and reenact section 25-07-04 of the North Dakota Century Code, relating to the age at which deaf children shall be allowed to attend the school for the deaf.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

*SECTION 1. AMENDMENT.) Section 15-03-04 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-04. INVESTMENT OF FUNDS - PURCHASE OF BONDS AND MORTGAGES - APPRAISAL.) Subject to the provisions of section 15-03-05, the board of university and school lands shall invest the money belonging to the permanent funds of the common schools, the state university and school of mines, the state industrial school, the agricultural college, the school for the deaf, the state normal schools, and other permanent funds derived from the sale of original grant lands or from any other source, in the following securities:

1. Bonds of school corporations, counties, townships, and municipalities within the state;
2. Bonds issued for construction of drains within the state;
3. Bonds of the United States;
4. Bonds of the state of North Dakota; or
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

*NOTE: Section 15-03-04 was also amended by section 2 of Senate Bill No. 2127, chapter 159.

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.

SECTION 2. AMENDMENT.) Section 15-06-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-06-01. "ORIGINAL GRANT LANDS" DEFINED.) The term "original grant lands" shall mean all of the public lands which heretofore have been or hereafter may be granted to the state by the United States for the support and maintenance of the common schools or for the support and maintenance of the university, the school of mines, the state industrial school, the agricultural college, the school for the deaf, any normal school, or any other educational, penal, or charitable institution, and any lands which have been obtained by the state through a trade of any such lands for other lands. Original grant lands which have been sold on contract shall retain their character as such grant lands until the contract has been paid up and a patent issued therefor.

SECTION 3. AMENDMENT.) Section 15-34.1-02 as contained in section 5 of House Bill No. 1045, as approved by the forty-second legislative assembly, is hereby amended and reenacted to read as follows:

15-34.1-02. COMPULSORY ATTENDANCE - DEAF, BLIND, OR MENTALLY DEFICIENT PERSONS.) Every parent, guardian, or other person who has control over any deaf child of at least four years of age, or control over any blind, or mentally deficient child of an age of seven years to twenty years, inclusive, shall send the child, if deaf, to the school for the deaf at Devils Lake or other adequate institution for the entire school year, unless excused by the superintendent of that institution; and if blind, to the school for the blind at Grand Forks or other adequate institution for the entire school year, unless excused by the superintendent of said institution; and if mentally deficient, to the state school at Grafton or other adequate institution for the entire school year, unless excused by the superintendent of that institution. Adequate institution shall mean any school, public or private, specializing in the training of handicapped children as stated.

*SECTION 4. AMENDMENT.) Subdivision h of subsection 2 of section 15-39-01 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

h. The school for the deaf;

SECTION 5. AMENDMENT.) Section 15-47-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

*NOTE: Chapter 15-39 was repealed by section 2 of House Bill No. 1517, chapter 184.

15-47-02. STATE INSTITUTIONS OF HIGHER EDUCATION ARE PART OF FREE PUBLIC SCHOOL SYSTEM.) The university and the school of mines at Grand Forks, the agricultural college at Fargo, the state normal schools at Valley City, Mayville, Minot, and Dickinson, the school for the deaf at Devils Lake, the school of forestry at Bottineau, the school of science at Wahpeton, the normal and industrial school at Ellendale, and all other schools established by law and maintained by taxation constitute the system of free public schools of the state.

SECTION 6. AMENDMENT.) Section 25-07-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

25-07-01. SCHOOL FOR THE DEAF - MAINTAINED - LOCATION - PURPOSE.) There shall be maintained at Devils Lake, in Ramsey County, an institution for the education of the deaf which shall be known as the school for the deaf.

SECTION 7. AMENDMENT.) Section 25-07-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

25-07-04. QUALIFICATIONS FOR ADMISSION TO SCHOOL FOR DEAF - RESIDENTS OF STATE ENTITLED TO FREE EDUCATION.) In order to be admitted as a pupil in the school for the deaf, an applicant's hearing must be impaired to such extent that he cannot make suitable progress in the public schools of the state. An applicant must be at least four years of age, capable of caring for himself, and capable of receiving an education. The superintendent shall furnish application blanks upon request, and no person shall be admitted to the institution until the application giving such information as the director of institutions may require has been returned to and approved by the superintendent. An applicant admitted to the school must be transported thereto at the expense of his parents or of the county of which he is a resident. Each such applicant who is a resident of this state and who, because of his handicap, is unable to receive an education in the public schools, shall be entitled to receive an education in the school for the deaf at the expense of the state.

SECTION 8. AMENDMENT.) Section 25-07-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

25-07-05. ADMISSION OF NONRESIDENTS.) Deaf children of suitable age who are not residents of this state shall be entitled to an education in the school for the deaf upon payment in advance of the cost of such education as shall be determined by the director from time to time. Nonresident children, however, shall not be received to the exclusion of children who are residents of this state.

SECTION 9. AMENDMENT.) Section 25-07-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

25-07-07. TRANSPORTATION OF INDIGENT CHILDREN TO AND FROM SCHOOL FOR DEAF.) The board of county commissioners shall order paid by the county the expenses of transportation to and from the school for the deaf of any indigent deaf child admitted to the school, and at the time of levying other taxes, shall levy a sum sufficient for such transportation. In order to avoid long delay in transporting indigent children to and from the school, the superintendent may pay for such transportation and forward an itemized statement of the expense thereof to the county auditor, and the board of county commissioners shall order the repayment thereof to the superintendent, who shall account for such money to the director.

Approved March 8, 1971

CHAPTER 163

HOUSE BILL NO. 1369
(Gackle)

IMPROVEMENTS ON
LEASED SCHOOL LANDS

AN ACT to amend and reenact section 15-08-26 of the North Dakota Century Code, relating to the time in which a lessee may remove improvements he has placed on the land when the land is sold.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-08-26 of the 1969 Supplement to the North Dakota Century Code is hereby amended an reenacted to read as follows:

15-08-26. REMOVAL OF OR PAYMENT FOR IMPROVEMENTS UPON TERMINATION OF LEASE.) The lessee of any lands under the control of the board of university and school lands, at the expiration of the lease or within one hundred twenty days after receiving notice of the sale of the land which he is leasing may remove any improvements which he has placed upon such lands if such removal can be accomplished without material damage to the land. If the land is leased or sold to any person other than the holder of the lease, the person purchasing or leasing the land, in addition to paying the purchase price or rental of the land, shall pay to the prior lessee the reasonable value of all permanent improvements placed upon the land by the prior lessee with the written consent of the commissioner of university and school lands.

In computing the reasonable value of such improvements, due regard shall be given to the cost of acquisition or construction and depreciation over a period of not to exceed ten years. If the parties are unable to agree upon the value of such improvements, the value shall be determined by a board composed of the commissioner or someone designated by him and of a person appointed by each of the parties in disagreement.

Approved March 4, 1971

CHAPTER 164

SENATE BILL NO. 2486
(Litten, Longmire)

BOARD ACCEPTING
AND SELLING GIFTS

AN ACT to create and enact section 15-10-12.1 of the North Dakota Century Code, to provide a procedure for the acceptance of buildings by the board of higher education, and to amend and reenact section 15-10-12 of the North Dakota Century Code, relating to the acceptance of gifts and bequests by the board of higher education, and the sale of property received as a gift or bequest.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-10-12 of the 1969 Supplement to 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, subject to the limitations of section 15-10-12.1, 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 make transfers from each institution's general fund appropriation to each institution's special operating fund on a monthly basis in amounts as may be necessary for the operation and maintenance of each institution for the next month, except that at the beginning of the twenty-fourth month

of the biennium the balance of funds not transferred from the general fund appropriation shall be deposited in the special operating funds of such institutions. 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. Sinking funds for the payment of interest and principal of institutional revenue bonds shall be deposited pursuant to section 15-55-06.

SECTION 2.) Section 15-10-12.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-10-12.1. ACCEPTANCE OF BUILDINGS AND CAMPUS IMPROVEMENTS - APPROVAL OF BUDGET COMMITTEE.) The state board of higher education may, with the approval of the budget committee of the legislative council, authorize the use of land under the control of the board and construct buildings and campus improvements thereon which are financed by donations, gifts, grants, and bequests. The budget committee of the legislative council may establish guidelines regarding the types of gifts for minor improvements which shall not require the approval of such committee based upon the financial impact of such construction projects upon the state of North Dakota. The state board of higher education may, with the approval of the budget committee of the legislative council, authorize the sale of any real property or buildings which an institution of higher learning has received by gift or bequest. The budget committee may prescribe such conditions for the sale of the property as it deems necessary, including, but not limited to, requiring an appraisal and the advertisement for bids.

Approved March 22, 1971

CHAPTER 165

SENATE BILL NO. 2284
(Litten, Longmire)

POWERS OF BOARD
OF HIGHER EDUCATION

AN ACT to amend and reenact subsection 1 of section 15-10-17 of the North Dakota Century Code, relating to the powers and duties of the state board of higher education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Subsection 1 of section 15-10-17 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. To appoint and remove the president or other faculty head, and the professors, instructors, teachers, officers, and other employees of the several institutions under its control, and to fix their salaries within the limits of legislative appropriations therefor, and to fix the terms of office and to prescribe the duties thereof, provided that the consideration of the appointment or removal of any such personnel shall be in executive session if the board chooses unless the person or persons involved request that the meeting shall be open to other persons or the public;

Approved March 12, 1971

CHAPTER 166

SENATE BILL NO. 2211
(Holand)

CONFIDENTIAL COLLEGE RECORDS

AN ACT to amend and reenact subsection 2 of section 15-10-17 of the North Dakota Century Code, relating to the powers and duties of the state board of higher education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Subsection 2 of section 15-10-17 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. To have custody of the books, records, grounds, buildings, and all other property of such institutions, and to authorize such institutions to maintain confidential records containing personal information regarding their prospective, current, or former students or regarding patients at the medical center rehabilitation hospital at the university of North Dakota, with the information in such records subject to release by the institution only upon a court order or the express or implied consent of the student or patient involved. A prospective, current, or former student shall be deemed to have consented to the release of all records to a prospective employer upon application for employment to that employer, provided the position is of such a nature as to require security clearance. The board may procure all necessary apparatus, instruments, and appurtenances for instruction in said schools within the limits of legislative appropriations therefor;

Approved March 27, 1971

CHAPTER 167

HOUSE BILL NO. 1055
(Backes, Dornacker, Gackle, L. Larson, Weber)
(From Legislative Council Study)

ALUMNI BUILDING TAX EXEMPTION

AN ACT to amend and reenact section 15-11-26 of the North Dakota Century Code, relating to the exemption from the property tax of the alumni building at the University of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-11-26 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-11-26. ALUMNI BUILDING - TITLE TO SITE - TITLE TO BUILDING.) The title to the ground selected by the alumni association for an alumni building shall remain forever in the state, subject to the purposes specified. The title to the alumni building shall remain in the alumni association until it may be relinquished or granted formally to the state.

Approved March 15, 1971

CHAPTER 168

HOUSE BILL NO. 1491
(Hildebrand, Mertens)

JUNIOR COLLEGE BOND
ISSUES AND FEES

AN ACT to amend and reenact sections 15-18-03 and 15-18-04.1 of the North Dakota Century Code, relating to tuition and fees at junior colleges and off-campus educational centers, and to amend and reenact section 15-55-18 of the North Dakota Century Code, relating to bond issues for junior colleges and off-campus educational centers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-18-03 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-18-03. TUITION AND FEES IN JUNIOR COLLEGE - USE OF TUITION AND FEE REVENUE - DUTY OF SCHOOL BOARD - TAX LEVY AUTHORIZED ON VOTE OF PEOPLE - MAINTENANCE OF DEPARTMENT.) On or before August fifteenth in each year, the school board of a public school district which maintains a junior college shall determine the rate of tuition and fees required to be paid by all students attending the department, whether or not the students are residents of the district, and these tuition and fee charges may be at a different rate for the students nonresident in the district than for students resident in the district. Tuition and fee revenue may be used to retire bonds issued in accordance with section 15-55-18. Every public school district maintaining a junior college under the provisions of this chapter may levy a tax of not to exceed eight mills, the proceeds of which shall be used for the maintenance and operation of the junior college. When submitting the question at the election, the board may specify a levy of less than the eight-mill limit authorized, and if such a limited levy is approved by the voters, subsequent levies shall not exceed the limited levy without another election authorizing a greater levy, but no election shall ever authorize a greater total levy than eight mills. The tax levy for the support of a junior college shall be in addition to all other levies authorized by law for such school districts, and the proceeds of the levy shall be used exclusively for the support, operation, and maintenance of a junior college.

SECTION 2. AMENDMENT.) Section 15-18-04.1 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-18-04.1. ESTABLISHMENT OF OFF-CAMPUS EDUCATIONAL CENTER - TUITION AND FEES - USE OF TUITION AND FEE REVENUE.) The school board of any school district which includes a city having a population of more than seven thousand five hundred according to the latest federal census, may enter into an agreement with a state-supported institution of higher education for the establishment and maintenance of an off-campus educational center offering college or university level courses, provided such agreement is approved by the state board of higher education. The school shall determine the tuition and fees to be paid by all students attending the off-campus educational center, regardless of their residence, and these charges may be at a different rate for the students nonresident in the district than for students resident in the district. Tuition and fee revenue may be used to retire bonds issued in accordance with section 15-55-18.

SECTION 3. AMENDMENT.) Section 15-55-18 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-55-18. BOND ISSUE FOR JUNIOR COLLEGES AND OFF-CAMPUS EDUCATIONAL CENTERS.) The board of education of any school district having a junior college or off-campus educational center as provided in chapter 15-18 is hereby authorized and empowered to issue and sell tax exempt bonds for the purpose of constructing buildings, adding to or repairing or renovating existing buildings, furnishing or equipping these buildings, or operating and maintaining these buildings for its junior college or off-campus educational center students. The total principal amount of such bonds shall not exceed two and one-half million dollars. The bonds authorized by this section shall be retired from revenues of the buildings and facilities constructed under the provisions of this section. The board of education may also use tuition and fee revenue to retire these bonds. These bonds shall never become a general obligation of the school district, or the state of North Dakota.

Approved March 16, 1971

CHAPTER 169

HOUSE BILL NO. 1460
(R. Peterson, Boustead, Hildebrand)

STATE AID FOR JUNIOR COLLEGES

AN ACT to amend and reenact sections 15-18-07 and 15-18-09 of the North Dakota Century Code, relating to state aid for junior colleges or educational centers and the method of payment.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-18-07 of the 1969 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 standards and eligibility requirements prescribed in section 15-18-08, out of funds appropriated for this purpose, the sum of two hundred dollars which shall be paid for every student in attendance during the two full semesters or fall, winter, and spring quarters. In addition, the sum of three hundred dollars shall be paid 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 vocational 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.

If the funds appropriated for the purpose of carrying out the provisions of this section should prove to be insufficient based on the number of students in attendance at a junior college or educational center as provided in this section, the amounts to be paid to such junior colleges or educational centers shall be reduced in such a manner so that the payments for each student in attendance at a junior college or educational center will be made on a pro rata basis.

SECTION 2. AMENDMENT.) Section 15-18-09 of the 1969 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 first 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 for 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 vocational 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 for 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 shall forward to the director of accounts and purchases a certified list of all school districts entitled to payments under section 15-18-07, together with the amount of the approved payments. The director of accounts and purchases 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 27, 1971

CHAPTER 170

SENATE BILL NO. 2113
(Litten)

DIVISION OF INDEPENDENT STUDY

AN ACT to amend and reenact sections 15-19-01, 15-19-02, 15-19-03, and 15-19-06 of the North Dakota Century Code, relating to the establishment of high school correspondence courses, the administration of the division of independent study, the duties of superintendents of schools, and special operating funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-19-01 of the 1969 Supplement to 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 independent 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.

SECTION 2. AMENDMENT.) Section 15-19-02 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-02. ADMINISTRATION - DIRECTOR OF DIVISION OF INDEPENDENT STUDY - APPOINTMENT AND DUTIES.) The program of and all activities related to the division of independent 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 independent 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 independent 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 independent study.

SECTION 3. AMENDMENT.) Section 15-19-03 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-03. DUTIES 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 independent 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.

SECTION 4. AMENDMENT.) Section 15-19-06 of the 1969 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 independent study shall be maintained within the state treasury and all income and fees collected by the division of independent 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 independent 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 independent 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 independent study for the payment of necessary expenses in the administration and operation of the division of independent 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 independent 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.

Approved February 19, 1971

CHAPTER 171

HOUSE BILL NO. 1533
(Eagles)

VOCATIONAL EDUCATION
AND REHABILITATION

AN ACT to amend and reenact sections 15-20.1-01, 15-20.1-05, 15-20.1-14, and 15-20.1-15 of the North Dakota Century Code, as contained in section 4 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, relating to definitions, custody, and payment of vocational education and vocational rehabilitation funds, and rehabilitational services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-20.1-01 of the North Dakota Century Code, as contained in section 4 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-20.1-01. DEFINITIONS.) In this chapter, unless the context or subject matter otherwise requires:

1. "State board" shall mean the state board of vocational education which is the state board of public school education.
2. "Director" shall mean the director of vocational education.
3. "Division" shall mean the division of vocational rehabilitation established by this chapter.
4. "Division director" shall mean the director of the division of vocational rehabilitation.
5. "Regulations" shall mean regulations made by the director, or the division director, as the case may be, with the approval of the state board.

SECTION 2. AMENDMENT.) Section 15-20.1-05 of the North Dakota Century Code, as contained in section 4 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-20.1-05. CUSTODY AND PAYMENT OF VOCATIONAL EDUCATIONAL AND VOCATIONAL REHABILITATION FUNDS.) The state board shall

be charged with the duty of administering all funds that are received from federal and state sources for vocational education and vocational rehabilitation purposes. All such moneys received shall be placed in the custody of the state treasurer, and shall be paid by the department of accounts and purchases as directed by the division director or the director of vocational education.

SECTION 3. AMENDMENT.) Section 15-20.1-14 of the North Dakota Century Code, as contained in section 4 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-20.1-14. REHABILITATION SERVICES PROVIDED TO ANY DISABLED INDIVIDUAL - ELIGIBILITY.) Vocational rehabilitation services shall be provided to any disabled individual:

1. Whose vocational rehabilitation the division director determines, after full investigation, can be satisfactorily achieved; or is
2. Eligible therefor under the terms of an agreement with another state or with the federal government.

SECTION 4. AMENDMENT.) Section 15-20.1-15 of the North Dakota Century Code, as contained in section 4 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-20.1-15. REHABILITATION SERVICES PROVIDED TO DISABLED INDIVIDUALS REQUIRING FINANCIAL ASSISTANCE.) Except as may be otherwise provided by law or as may be specified in any agreement with another state or with the federal government, rehabilitation services shall be provided at public cost to disabled individuals found to require financial assistance.

Approved March 29, 1971

CHAPTER 172

HOUSE BILL NO. 1386
(Eagles, R. Peterson)

BOARD OF PUBLIC SCHOOL EDUCATION

AN ACT to amend and reenact section 15-21-17 of the North Dakota Century Code, relating to the state board of public school education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-21-17 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-21-17. COMPOSITION OF STATE BOARD OF PUBLIC SCHOOL EDUCATION.) The state board of public school education shall consist of the superintendent of public instruction, and one qualified elector from each judicial district within the state, to be appointed by the governor subject to the consent of the senate. Nominations shall be made by the governor from a list of three names for each position to be filled on such board, such names to be selected by a committee consisting of the president of the North Dakota state's attorneys association, the president of the North Dakota school administrators association, and the president of the North Dakota school boards' association. Appointive members shall serve for terms of six years, arranged so that the term of two members shall expire on June thirtieth of each even-numbered year. The governor shall fill vacancies upon the committee and all members so appointed as well as the members of the original committee shall possess all the powers of regularly appointed and confirmed members, pending confirmation by the senate or its refusal to confirm. At all times, two members of the board shall be members of the North Dakota school boards' association. The superintendent of public instruction shall also serve as executive director and secretary of such board, shall call such meetings as may be required, shall supervise and carry out the policies of the board in relation to all functions of the board, and shall employ such personnel as shall be necessary to carry on such responsibilities as may be placed upon the board by law. The board shall annually elect a member of the board to serve as chairman. Appointive members shall be compensated at the rate of thirty dollars per day for each day actually and necessarily spent in the performance of their duties as board members and all members shall receive reimbursement for actual necessary expenses incurred in the performance of

their duties from the biennial appropriation of the department of public instruction at the same rates as provided by law for other state officers. The board shall have authority to call upon any state office, officer, department, or agency for such advise and assistance as it may from time to time require.

Approved March 22, 1971

CHAPTER 173

SENATE BILL NO. 2452
(Holand)

QUALIFICATIONS OF COUNTY
SUPERINTENDENT OF SCHOOLS

AN ACT to amend and reenact section 15-22-02 of the North Dakota Century Code, relating to qualifications of the county superintendent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-22-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-22-02. QUALIFICATIONS.) The county superintendent of schools shall be a qualified elector under the general laws of the state, a graduate of a reputable college, or other institution of higher learning, shall hold at least a first grade professional certificate, and successful experience in teaching. Be it further provided that this section shall not be retroactive but that anyone serving as county superintendent on the effective date of this section shall show evidence annually of work toward a first grade professional certificate.

Approved March 19, 1971

CHAPTER 174

SENATE BILL NO. 2044
(Berube, Longmire, Nasset, Swedlund)
(From Legislative Council Study)

DISTRICT SCHOOL BOARD - QUORUM

AN ACT to amend and reenact section 15-29-01 of the North Dakota Century Code, relating to school board meetings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-29-01 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-29-01. SCHOOL BOARD - QUORUM - MAJORITY VOTE.) The public school district school board shall consist of the members elected according to the provisions of chapter 15-28. A majority of the board shall constitute a quorum, and the agreement of a majority of those members present shall be necessary for the transaction of any business.

Approved February 20, 1971

CHAPTER 175

SENATE BILL NO. 2043
(Berube, Longmire, Nasset, Swedlund)
(From Legislative Council Study)

COMPENSATION OF SCHOOL BOARD

AN ACT to amend and reenact section 15-29-05 of the North Dakota Century Code, relating to the compensation of school board members.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-29-05 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-29-05. COMPENSATION OF BOARD MEMBERS.) Each member of the school board may receive not in excess of ten dollars as compensation for each meeting of the board actually attended by him, but no compensation shall be allowed for more than eighteen meetings in any one year. In addition thereto, each member of the school board may receive mileage at the rate of eight and one-half cents per mile for going to and returning from meetings of the school board attended by him, limited to eighteen meetings per year, and for other necessary board approved travel performed while engaged on official business of the board. Any mileage claimed shall not exceed the number of miles between the points traveled as measured by the most usual route.

Approved February 19, 1971

CHAPTER 176

HOUSE BILL NO. 1246
(McGauvran)

HANDLING OF SCHOOL DISTRICT FUNDS

AN ACT to amend and reenact section 15-29-13 and subsection 4 of section 57-39.2-04 of the North Dakota Century Code relating to the expenditure of school district funds and sales tax exemptions for such funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-29-13 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-29-13. FORM OF WARRANTS - HOW WARRANTS PAID BY TREASURER - INCIDENTAL REVOLVING FUND.) The treasurer shall pay out moneys only upon the presentation of a warrant signed by the president of the board and countersigned by the clerk, and only if there is money in his hands or subject to his order sufficient for the payment thereof. The form of warrant to be used by a school district shall be prescribed by the superintendent of public instruction. When making payment of a warrant on school district funds, the school district treasurer shall countersign the warrant and insert the name of the depository bank thereon, and the warrant, when so countersigned, shall become a check on the school district depository. Immediately upon countersigning any warrant and inserting the name of the depository bank thereon, he shall enter the payment in his treasurer's record. The treasurer shall not issue a check on the depository bank except as provided in this section.

The school board may, by resolution, establish an incidental revolving fund in the depository bank and designate the superintendent of schools or such other school administrator as the board may select to draw checks directly on such fund for such incidental expenses as the school board may direct in the resolution. The amount in such fund shall be drawn from the general fund as provided in the first paragraph of this section and shall never exceed one thousand dollars at any one time. The superintendent or other school administrator designated to draw checks on such fund shall submit a monthly report to the school board listing the checks drawn, the payee and the purpose for which the check was drawn.

SECTION 2. AMENDMENT.) Subsection 4 of section 57-39.2-04

of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. Gross receipts from sales of tickets, or admissions to state, county, district, and local fairs, and the gross receipts from educational, religious, or charitable activities, where the entire amount of such receipts is expended for educational, religious, or charitable purposes and the gross receipts derived by any public school district if such receipts are expended in accordance with section 15-29-13.

Approved March 30, 1971

CHAPTER 177

SENATE BILL NO. 2503
(Barth)

COMPULSORY SCHOOL ATTENDANCE

AN ACT to amend and reenact section 15-34.1-05 of the North Dakota Century Code, as contained in section 5 of House Bill No. 1045, as enacted by the Forty-second Legislative Assembly, relating to penalties for violating compulsory school attendance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-34.1-05 of the North Dakota Century Code, as contained in section 5 of House Bill No. 1045, as enacted by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-34.1-05. VIOLATION OF COMPULSORY SCHOOL ATTENDANCE PROVISIONS - PENALTY.) Any parent, guardian, or other person failing to comply with the requirements of this chapter is guilty of a misdemeanor and shall be punished by a fine of not more than one hundred dollars for the first offense, and by a fine of not more than two hundred dollars for the second and each subsequent offense.

Approved March 22, 1971

CHAPTER 178

HOUSE BILL NO. 1046
(Bier, Knudson, G. Larson, R. Peterson, Stoltenow, Wagner)
(From Legislative Council Study)

RELIGIOUS RELEASE TIME

AN ACT to amend and reenact section 15-34.2-17 of the North Dakota Century Code, as contained in section 6 of House Bill No. 1045, relating to release time for religious instruction.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-34.2-17 of the North Dakota Century Code, as contained in section 6 of House Bill No. 1045, is hereby amended and reenacted to read as follows:

15-34.2-17. SCHOOL BOARDS TO RELEASE STUDENTS FOR RELIGIOUS INSTRUCTION.) Upon the request of an elementary or high school student's parent or guardian, the school board of a public school district shall release such student for a period of not to exceed one hour per week for religious instruction, at such times as prescribed by the school board after consultation with the parent or guardian of such student.

Approved March 22, 1971

CHAPTER 179

HOUSE BILL NO. 1509
(Stoltenow, G. Larson, Olienyk, Halcrow)

SCHOOL CONSTRUCTION STANDARDS

AN ACT to create and enact subsection 9 of section 15-35-02 of the North Dakota Century Code, relating to standards for the construction of school buildings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) Subsection 9 of section 15-35-02 of the 1969 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

9. Building construction shall be in accordance with standards promulgated by the superintendent of public instruction by rule or regulation, and may include buildings of metal construction.

Approved March 16, 1971

CHAPTER 180

SENATE BILL NO. 2178
(Sanstead, Jones)

TEACHING BY ALIENS

AN ACT to amend and reenact sections 15-36-07 and 15-36-11 of the North Dakota Century Code, relating to citizenship requirements for teachers' certificates.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-36-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-36-07. CITIZENSHIP REQUIREMENT BEFORE CERTIFICATION.) A teacher's certificate shall not be issued to any person who is not a citizen of the United States of America or who has not declared his intention to become a citizen of the United States. Except for the provisions of section 15-36-11, no person who is not a citizen or has not declared his intention to become a citizen shall be eligible to enter into a contract to teach in any public school in this state.

SECTION 2. AMENDMENT.) Section 15-36-11 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-36-11. CERTIFICATE REQUIRED.) No person who is not the holder of either a valid first or second grade professional certificate shall be employed or permitted to teach in any of the public schools of the state, except that teachers unable to be certified because they are not citizens of this state or because they have not declared their intention to become a citizen of this state, but are otherwise qualified to teach in North Dakota, may be employed on a temporary basis if they are approved annually by the superintendent of public instruction. The employment of such teachers in accordance with this section shall not cause any foundation aid payments to be withheld from the school districts by whom they are employed.

Approved March 27, 1971

CHAPTER 181

SENATE BILL NO. 2461
(Kautzmann, Ringsak)

DEFINITION OF "TEACHER"

AN ACT to amend and reenact subsection 1 of section 15-39-01 of the North Dakota Century Code, relating to definitions under the teachers' insurance and retirement fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

* SECTION 1. AMENDMENT.) Subsection 1 of section 15-39-01 of the 1969 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, assistant superintendents, and business managers employed in any state institution or in the school system of any school district in this state, except that in the case of the state industrial school and the Grafton state school, the superintendent or assistant superintendent may, at his option, be defined as a teacher for the purposes of this chapter;
 - 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;

*NOTE: Subsection 1 of section 15-39-01 was also amended by section 1 of Senate Bill No. 2347, chapter 182, and was repealed by section 2 of House Bill No. 1517, chapter 184.

- 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; and
- 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 29, 1971

CHAPTER 182

SENATE BILL NO. 2347
(Sanstead, G. Larson)

OPTIONAL RETIREMENT FOR
NONPUBLIC SCHOOL TEACHERS

AN ACT to create and enact section 15-39-14.1 of the North Dakota Century Code, relating to optional assessments for nonpublic schools and nonpublic school teachers; and to amend and reenact subsection 1 of section 15-39-01, and sections 15-39-10, 15-39-14, 15-39-15, 15-39-16, 15-39-17, 15-39-18, 15-39-20, 15-39-21, 15-39-22, 15-39-27, 15-39-28, 15-39-30, 15-39-35, 15-39-37.1, and 15-39-40, relating to definitions, membership, assessments, retention of assessments from salaries, statements of assessments to county superintendents of schools, transmission of moneys to state treasurer, preservation of assessment reports, eligibility, retirement annuities, and application and discontinuance of annuities pertaining to the teachers' insurance and retirement fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Subsection 1 of section 15-39-01 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

* 15-39-01. DEFINITIONS.) In this chapter, unless the context or subject matter otherwise requires:

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, assistant superintendents, and business managers employed in any state institution or in the school system of any school district in this state except that in the case of the Grafton state school, the superintendent or assistant superintendent may, at his option, be defined as a teacher for the purposes of this chapter;
- c. All principals, assistant principals, and special teachers in any state institution or in the school system of any school district in this state;

*NOTE: Subsection 1 of section 15-39-01 was also amended by section 1 of Senate Bill No. 2461, chapter 181, and was repealed by section 2 of House Bill No. 1517, chapter 184.

- 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; and
- k. Any person employed in teaching as lay faculty in a nonpublic school in the event he elects to become a member of the fund as provided in this chapter. As used in this subdivision, the term "lay faculty" shall mean any person who teaches elementary or high school students in a nonpublic school, and is neither a member of an ecclesiastical order or religious house, or an ordained clergyman.

*SECTION 2. AMENDMENT.) Section 15-39-10 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-10. COMPULSORY MEMBERSHIP IN FUND - EXCEPTION.) Every person who since January 1, 1914, has become, or hereafter shall become, a teacher in any of the public schools of this state, or who since January 1, 1920, has become, or hereafter shall become, a teacher in any state institution, shall be a member of the fund, except as provided in this section and in section 15-39-11, and by becoming such teacher, shall be deemed conclusively to have undertaken and agreed to payment of the assessments in the amounts established from time to time and to the deduction of such assessments from his salary as provided in this chapter. Every person who since July 1, 1971, has become, or hereafter shall become, a teacher in a nonpublic school in this state, shall be a member of the fund, if he so elects and pays the assessments levied under this chapter. Any person who has attained the age of fifty years before becoming a teacher in any of the public schools of the state or in any state institution shall have the option of declining membership in the fund.

SECTION 3. AMENDMENT.) Section 15-39-14 of the 1969

*NOTE: Section 15-39-10 was repealed by section 2 of House Bill No. 1517, chapter 184.

Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-14. AMOUNT OF ASSESSMENTS.) Every teacher who is a member of the fund shall be assessed upon his salary for the teachers' insurance and retirement fund. The total amount of assessments paid, however, shall not be less than the full amount of annuity to which the teacher shall be entitled under the provisions of this chapter for the first year of retirement. When a political subdivision or institution covered by the benefits of the teachers' retirement fund provides sick leave and employs substitute teachers at additional cost to said subdivisions or institutions, they shall be assessed three percent per annum but in no event be required to pay in excess of one hundred fifty dollars per year as matching fund for any one teaching position. Teachers employed on a full-time basis shall be assessed three percent per annum, but not more than two hundred twenty-five dollars per year. The provisions of this section with regard to the assessment contained herein shall apply to nonpublic schools, subject to the qualifications of section 15-39-14.1.

SECTION 4.) Section 15-39-14.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

*15-39-14.1. ASSESSMENT OPTIONAL AS TO NONPUBLIC SCHOOLS AND NONPUBLIC SCHOOL TEACHERS.) Any nonpublic school teacher electing to become a member of the fund shall notify the nonpublic school in accordance therewith, as required by section 15-39-13, and the nonpublic school shall advise the teacher whether it assents to payment of the assessment prescribed by section 15-39-14. If the nonpublic school assents, it shall pay the assessment and perform all other acts required of it under this chapter. If the nonpublic school declines to pay the assessment, it shall be paid by the teacher in addition to the assessment deducted from his salary. In this event, the assessment which would otherwise have been paid by the nonpublic school shall be deducted from the teacher's salary and forwarded to the board as provided in this chapter. Once having assented to the payment of the assessment for a specific teacher, a nonpublic school shall be required to continue payment of the assessment as long as that teacher remains a member of the fund and continues teaching at that nonpublic school.

SECTION 5. AMENDMENT.) Section 15-39-15 of the 1969 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 public or nonpublic school or an educational institution supported by public taxation out of North Dakota and becomes a teacher in a public or nonpublic school or state institution within North Dakota may elect to have any or all years of out-of-state teaching accredited in North Dakota, provided he

*NOTE: Chapter 15-39 was repealed by section 2 of House Bill No. 1517, chapter 184.

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. Every such teacher shall be advised of the provisions of this section by the school board or nonpublic school 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 of out-of-state teaching he elects, based upon his first annual salary in a public or nonpublic 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, assessments payments on out-of-state teaching shall be equal to the percentage or amount that would have been assessed against his salary and interest and the amount of matching payment and interest in dollars that would have been paid by the school district or nonpublic school or state institution during the years immediately preceding employment in the state for which credit is granted. Any teacher who shall have paid assessments to the fund for out-of-state teaching in excess of the amounts herein provided under any law existing at such time shall, upon his request, have such excess assessment refunded to him. The rate of interest shall be equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota.

SECTION 6. AMENDMENT.) Section 15-39-16 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-16. RETENTION OF ASSESSMENTS FROM SALARIES.) The assessments due to the fund shall be deducted from the salary of each member of the fund each month as follows:

1. Each school board or other governing body of any school district or of any county agricultural and training school shall retain the amounts of the assessments provided in this chapter from the monthly salary of each teacher in the district or county agricultural and training school who is subject to the provisions of this chapter.
2. Each nonpublic school shall retain the amounts of the assessments provided in this chapter from the monthly salary of each teacher who elects to become a member of the fund.
3. The governing body of each state institution shall cause the disbursing officer or secretary of each such institution to retain the amounts of the assessments provided in this chapter from the monthly salary of each teacher in the institution who is a member of the fund.

*NOTE: Section 15-39-16 was repealed by section 2 of House Bill No. 1517, chapter 184.

4. The board of county commissioners of each county shall retain the amounts of assessments provided in this chapter from the monthly salary of each county superintendent of schools and each assistant county superintendent of schools who is a member of the fund.
5. The department of accounts and purchases shall retain the amounts of the assessments provided in this chapter from the monthly salary of the superintendent of public instruction, his deputies, and assistants, and from the monthly salary of each state school inspector or supervisor subject to the provisions of this chapter.
6. The state board of higher education shall cause the deductions required under the provisions of this chapter to be made from the monthly salary of the commissioner of higher education.
7. The board of directors of the North Dakota education association shall cause the deductions required under the provisions of this chapter to be made from the monthly salary of the secretary of the North Dakota education association.

The governing body or officer of each school district, nonpublic school, state institution, county, or other organization shall furnish to each teacher from whose salary any deductions are made for assessments as provided in this chapter a statement showing the amount of such deductions. Any teacher who has an option of becoming a member of the fund shall authorize the officer or governing body described in this chapter to make the required salary deductions from each monthly salary due him.

SECTION 7. AMENDMENT.) Section 15-39-17 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-17. ASSESSMENTS AND CONTRIBUTIONS AND STATEMENTS THEREOF TO BE FORWARDED TO COUNTY TREASURER.) The disbursing officers of each nonpublic school and public school district, and of each county, between June twentieth and June thirtieth of each year, shall forward to the treasurer of the county the assessments deducted and retained as provided in this chapter, and in addition thereto, except for nonparticipating nonpublic schools, contributions to the fund in an amount equal to such assessments shall be set aside from funds available for the payment of the salary of the teachers, except that no contribution by any nonpublic school or public school district, as determined by a teacher's contribution, shall exceed two percent of the teacher's salary or one hundred fifty dollars per year as matching fund for any one teaching position. Such contributions shall be forwarded to the treasurer of the county. Provided, however, that if a teacher fails to complete the term, the nonpublic school or public school district shall not be required to match said teacher's salary in

*NOTE: Section 15-39-17 was also amended by section 2 of House Bill No. 1119, chapter 183, and was repealed by section 2 of House Bill No. 1517, chapter 184.

entirety but shall pay the proportional part of the maximum assessments required for the time that teacher taught, unless such requirement increases the amount of assessments to be paid, in which event the assessments shall be that computed on the actual salary the teacher received. Said disbursing officer shall forward the contributions with a statement, verified by the clerk of the school district, the administrator of the nonpublic school, or the county auditor, as the case may be, and containing the following information:

1. The name and monthly salary of each teacher.
2. The number of months of school taught during the school year for which the statement is made by each teacher in the public schools of the district, or the number of months of operation of each nonpublic school or school organization over which the governing board has jurisdiction.
3. The number of months during which schools were operated in each district, or the number of months of operation of each nonpublic school or school organization in the year covered by the report.
4. The total salary of each teacher.
5. The total amount withheld from the salary of each teacher and contributed by the public school district, nonpublic school, or county in accordance with the provisions of this chapter.
6. The total amount withheld from the salaries of all the teachers in the district, nonpublic school, or school organization for the school year next preceding.
7. The total number of years each teacher listed in the report has taught in the public or nonpublic schools of the state.

SECTION 8. AMENDMENT.) Section 15-39-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-18. STATEMENT OF ASSESSMENTS TO COUNTY SUPERINTENDENT OF SCHOOLS AND AUDITOR.) At the time the governing body of each school district, nonpublic school, or school organization sends the statement described in section 15-39-17 to the county treasurer, it shall send a copy thereof to the county superintendent of schools and one to the auditor of the county in which any school described therein is located.

SECTION 9. AMENDMENT.) Section 15-39-20 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

*NOTE: Section 15-39-18 was repealed by section 2 of House Bill No. 1517, chapter 184.

* 15-39-20. REPORT OF ASSESSMENTS IN COUNTY TO BE MADE BY COUNTY SUPERINTENDENT OF SCHOOLS.) Every county superintendent of schools, between the thirtieth day of June and the tenth day of July of each year, shall furnish to the board a report containing an itemized and consolidated account of the statements received by him from the school boards, nonpublic schools, and other governing bodies of school organizations in the county and a statement of the total amount withheld from the salaries of all of the teachers included in the report.

SECTION 10. AMENDMENT.) Section 15-39-21 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-21. MONEYS DERIVED FROM ASSESSMENTS AND CONTRIBUTIONS TO BE TRANSMITTED TO STATE TREASURER.) Between July fifteenth and August first of each year, the county treasurer, the secretary or disbursing officer of each state institution, the department of accounts and purchases, the state board of higher education, and the board of directors of the North Dakota education association shall transmit to the state treasurer the assessments deducted and retained as provided in this chapter and which have been received by such officer or board under the provisions of this chapter, and in addition thereto, contributions to the fund in an amount equal to such assessments shall be set aside from funds available for the payment of the salary of the teachers, except that no contribution paid by any school district, nonpublic school, association, board, office, or institution, as determined by a teacher's contribution, shall exceed four percent of the teacher's salary or the maximum contribution as specified in section 15-39-14 of this chapter. Such contributions shall be transmitted to the state treasurer. The transmitting officer shall certify to the board under oath the amount of moneys received and transmitted as assessments for and contributions to the fund, and if the transmitting officer is other than a county treasurer, he shall furnish to the board a statement showing the name and monthly salary of each teacher from whom assessments have been collected by him, the total salary of such teacher, the number of months in which such teacher was employed during the year for which the statement is made, the total amount withheld from the salary of each teacher and contributed by each state institution, the state, the state board of higher education, and the North Dakota education association, in accordance with the provisions of this chapter, the total amount withheld from the salaries of all teachers included in the statement, and the total number of years each teacher listed in the statement has been a teacher in the state.

SECTION 11. AMENDMENT.) Section 15-39-22 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-22. ASSESSMENTS REPORTS TO BE PRESERVED.) The board, and each county superintendent of schools, county treasurer,

*NOTE: Section 15-39-20 was repealed by section 4 of House Bill No. 1119, chapter 183, and also by section 2 of House Bill No. 1517, chapter 184.

*NOTE: Section 15-39-21 was repealed by section 4 of House Bill No. 1119, chapter 183, and also by section 2 of House Bill No. 1517, chapter 184.

*NOTE: Section 15-39-22 was repealed by section 2 of House Bill No. 1517, chapter 184.

county auditor, school board, managing body of any school organization, nonpublic school, board of county commissioners, disbursing officer of each state institution, state board of higher education, and board of directors of the North Dakota education association shall keep complete records of the data contained in any reports and shall retain copies of any statements made by or to such officer or board under the provisions of this chapter.

SECTION 12. AMENDMENT.) Section 15-39-27 of the 1969 Supplement to 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 or nonpublic 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 or nonpublic 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 public or nonpublic 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.

*NOTE: Section 15-39-27 was repealed by section 2 of House Bill No. 1517, chapter 184.

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 or nonpublic 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.

SECTION 13. AMENDMENT.) Section 15-39-28 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-28. RETIREMENT ANNUITY.) Each teacher who shall have retired from service in the public or nonpublic schools, or state institutions under the provisions of section 15-39-27 shall be entitled to receive an annuity as follows:

1. If said teacher shall have attained the age of fifty-five years at the time of applying for the annuity, he annually and for life, shall be entitled to receive as an annuity a sum equal to two percent of the total

*NOTE: Section 15-39-28 was repealed by section 2 of House Bill No. 1517, chapter 184.

earnings as salary for the years of teaching service for which assessments were paid. Said annuity, however, shall not be less than seven hundred fifty dollars in any one year upon completion of twenty-five years of service and shall be subject to all the provisions of this chapter. Provided, however, a teacher who has completed twenty-five years of teaching service in compliance with the retirement law and has earned an annuity of fifteen hundred dollars at that age and continues to teach beyond that time shall be eligible to annuity increases of seventy-five dollars per year, for each year of teaching thereafter. Provided further that a teacher who has completed twenty-five years of teaching service in compliance with retirement law and attained the age of fifty-five may have her annuity calculated at that age and granted the seven hundred fifty dollar minimum if her total salary is less than thirty-seven thousand five hundred dollars. Provided further that if said teacher continues to teach the annuity shall be increased by one hundred twenty-five dollars per year until the annuity reaches fifteen hundred dollars, after which time the annuity shall be increased by seventy-five dollars per year.

2. If said teacher shall have retired and applied for an annuity under the provisions of section 15-39-27, subsection 2, he shall receive as an annuity a sum equal to two percent of the total earnings at salary 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.
3. If any person retiring under this chapter shall resume service as a teacher of a public or nonpublic school or state institution in this or any other state, the retirement allowance paid to such person shall cease during the time of such employment but shall again be paid at the same amount and under the same conditions after subsequent retirement, except that in addition to retirement benefits earned prior to the resumption of teaching, such teacher shall be entitled to such additional retirement benefits as may be earned during the period in which teaching is resumed.
4. No annuity payments shall commence before the applicant shall have arrived at the age of fifty-five years, except in the case of retirement based on disability as provided in section 15-39-27.
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.

SECTION 14. AMENDMENT.) Section 15-39-30 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-30. WRITTEN APPLICATION FOR ANNUITIES REQUIRED.) Any person who has complied with the provisions of this chapter and who desires to retire from active service in the public or nonpublic schools of this state, or in state institutions, shall apply in writing to the board for the annuities provided in this chapter.

SECTION 15. AMENDMENT.) Section 15-39-35 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-35. ANNUITIES DISCONTINUED ON RESUMPTION OF TEACHING.) Any person who has retired from teaching under the provisions of this chapter may become a teacher again in a public or nonpublic school or state institution, and thereupon his annuity payments shall be discontinued during the time he continues to teach. Payment of the annuity shall be resumed upon his further retirement.

SECTION 16. AMENDMENT.) Section 15-39-37.1 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-39-37.1. PERIOD OF ADVANCED TRAINING COUNTED AS TEACHING SERVICE.) A teacher who, after July 1, 1969, attends a college, university, or other recognized school during periods other than summer sessions, for the purpose of improving his qualifications in the teaching profession shall be entitled to have such periods while in attendance at such college, university, or school credited 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 college, university, or school attendance, plus the payment by him of the amount that would have been paid to the fund in his behalf from the school district, nonpublic school, or state institution where he was employed. Such back assessments must be paid prior to or at the time of retirement under this chapter, provided that:

1. The teacher must have taught at least one full school year in North Dakota immediately preceding his entrance into the college, university, or school and that immediately following such training he shall have taught not less than one full school year in a public or nonpublic school or state institution of this state.
2. The period of college, university, or school attendance

*NOTE: Section 15-39-35 was repealed by section 2 of House Bill No. 1517, chapter 184.

that may be credited as teaching service shall not exceed three full academic years, exclusive of summer schools.

3. Payments on back assessments shall be based on the salary received by the teacher during the first year of teaching following the college, university, or school attendance, together with simple interest at a rate equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota, except that no interest shall be charged on assessments for the period while actually in attendance at the college, university, or school.

SECTION 17. AMENDMENT.) Section 15-39-40 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-40. WITHDRAWAL OF MEMBER FROM FUND - DEATH OF MEMBER - REFUND.) Any teacher who shall cease to be a teacher in the public or nonpublic schools or state institutions of this state without receiving any benefit or annuity from the fund upon such retirement, upon making written application therefor to the board shall be entitled to the return of one-half of the amount of assessments which he has paid into the fund on salaries earned prior to July 1, 1947, and the return of the full amount of assessments which he has paid into the fund on salaries earned after July 1, 1947, with interest at a rate equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota. If such teacher, after having withdrawn from the fund as provided in this section, shall again become a teacher in the public or nonpublic schools or state institutions of this state, he may, prior to or at the time of retirement under this chapter, elect either to return to the fund the amount which was returned to him, with simple interest at a rate equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota, from the time of such withdrawal, or to commence participation in the fund as though teaching for the first time. Any teacher who shall have made payments for the purpose of returning withdrawals to the fund, may, prior to retirement, notify the board of his intention to reject credits for prior teaching in North Dakota, and the board shall thereupon refund to such teacher all money paid into the fund as a return of previous withdrawals, together with simple interest at a rate equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota. Any such teacher may again at the time of retirement under this chapter elect to return such withdrawals to the fund, and shall at the time be permitted to pay the amount of such withdrawals into the fund together with interest at a rate equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota, and receive credit for such prior teaching.

Any teacher who has elected to have out-of-state teaching service counted as teaching service under the provisions of this

*NOTE: Section 15-39-40 was repealed by section 2 of House Bill No. 1517, chapter 184.

chapter, may notify the board of his decision not to have such out-of-state service counted as teaching service, and shall have his assessment, and the accrued interest thereon, reduced correspondingly, provided that such decision and notification to the board shall be made prior to the time that any portion of the assessment for out-of-state teaching service has been paid by him. If the teacher who is or was a member of the fund shall die before he has retired as provided in this chapter his designated beneficiary, or if no beneficiary has been designated, his executor or administrator, or if no executor or administrator has been appointed, then the surviving spouse or heirs at law shall be entitled to receive from the fund the total amount without interest to which the beneficiary or heirs may be entitled.

For purposes of this section, assessments returned or refunded shall include those assessments that have been paid into the fund for military service and out-of-state teaching service.

Approved March 29, 1971

CHAPTER 183

HOUSE BILL NO. 1119
(Giffey, Hilleboe, Opedahl)
(From Legislative Audit and Fiscal Review Committee Study)

CONTRIBUTIONS TO RETIREMENT FUND

AN ACT to create and enact section 15-39-17.1; to amend and reenact sections 15-39-03 and 15-39-17; and to repeal sections 15-39-19, 15-39-20, and 15-39-21, all of the North Dakota Century Code, relating to contributions to the teachers' insurance and retirement fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-39-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

*15-39-03. BOARD OF TRUSTEES OF THE TEACHERS' INSURANCE AND RETIREMENT FUND - MEMBERSHIP - APPOINTMENT.) The teachers' insurance and retirement fund shall be managed by a board of five trustees known as the board of trustees of the teachers' insurance and retirement fund. The state treasurer and the superintendent of public instruction shall be ex officio members of the board. The other three members shall be appointed by the governor from among the members of the teachers' insurance and retirement fund. One appointive member may be a retired member of the fund. The term of office of the appointive members of the board shall be for three years and shall begin on the first day of July next succeeding their appointment.

SECTION 2. AMENDMENT.) Section 15-39-17 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

* 15-39-17. ASSESSMENTS AND CONTRIBUTIONS AND STATEMENTS THEREOF.) The disbursing officers of each school district, county, institution, and organization employing a teacher as defined in this chapter shall make the assessments and contributions as provided in this chapter on a quarterly basis. The contributions to the fund shall be made from funds available for the payment of teachers' salaries, except that no contribution by any school district, as determined by a teachers' contribution, shall exceed two percent of the teacher's salary or one hundred fifty dollars per year as matching fund for any one teaching position. If a teacher fails to complete the term, however, the contribution required shall be the proportional part of the maximum assessments

*NOTE: Section 15-39-03 was repealed by section 2 of House Bill No. 1517, chapter 184.

*NOTE: Section 15-39-17 was also amended by section 7 of Senate Bill No. 2347, chapter 182, and was repealed by section 2 of House Bill No. 1517, chapter 184.

required for the time that teacher taught, unless such requirement increases the amount of assessments to be paid in which event the assessments shall be that computed on the actual salary the teacher received. The disbursing officer shall forward to the board, before July thirty-first of each year, a report for the fiscal year ending on June thirtieth, or a report indicating that no assessable salaries have been paid, whichever the case may be, verified by the clerk of the school district, county auditor, or officer of such other organizations and institutions required to make such reports. Reports shall contain such information as may be requested by the board except that annual reports from school districts shall include the following information:

1. The name and monthly salary of each teacher.
2. The number of months of school taught during the school year for which the statement is made by each teacher in the public schools of the district or school organization over which the governing board has jurisdiction.
3. The number of months during which schools were operated in each district or school organization in the year covered by the report.
4. The total salary of each teacher.
5. The total amount withheld from the salary of each teacher and contributed by the school district or county in accordance with the provisions of this chapter.
6. The total amount withheld from the salaries of all the teachers in the district or school organization for the school year next preceding.
7. The total number of years each teacher listed in the report has taught in the public schools of the state.

SECTION 3.) Section 15-39-17.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

*15-39-17.1. DEPOSIT OF ASSESSMENTS AND CONTRIBUTIONS.)

Following payment for salaries assessable under this chapter, the assessments and contributions withheld and made by the disbursing officer of a school district, state agency, county, or other organization or institution authorized to make assessments and contributions under this chapter shall be deposited with the teachers' insurance and retirement board office, except that no deposit shall be required on a quarterly basis when accumulated assessments and contributions are less than one hundred dollars. The board shall issue a receipt, a copy of which shall be attached as evidence of payment to the annual report to the board as provided for in section 15-39-17. Amounts to be deposited

*NOTE: Section 15-39-17.1 was repealed by section 2 of House Bill No. 1517, chapter 184.

for the month of June and such amounts not previously deposited along with the receipts issued by the board for previous deposits shall accompany the annual report to the board.

* SECTION 4. REPEAL.) Sections 15-39-19, 15-39-20, and 15-39-21 of the North Dakota Century Code are hereby repealed.

Approved March 29, 1971

*NOTE: Section 15-39-20 and section 15-39-21 were also amended by sections 9 and 10, respectively, of Senate Bill No. 2347, chapter 182; and were repealed by section 2 of House Bill No. 1517, chapter 184.

CHAPTER 184

HOUSE BILL NO. 1517
(Knudson, Hildebrand, R. Peterson)

TEACHERS FUND FOR RETIREMENT

AN ACT to create a new system of retirement benefits for teachers, providing for a tax levy and for assessments, and creating chapter 15-39.1 of the North Dakota Century Code; and repealing chapter 15-39 of the North Dakota Century Code, relating to teachers' insurance and retirement fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1.) Chapter 15-39.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-39.1-01. TEACHERS FUND FOR RETIREMENT CREATED.) There is hereby created the teachers fund for retirement, which, upon the effective date of this Act shall consist of the following:

1. All monies contained in the teachers insurance and retirement fund accumulated pursuant to chapter 15-39 of the North Dakota Century Code; and
2. All monies thereafter received by the state treasurer under the provisions of this chapter.

15-39.1-02. PRIOR FUND TERMINATED.) The teachers insurance and retirement fund shall, on the effective date of this Act, cease to exist and the board administering said fund shall no longer function. All obligations of the teachers insurance and retirement fund shall be assumed by the newly created fund.

15-39.1-03. RIGHTS UNDER PRIOR ACT PRESERVED.) No person shall be caused to be deprived of rights vested under the chapter superseded hereby. Any such person may elect to claim his retirement benefits according to the provisions of the retirement program for teachers in effect prior to the effective date of this Act.

15-39.1-04. DEFINITIONS.) For purposes of this chapter, unless the context or subject matter otherwise requires:

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, including superintendents, assistant superintendents, business managers, principals, assistant principals and special teachers employed in any state institution or in the school system of any school district in this state, except that the superintendent and assistant superintendent of the Grafton state school may be brought within this definition at their option.

- b. The superintendent of public instruction, assistant superintendents of public instruction, county superintendents, assistant superintendents, supervisors of instruction, state school supervisors and inspectors, every person engaged as president, dean, school librarian or registrar of any state institution, the secretary of the North Dakota Education Association, all assistant secretaries and professional staff of such association, and the commissioner of higher education.
 - c. 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.
2. "State institution" shall include all state colleges and universities, the school of forestry, the school of science, the school for the blind, the school for the deaf and dumb, the Grafton state school and the state training school.
 3. "Fund" shall mean the teachers fund for retirement.
 4. "Board" shall mean the board of trustees of the teachers fund for retirement.

The term "teacher" shall not include persons connected with any professional school or college of any state institution as lecturers who are engaged in the practice of their respective professions and with whom teaching is merely an avocation.

15-39.1-05. MANAGEMENT OF FUND.) The fund shall be managed by a board of trustees, which shall consist of the state treasurer, the superintendent of public instruction and three persons to be appointed by the governor. One of the appointees shall be a woman and a majority of the board shall at all times consist of persons who are members of the fund. The term of the office of the appointees shall be three years with said terms fixed to terminate on June 30th of alternate years. The term of each appointee shall commence on July 1st next succeeding his appointment.

15-39.1-06. ORGANIZATION OF BOARD.) The board may hold meetings as may be necessary for the transaction of business and a meeting may be called by the president or any two members of the board upon reasonable notice to the other members of the board. The president for the ensuing year shall be elected at the first meeting following July 1st of each year. The state treasurer shall act ex officio as treasurer and the board shall be empowered to employ a secretary, who need not be a member of the board and who shall perform such duties as the board may prescribe.

15-39.1-07. VACANCIES - RULE MAKING POWER.) Vacancies which may occur among the appointed members of the board shall be filled by the governor and the appointee shall complete the term for which the original member was selected. The board may adopt such rules as may be necessary to fulfill the responsibilities of the board.

15-39.1-08. COMPENSATION OF MEMBERS.) Members of the board, excluding ex officio members, shall be compensated for attendance at meetings from the fund at the rate of fifty dollars per day, plus actual expenses of travel, food and lodging.

15-39.1-09. MEMBERSHIP IN FUND AND ASSESSMENTS.) Every teacher shall be a member of the fund and shall be assessed upon his salary four percent per annum, which shall be deducted monthly and paid to the state treasurer by the disbursing official of the governmental body by which the teacher is employed. Every governmental body employing a teacher shall pay to the state treasurer a sum equal to four percent per annum of the salary of each teacher employed by it, but not to exceed a matching payment in excess of five hundred dollars annually. All such sums shall be paid quarterly to the state treasurer who shall set the same aside in the teachers fund for retirement.

15-39.1-10. ELIGIBILITY TO BENEFITS.) Any teacher having ten years of teaching credit in the fund and who has attained the age of sixty-five years, or who attained the age of sixty-five years and completed his final year of teaching in 1971, shall be entitled to receive monthly benefits from the fund, until death, in an amount equal to the following:

1. One percent of the monthly salary of the teacher for the school year next preceding the effective date of this Act for each year of service of said teacher prior to the effective date of the Act; and
2. One and one-half percent of the monthly salary of the teacher for each year subsequent to the effective date of the Act.

Monthly salary within the meaning of this provision shall be deemed to be an amount equal to one-twelfth of the annual salary of the teacher. If for any reason the earnings of the teacher

for the year next preceding the effective date of this Act are shown to have been non-representative of his typical earnings, the board shall readjust the credit to be allowed for past years of service to the last year of typical earnings.

15-39.1-11. RIGHTS VESTED WHEN.) When any teacher has paid assessments for a period of ten years, he shall have a vested right to a retirement annuity but he shall receive no payments hereunder until he attains the age of sixty-five years unless he shall elect to claim an early retirement as hereinafter set forth.

15-39.1-12. EARLY RETIREMENT.) Any teacher who has acquired a vested right to a retirement annuity as set forth in section 11 of this Act may retire at any time prior to the normal retirement age as set forth herein but the benefits to which he shall then be entitled shall be reduced to the actuarial equivalent of the benefit credits earned to the date of early retirement.

15-39.1-13. ANNUITIES EXEMPT FROM LEGAL PROCESS.) The annuities payable under the provisions of this chapter shall not be subject to attachment, garnishment, execution or other seizure or process, nor shall they be subject to sale, assignment, pledge, mortgage or other alienation.

15-39.1-14. RETIREMENT NOT MANDATORY - WHEN RETIREMENT OCCURS.) Nothing in this Act shall be construed as requiring retirement at any specific age. If the teacher elects to teach beyond age sixty-five and is permitted to do so by the body for whom he works, he shall continue to earn credits at the same rate as prior to the age of sixty-five. Retirement shall be deemed to have occurred and benefits shall be payable from the date of last teaching prior to the filing of a written application for retirement benefits, except in the case of a teacher whose rights in the fund have become vested but who chooses not to retire prior to age 65, in which case the benefits shall be paid from the date such teacher attains the age of sixty-five.

15-39.1-15. WITHDRAWAL FROM FUND - RETURN TO TEACHING.) Any teacher who has withdrawn from the fund as set forth in this chapter may, upon returning to teaching in this state, regain credit for prior teaching by repaying to the fund, with interest, at a rate to be set by the board, the amount which was returned to him on withdrawal.

15-39.1-16. OPTION OF TEACHERS ELIGIBLE TO RECEIVE ANNUITIES.) At any time after his retirement under the circumstances provided in this chapter and before the first annuity payment shall become due, a teacher may elect to receive the actuarial equivalent, at that time, of the regular retirement allowance for life, in the form of a reduced retirement allowance payable throughout his life with either, but not both of the following additional provisions:

Option one. Upon the death of the teacher, the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as the teacher shall have nominated by written designation filed with the board at the time of retirement; or

Option two. Upon the death of the teacher, one-half of the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as the teacher shall have nominated by written designation filed with the board at the time of retirement.

The amount of the reduced retirement allowance payable upon the exercise of either of such options shall be computed upon an actuarial basis through the use of standard actuarial tables and based upon the ages of the teacher and his designated beneficiary.

15-39.1-17. DEATH OF MEMBER.) If the death of a member who has not acquired a vested interest should occur prior to retirement, a refund of his assessments accumulated with interest shall be made to such beneficiary as he may designate, or, if no beneficiary is designated, the same shall be paid to his estate. His assessments shall earn interest from the July 1 following the date the assessment is made with the interest credit each year determined at the current rate for one-year certificates then being paid by the Bank of North Dakota.

If the death of a member who has acquired a vested interest should occur prior to retirement, then his beneficiary may apply for a refund of his assessments accumulated with interest as described in the above paragraph. In lieu of such refund, the beneficiary may elect to receive a monthly annuity in accordance with option one as set forth in section 16 of this Act, with the amount of such annuity being determined as though the deceased member had retired under the option on the first day of the month in which his death occurred. If any applicant for an annuity under this section has not paid into the fund assessments equal to the amounts required to be paid under section 15-39.1-09, he shall pay any deficiency into the fund before receiving the annuity.

15-39.1-18. DISABILITY RETIREMENTS.) Any teacher as defined in this chapter may also retire and receive a disability annuity if after a period aggregating fifteen years of service as a teacher in this state, 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 fees of such physicians shall be paid by the applicant.

The amount of the disability annuity shall be equal to the retirement benefit credits which the member has earned to the date of disablement. The disability annuity shall continue until

the death or prior recovery of the disabled annuitant. The board shall ascertain by examinations annually or as often as necessary to determine the continued disability status of a disabled annuitant.

If a disabled annuitant recovers and returns to active teaching, he shall retain the retirement benefit credits which he earned prior to the time of disablement and the credits which he earned after his return to active teaching shall be added to those earned prior to his disablement.

15-39.1-19. ANNUITIES DISCONTINUED ON RESUMPTION OF TEACHING.) Any person who has retired from teaching under the provisions of this chapter may become a teacher again in a public school or state institution and thereupon his annuity payments shall be discontinued during the time he continues to teach. Payment of the annuity shall be resumed upon his further retirement.

15-39.1-20. WITHDRAWAL FROM FUND.) When a member of the fund ceases to be eligible under the terms of this chapter to participate in the fund, he may withdraw from the fund and shall be then entitled to receive a refund of assessments accumulated with interest credited for each year as determined at the current rate for one-year certificates then being paid by the Bank of North Dakota. Such refund shall be in lieu of any other benefits to which the member may be entitled under the terms of this chapter.

15-39.1-21. EFFECT ON EXISTING OBLIGATIONS.) Nothing herein contained shall be construed to affect existing retirement benefits and all obligations of the teachers insurance and retirement fund existing on July 1, 1971, shall be assumed and paid from the teachers' fund for retirement. Amounts which persons retired on July 1, 1971, are receiving shall be frozen as of that date and shall not be deemed increased by this chapter.

15-39.1-22. ANNUAL REPORT OF BOARD.) On or before the first day of October of each year, the board shall report for the fiscal year ending the thirtieth day of June preceding. A copy of the report shall be submitted at the annual meeting of the members, which shall be at the time and place of the annual meeting of the North Dakota education association, and a copy of the report shall be included in the biennial report of the superintendent of public instruction to the governor.

15-39.1-23. FAILURE TO ACCOUNT AND REPORT DEPRIVES DISTRICT OF RIGHT TO PARTICIPATE IN STATE PAYMENTS.) No school district shall share in the apportionment of any money from the state for any year unless the school board, or an officer thereof, has made the reports required by the board as permitted by this chapter and has paid over for credit to the fund the amounts required to be paid by this chapter.

15-39.1-24. TEACHER ENTITLED TO ADDITIONAL CREDIT.) A teacher may receive additional credit for teaching toward retirement in the following instances and manner:

1. Any teacher who comes from a school or educational institution supported by public taxation out of North Dakota and who becomes a teacher within the meaning of this chapter may elect to have any or all years of out-of-state teaching credited hereunder, which credit may be claimed at any time prior to retirement and provided that interest shall be paid on all payments required under this subsection at a rate equal to the rate being paid on one-year certificates by the Bank of North Dakota. 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 acknowledgement thereof, shall be filed with the board. Before receiving any retirement annuity, such teacher shall pay into the fund an amount equal to the amount of assessments for the number of years of out-of-state teaching that he elects based upon his first annual salary in North Dakota, which shall also be the basis of the retirement benefits to which he shall be entitled to receive. He shall also pay the full amount which the employing body would have had to pay as matching funds for the years to be credited.
2. Any teacher who, within twenty-four months of entering the military service of the United States of America, was engaged in the occupation of teaching in the state of North Dakota, and who received an honorable discharge from such service, shall be entitled to have the time of such service credited under the terms of this chapter upon his return to teaching and the payment of the assessments, including the matching funds of the employing body, based upon his first annual salary on return to teaching in the state. Any teacher who has made such back payments for military service may elect prior to retirement, to receive the return of such payments, with interest at the rate being paid by the Bank of North Dakota on one-year certificates of deposit, and reject the military service credit and the board shall forthwith refund said amounts. The teacher, at retirement, may again elect to claim the benefits of this section. The same rights shall be available to a teacher who has 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 within twenty-four months of the time of entry into the armed services. All payments required under this subsection shall be made with interest at the rate being paid on one-year certificates by the Bank of North Dakota.

3. A teacher who attends a college, university, or other recognized school during periods other than summer sessions, for the purpose of improving his qualifications in the teaching profession shall be entitled to have such periods while in attendance at such college, university, or school credited 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 college, university, or school attendance, plus the payment by him of the amount that would have been paid to the fund in his behalf from the school district or state institution where he was employed. Such back assessments must be paid prior to or at the time of retirement under this chapter, provided that:
 - a. The teacher must have taught at least one full school year in North Dakota immediately preceding his entrance into the college, university, or school and that immediately following such training he shall have taught not less than one full school year in a public school or state institution of this state; and
 - b. The period of college, university, or school attendance that may be credited as teaching service shall not exceed three full academic years, exclusive of summer schools; and
 - c. Payments on back assessments shall be based on the salary received by the teacher during the first year of teaching following the college, university, or school attendance, together with simple interest at a rate equal to the rate being paid on one-year certificates of deposit by the Bank of North Dakota, except that no interest shall be charged on assessments for the period while actually in attendance at the college, university, or school.

15-39.1-25. CERTAIN RIGHTS AND OBLIGATIONS FIXED.) Notwithstanding any other provisions of law, the laws pertaining to the teachers' fund for retirement, as contained in chapter 15-39.1, shall apply to teachers, superintendents, assistant superintendents, principals, assistant principals, special teachers, supervisors of instruction and other supervisors, presidents, deans, school librarians, and registrars employed by any state institution under the supervision and control of the board of higher education and the commissioner of higher education, only in the form and substance as chapter 15-39 existed as of July 1, 1967, and all such persons shall have only such rights, benefits, and privileges as provided in chapter 15-39 as it existed on July 1, 1967. Such persons shall be responsible or liable for only

those costs or assessments provided for in chapter 15-39 as such laws and chapter existed on July 1, 1967. The board of higher education or any institution under the supervision or control of the board of higher education shall not be liable for any costs, assessments, or payments under the provisions of chapter 15-39 in excess of that provided or required under the provisions of chapter 15-39 as such laws and chapter existed on July 1, 1967. It is hereby declared to be the intent of the legislative assembly to freeze the rights, benefits, privileges, assessments, payments, and obligations of the persons, offices, and institutions specified in this section to those rights, benefits, privileges, assessments, payments, and obligations as they existed under the provisions of chapter 15-39 as such laws and chapter existed in form and substance as of July 1, 1967, and that all legislative enactments subsequent to such date shall not affect or apply to those persons, offices, and institutions specified in this section or their rights, benefits, privileges, assessments, payments, and obligations as fixed by this section.

15-39.1-26. INVESTMENT OF MONEYS IN FUND.) Investment of the fund shall be under the supervision of the state investment board in accordance with chapter 21-10, except that the state investment board shall have the authority to contract with insurance companies, trust banks, or other financial institutions to hold and invest fund moneys, provided that the total amount of all moneys so placed shall not exceed an amount equal to twenty percent of the total moneys of the fund. Such moneys shall be placed for investment only with a firm or firms whose primary endeavor is money management, and only after a trust agreement or contract has been executed. Such moneys may be expended by the state investment board by the preparation of an appropriate voucher and submitting such voucher to the department of accounts and purchases.

15-39.1-27. "YEAR" DEFINED - COMPUTING FOR PART-TIME TEACHERS.) In computing the terms of service of a teacher under the provisions of this chapter, a year shall be a legal school year at the time and place where such service was rendered. Where the service was rendered in schools not included within the provisions of this chapter, a time less than a legal school year in this state shall not be included as a full year but only as such proportion of a year as the number of teaching weeks in each year taught in such excluded school bears to the number of weeks required at such time to constitute a legal year in this state.

At least four hours per day for twenty days per month shall constitute a month's teaching credit toward a retirement annuity for part-time teachers.

15-39.1-28. MILL LEVY FOR TEACHERS' RETIREMENT.) Any school district by resolution of its school board may levy a tax of not to exceed two mills on the assessed taxable valuation

within the district, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this Act. The mill levy permitted by this section shall be in addition to any tax levy limitations now prescribed by law.

* SECTION 2. REPEAL.) Chapter 15-39 of the North Dakota Century Code is hereby repealed, provided that reference thereto may be made to fix rights of persons arising prior to the enactment of this Act.

Approved March 27, 1971

*NOTE: This section repeals chapter 15-39, NDCC, which chapter was also affected by chapters 162, 181, 182, and 183 of this volume.

CHAPTER 185

SENATE BILL NO. 2093
(Holand, Nasset)
(From Legislative Council Study)

FOUNDATION AID PAYMENTS

AN ACT to amend and reenact section 15-40.1-06 of the North Dakota Century Code, as contained in section 7 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, relating to legislative intent for foundation aid payments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-40.1-06 of the North Dakota Century Code, as contained in section 7 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-40.1-06. DECLARATION OF LEGISLATIVE INTENT.) It is the intent of the legislative assembly to support elementary and secondary education in this state from state and county funds based on the educational cost per pupil, exclusive of the cost of physical facilities, transportation, and current indebtedness. It is hereby found that the educational cost per pupil during the first year of the 1971-1973 biennium is two hundred fifty dollars and for the second year of the biennium the educational cost is two hundred sixty dollars and shall be the basis for calculating grants-in-aid on a per-pupil basis as provided in sections 15-40.1-07 and 15-40.1-08. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 shall have an educational cost of two hundred twenty dollars, which shall be the basis for calculating grants-in-aid on a per-pupil basis as provided in section 15-40.1-07.

Approved March 27, 1971

CHAPTER 186

SENATE BILL NO. 2494
(Nasset, G. Larson)

PER-PUPIL PAYMENTS

AN ACT to amend and reenact section 15-40.1-10 of the North Dakota Century Code, as contained in section 7 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, relating to payments of county equalization funds to schools and school districts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-40.1-10 of the North Dakota Century Code, as contained in section 7 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-40.1-10. PAYMENTS OF COUNTY EQUALIZATION FUNDS TO SCHOOLS AND SCHOOL DISTRICTS.) County equalization funds shall be paid to schools and school districts as follows:

1. STATE PER-PUPIL PAYMENTS. As soon as possible after receiving per-pupil payments from the state as provided for in section 15-40.1-05, and in any event no later than September twenty-fifth, December fifteenth, February fifteenth, and April fifteenth, the county superintendent of schools shall certify to the county auditor a list of the schools or school districts within or without the state that are entitled to per-pupil payments from the county equalization fund and the amounts thereof. The county auditor shall pay to each district or school the amount certified upon receiving the certificate. Payments shall be made by auditor's warrants and shall be deposited in the general fund of the district or school.
2. COUNTY TWENTY-ONE MILL LEVY PER-PUPIL PAYMENTS. All moneys accumulated in the county equalization fund from the twenty-one mill county levy and from all other sources except the state per-pupil payments referred to in subsection 1 of this section, shall be paid by the county auditor, after certification by the county superintendent of schools, to the schools and school districts entitled thereto, on or before March thirty-first and May

fifteenth of each year. Payments shall be made by auditor's warrants and shall be deposited in the general fund of the district or school.

If a school district embraces land in more than one county, the county superintendent of schools of the county in which the largest portion of the area of the school district is located shall determine the county equalization fund payments for such district and shall certify to the auditor of each county the amount to be paid by such county which shall be in the same ratio as the number of pupils of the school district residing in such county bears to the total number of pupils of the district. At the time the county equalization fund payment is paid to the county in which the largest portion of the area of the school district is located, a duplicate copy of the remittance advice accompanying the payment shall be forwarded to the county superintendent of schools of the county in which the largest portion of the area of the school district is located.

Approved March 29, 1971

CHAPTER 187

SENATE BILL NO. 2460
(Holand)

STATE AID FOR SCHOOL
TRANSPORTATION

AN ACT to amend and reenact section 15-40.1-16 of the North Dakota Century Code, as contained in section 7 of House Bill No. 1045, relating to aid for transportation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-40.1-16 of the North Dakota Century Code, as contained in section 7 of House Bill No. 1045, is hereby amended and reenacted to read as follows:

15-40.1-16. 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 sixteen 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 27, 1971

CHAPTER 188

HOUSE BILL NO. 1236
(Kingsbury, Berg)

DISCONTINUING COUNTY
AGRICULTURAL SCHOOLS

AN ACT to provide for the discontinuance of county agricultural and training schools; to repeal section 15-42-29 of the North Dakota Century Code and declaring an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. COUNTY AGRICULTURAL AND TRAINING SCHOOLS - DISCONTINUANCE - DISPOSAL OF ASSETS.) The board of county commissioners of any county may, by resolution, determine to discontinue the county agricultural and training school. Such resolution shall be published once each week for two consecutive weeks in the official county newspaper. If within thirty days following the last publication of the resolution a petition containing the signatures of qualified electors of the county at least equal in number to ten percent of the vote cast for governor at the most recent general election at which a governor was elected is submitted to the county commissioners requesting that the question of discontinuance of the school be submitted to the electors of the county, the question of such discontinuance 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. Such election 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. If no petition is filed or, if a petition is filed and a majority of the electors voting upon the question favor the discontinuance of the school, the board of county commissioners may proceed to dispose of all 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.

SECTION 2. REPEAL.) Section 15-42-29 of the 1969 Supplement to the North Dakota Century Code is hereby repealed.

SECTION 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 12, 1971

CHAPTER 189

SENATE BILL NO. 2496
(Sanstead)

NONRESIDENT SCHOOL DISTRICT CLERK

AN ACT to amend and reenact section 15-47-05 of the 1969 Supplement to the North Dakota Century Code, relating to the qualifications of a school district clerk.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-47-05 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-47-05. QUALIFICATIONS OF SCHOOL ELECTORS AND OFFICERS.) Any person who is a qualified elector under the general laws of the state is qualified to vote at the election of school officers in any school district of the state in which he is a resident, and is eligible to the office of school district treasurer, or member of the school board, or may be appointed as a judge or clerk of election. The school district clerk need not be a resident of the district.

Approved March 18, 1971

CHAPTER 190

SENATE BILL NO. 2332
(Longmire, Unruh)

RENEWAL OF TEACHERS' CONTRACTS

AN ACT to amend and reenact section 15-47-26 of the North Dakota Century Code and section 15-47-27 of the North Dakota Century Code, as contained in section 20 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, relating to the time of renewal of teachers' contracts and defining the term "teacher".

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-47-26 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-47-26. DEFINITIONS.) The term "teacher" as used in sections 15-47-27 and 15-47-28, shall be construed to include all teachers, principals, and superintendents in all public school districts within this state, and all persons employed in teaching in any state institution, except institutions of higher education.

SECTION 2. AMENDMENT.) Section 15-47-27 of the 1969 Supplement to the North Dakota Century Code as contained in section 20 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-47-27. TIME FOR RENEWAL OF TEACHERS' CONTRACTS.) Any teacher who has been employed by any school district or the director of institutions in this state during any school year, shall be notified in writing by the school board or the director of institutions, as the case may be, not earlier than the fifteenth day of February and not later than the fifteenth day of April in the school year in which he or she has been employed to teach, of the determination not to renew the teacher's contract for the ensuing school year, if such determination has been made; and failure to give such written notice on or before said date shall constitute an offer to renew the contract for the ensuing school year under the same terms and conditions as the contract for the then current year. On or before April fifteenth in any year and not earlier than February fifteenth, all teachers shall be notified of a date, which shall not be less than thirty days after the date of

such notice, upon which they will be required to accept or reject proffered re-employment, and failure on the part of the teacher to accept said offer within such time shall be deemed to be a rejection of the offer. Any teacher who shall have accepted the offer of re-employment, either by the action or nonaction of the school board or the director of institutions, on or before April fifteenth, as herein provided, shall be entitled to the usual written contract for the ensuing school year, as provided by law and shall notify the school board or the director of institutions in writing of his or her acceptance or rejection on or before the date specified or before May fifteenth, whichever is earlier. Failure on the part of the teacher to provide such notification shall relieve the school board or the director of institutions of the continuing contract provision of section 15-47-26 through 15-47-28. Nothing in this section shall be construed as in any manner repealing or limiting the operation of any existing law with reference to the dismissal of teachers for cause.

Approved March 19, 1971

CHAPTER 191

SENATE BILL NO. 2333
(Sanstead, Jones)

PROCEDURE FOR DISMISSING TEACHERS

AN ACT to amend and reenact section 15-47-38 of the North Dakota Century Code, providing for procedure for fair dismissal of teachers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-47-38 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-47-38. LEGISLATIVE INTENT IN EMPLOYMENT OF TEACHERS
- NOTIFICATION OF DISCHARGE OR FAILURE TO RENEW - HEARING.)

1. The legislative assembly, in recognition of the value of good employer-employee relationships between school boards of this state and the teachers employed in the school systems, the need to recruit and retain qualified teachers in this state, and further in recognition of the many intangibles in evaluating the performance of individual members of the teaching profession, urges that each school board of this state ensure through formally adopted policies, that channels of communication exist between the board, supervisory personnel, and teachers employed within its school system. It is the intent of the legislative assembly that in the very sensitive area of discharge of teachers for cause prior to the expiration of the term of the teachers' contracts, or in decisions not to renew the contracts of teachers, that recognition be given by school boards to damage that can result to the professional stature and reputation of such teachers, which stature and reputation were acquired only after the expenditure of substantial time and money in obtaining the necessary qualifications for such profession and in years of practicing the profession of teaching; and that in all decisions of school boards relating to discharge or refusal to renew contracts, all actions of the board be taken with consideration and dignity, giving the maximum consideration to basic fairness and decency.

2. The school board of any school district contemplating discharging a teacher prior to the expiration of the term of the teacher's contract, or contemplating not renewing a teacher's contract shall notify such teacher in writing of such fact at least ten days prior to the date of discharge or final date to renew the teacher's contract. Such teacher shall be informed in writing that he may request and appear at a meeting to be held by the school board prior to the final decision of such teacher's discharge or failure to renew such teacher's contract. The school board shall give an explanation and shall discuss at such meeting its reasons for the contemplated decision of the board in discharging such teacher or refusing to renew the teaching contract of the teacher. The meeting shall be an executive session of the board unless both the school board and the teacher requesting such meeting shall agree that it shall be open to other persons or the public. The teacher may be represented at the meeting by a person of his own choosing. If the teacher so requests, he shall be granted a continuance of not to exceed seven days by the board, unless for good cause otherwise shown. No cause of action for libel or slander shall lie for any statement expressed either orally or in writing at any executive session of a school board held for the purposes provided in this section.

Approved March 29, 1971

CHAPTER 192

HOUSE BILL NO. 1361
(Knudson)

REGULATING TRADE AND
CORRESPONDENCE SCHOOLS

AN ACT to create and enact section 15-50-12 of the North Dakota Century Code, relating to the regulation of trade and correspondence schools and to amend and reenact sections 15-50-01, 15-50-02, 15-50-03, 15-50-04, 15-50-08, 15-50-09, 15-50-10 and 15-50-11.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-50-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-01. DEFINITIONS.) In this chapter, unless the context or subject matter otherwise requires:

1. "Private trade, industrial, vocational, technical, business" and "correspondence schools" mean schools maintained or classes conducted for the purpose of teaching any trade, industrial, vocational, technical, business occupation or educational subjects for profit or for a tuition charge, and shall exclude schools or colleges regularly chartered and authorized by the laws of the state of North Dakota to grant degrees, endowed schools which offer approved courses without profit, schools exclusively engaged in training physically handicapped persons, or schools conducted by any person for the education and training of his own employees;
2. "Board" means the state board of vocational education;
3. "Executive officer" means the officer who directs the policy making of the division of vocational education. The director of vocational education is by board appointment the executive officer for vocational education;
4. "Solicitor" means a person who solicits business for a private trade, industrial, vocational, technical, business and correspondence school or who offers to sell or sells any such instruction or course of instruction. The private schools referred to in this paragraph, include those within and outside the state

of North Dakota.

SECTION 2. AMENDMENT.) Section 15-50-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-02. LICENSE PROCURED - FROM WHOM.) Every private trade, industrial, vocational, technical, business or correspondence school, shall procure a license from the executive officer of the state board for vocational education.

SECTION 3. AMENDMENT.) Section 15-50-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-03. LICENSING OF PRIVATE TRADE, INDUSTRIAL, VOCATIONAL, TECHNICAL, BUSINESS AND CORRESPONDENCE SCHOOLS - REQUIREMENTS.)

1. The executive officer is empowered to issue a license upon compliance with the terms and provisions of this chapter.
2. Application for a license shall be made to the executive officer upon a form prescribed and furnished by him.
3. A license shall not be issued until the executive officer has approved the method and content of the advertising, the standards and methods of instruction, the equipment and housing provided, the qualifications of the teachers, the form and contents of the student enrollment agreement or contract, the sufficiency of its resources and equipment, and its accreditation by a recognized accrediting agency.
4. If the license is granted it shall be issued upon the faithful performance of all agreements and contracts with students, as disclosed by the application for license, and the compliance with this chapter and all rules and regulations prescribed thereunder. Every license shall expire on the thirtieth day of June following the date of issuance. Licenses may be renewed subject to the continued compliance with the rules and regulations of this chapter.

SECTION 4. AMENDMENT.) Section 15-50-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-04. SOLICITORS REQUIRED TO PROCURE PERMITS.)

1. Every solicitor, before engaging in such business, first shall procure a permit from the executive officer.
2. A permit shall be issued only upon written application to the executive officer. The application shall be upon a form prescribed and furnished by the executive officer and shall be accompanied by twenty-five dollars, the fee for such permit. If the application is granted, the permit shall not be issued until the applicant has filed with the executive officer a continuing surety bond to the state of North Dakota in the penal sum of one thousand dollars, conditioned for the faithful performance of all contracts and agreements with students by the solicitor and the employing private trade, industrial, vocational, technical, business or correspondence school, as disclosed by the application for the permit, and for the compliance by the solicitor with this chapter and all rules and regulations prescribed thereunder. Every permit shall expire on the thirtieth day of June following the date of issuance.

SECTION 5. AMENDMENT.) Section 15-50-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-08. REMEDY OF STUDENT DEFRAUDED BY MISREPRESENTATION - TREBLE DAMAGES.) Any person who is defrauded by a misrepresentation made by an officer or agent of a private school defined in this chapter, or by any advertisement or circular issued by it, or by any person who sells textbooks to the said school or to the pupils thereof, may recover from such school or person three times the amount paid.

SECTION 6. AMENDMENT.) Section 15-50-09 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-09. REFUND OF TUITION FEES.) Private trade, industrial, vocational, technical, business and correspondence schools shall refund tuition and other charges when written notice of cancellation is given by the student in accordance with the following schedule:

1. When notice is received prior to, or within seven days after completion of the first day of instruction, or after receipt of the first correspondence lesson by the school, all tuition and other charges except twenty-five dollars thereof shall be refunded to the student.

2. When notice is received prior to, or within thirty days after completion of the first day of instruction, or prior to the completion of one-fourth of the course, all tuition and other charges except twenty-five percent thereof shall be refunded to the student.
3. When notice is received upon or after completion of one-fourth of the course, but prior to the completion of one-half of the course, all tuition and other charges except fifty percent thereof shall be refunded to the student.
4. When notice is received upon or after the completion of fifty percent of the course, no tuition or other charges shall be refunded to the student.

The provisions of this section shall not prejudice the right of any student to recovery in an action against any private trade, industrial, vocational, technical, business or correspondence school for breach of contract or fraud.

SECTION 7. AMENDMENT.) Section 15-50-10 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-10. NEGOTIATION OF PROMISSORY INSTRUMENTS.) No private, trade, industrial, vocational, technical, business or correspondence school shall negotiate any promissory instrument received as payment for tuition or other charges prior to the completion of one-half of the course of instruction.

SECTION 8. AMENDMENT.) Section 15-50-11 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-50-11. CANCELLATION OF CONTRACT FOR INSTRUCTION.) Any person shall have the right for any cause to rescind, revoke, or cancel a contract for a course of instruction at any private trade, industrial, vocational, technical, business and correspondence school within seven days after entering into such contract without incurring any tort or contract liability. In such event, the private trade, industrial, vocational, technical, business and correspondence school may retain the amount of tuition and other charges as set forth in subsection 1 of section 15-50-09.

SECTION 9. AMENDMENT.) Section 15-50-12 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-50-12. LIST OF APPROVED SCHOOLS.) The executive officer shall send a list of approved schools as defined in this chapter annually in September and as deemed necessary, to all superintendents of school districts, county superintendent of schools, and guidance counselors certified by the department of public instruction.

Approved March 29, 1971

CHAPTER 193

HOUSE BILL NO. 1047
(Bier, Knudson, G. Larson, R. Peterson, Stone, Wagner)
(From Legislative Council Study)

MEDICAL CENTER ADVISORY COUNCIL

AN ACT to amend and reenact section 15-52-03 of the North Dakota Century Code, relating to the medical center advisory council.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-52-03 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-03. MEDICAL CENTER ADVISORY COUNCIL - MEMBERS, TERMS, MEETINGS.) In order to assure the proper coordination and integration of the North Dakota state medical center with all other health and welfare activities of the state, a permanent medical center advisory council is hereby established to advise, consult, and make recommendations to the university administration, and to the several agencies represented on said medical center advisory council concerning the program of said North Dakota state medical center, the adaptation thereof to the needs of the state and to the requirements and facilities of the several agencies involved, and the use of said North Dakota state medical center and its facilities by the various institutions and agencies of the state and its political subdivisions. The medical center advisory council shall consist of seven members, two to be named by the governor, and one to be named by and from the membership of each of the following: The public welfare board of North Dakota, the state board of higher education, or such boards or departments as shall succeed them or any of them; the state health officer of the North Dakota state department of health; the North Dakota state medical association; and the North Dakota hospital association.

The representatives named by the state agencies and boards above referred to shall be selected to serve as members of the medical center advisory council for periods of at least one year, but in no instance may they serve longer than their term of office on the public agency.

The representatives from the North Dakota state medical association and the North Dakota hospital association shall serve a term of three years or until their successors are

named and qualified.

The two members appointed by the governor shall serve for three-year terms as representatives of the public at large. The medical center advisory council shall name its own chairman and the dean of the university of North Dakota medical school shall serve as executive secretary thereof. The medical center advisory council shall meet in January and June of each year, and, from time to time, on its own motion or upon request of the university administration, to consider plans and programs of action for the North Dakota state medical center, and make its recommendations thereon to the several agencies of the state and its political subdivisions involved and to the legislature.

Approved March 22, 1971

CHAPTER 194

SENATE BILL NO. 2083
(Lips, Morgan, Sanstead)
(Legislative Council Study)

MEDICAL CENTER LOAN FUND

AN ACT to amend and reenact sections 15-52-10, 15-52-15, subsection 3 of section 15-52-16, sections 15-52-17, 15-52-18, 15-52-19, 15-52-20, 15-52-21, 15-52-22, 15-52-23, 15-52-24, 15-52-25, 15-52-26, and 15-52-28 of the North Dakota Century Code; and to repeal sections 15-52-11, 15-52-12, 15-52-13, and 15-52-14 of the North Dakota Century Code, to provide for the abrogation of the medical center loan fund board and for the transfer of the functions of such board to the university of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-52-10 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-10. MEDICAL CENTER LOAN FUND.) There is hereby created a medical center loan fund which shall be administered by the university of North Dakota under the direction and control of the board of higher education. As used hereafter in this chapter, the word "university" shall mean the university of North Dakota under the direction and control of the board of higher education.

SECTION 2. AMENDMENT.) Section 15-52-15 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-15. DUTIES RELATED TO LOAN FUND.) It shall be the duty of the university to receive and pass upon, and to allow or disallow, all applications for loans submitted by qualified applicants who desire to complete an education in medicine or dentistry for the purpose of entering medical or dental practice in the state of North Dakota. It shall also be the duty of the university to compile a list of cities, towns, and other municipalities in this state without a qualified physician or dentist or with an insufficient number of qualified physicians or dentists, and to endeavor to supply physicians or dentists to such cities, towns, and other municipalities.

SECTION 3. AMENDMENT.) Subsection 3 of section 15-52-16 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

3. Can present to the university satisfactory proof that he or she has been accepted as a student in the third or fourth year of a qualified and reputable four-year school of medicine or dentistry, or will be so accepted upon payment of tuition; and

SECTION 4. AMENDMENT.) Section 15-52-17 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-17. LOAN INVESTIGATIONS.) The university shall make a careful investigation to ascertain the truth of all matters set forth in applications received by it, and for that purpose may propound such examinations and questions for each applicant as it deems proper. The investigation shall include a study of the ability of the applicant or the applicant's parents to pay his own expenses at an out-of-state medical or dental school, and preference shall be given to qualified applicants who, or whose parents, are unable to pay the applicant's expenses at such medical or dental school.

SECTION 5. AMENDMENT.) Section 15-52-18 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-18. AMOUNT OF LOANS.) Loans may be granted to qualified applicants by the university in amounts not in excess of two thousand dollars for the purpose of completing the third year of medical or dental study and a sum not to exceed two thousand dollars for the purpose of completing the fourth year of medical or dental study in a qualified and reputable four-year school of medicine or dentistry. However, if the applicant agrees in writing to enter medical or dental practice in a city, town, or municipality in this state which is without a qualified physician or dentist or in need of additional medical or dental personnel, then such applicant may be granted a loan of two thousand five hundred dollars for the purpose of completing the third year of medical or dental study and a like sum for the purpose of completing the fourth year of medical or dental study.

SECTION 6. AMENDMENT.) Section 15-52-19 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-19. LOAN PAYMENTS.) Loans authorized by sections 15-52-10 through 15-52-28 may be apportioned in such manner as to pay directly to the medical or dental school to which any

applicant is admitted such funds as are required by that school for tuition and other expenses of study. The balance shall be paid directly to the applicant upon such terms and conditions as may be established by the university.

SECTION 7. AMENDMENT.) Section 15-52-20 of the 1969 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 university 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 in cash with six percent interest annually from the date of each payment pursuant to a loan agreement, the repayment to be in yearly installments on a schedule set by the university 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 university, 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.

SECTION 8. AMENDMENT.) Section 15-52-21 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-21. LOAN AGREEMENT - SUIT - DEFENSES.) Each applicant before being loaned any funds hereunder shall enter into a contract with the university agreeing to the terms and conditions set forth in the preceding sections and rules and regulations promulgated thereunder. For the purposes of sections 15-52-10 through 15-52-28, the defenses of minority and of the statutes of limitation are hereby removed as to any applicant granted a loan by the committee, and such contracts shall be in all respects legal and binding. The university may sue in its own name any applicant for any balance due on any such contract, and is authorized to compromise or settle litigation with respect to any such contract.

SECTION 9. AMENDMENT.) Section 15-52-22 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-22. LOAN CANCELLATION OR SUSPENSION.) The university shall have authority to cancel any contract, or to suspend or recall payments thereunder, in the event an applicant

1. Fails in his course of study; or
2. Withdraws from the school of medicine or dentistry he is attending; or
3. Is expelled or suspended by such school; or
4. Otherwise becomes a clearly unsuitable risk; or
5. Having agreed to enter practice in a specified city, town, or other municipality, fails to carry out such agreement within a reasonable time or withdraws from practice therein before full repayment of his loan.

SECTION 10. AMENDMENT.) Section 15-52-23 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-23. REMEDIES.) In the event the university finds it necessary to cancel a contract or to suspend or recall payments, it may commence legal proceedings for the recovery of all sums loaned to the applicant, together with interest thereon, the total of which sums shall become due and owing immediately upon the mailing to the applicant of written notice of the decision to cancel the contract or to suspend or recall payments thereunder.

SECTION 11. AMENDMENT.) Section 15-52-24 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-24. LOAN INSURANCE.) The university may require an applicant to obtain a policy of life insurance payable to it to ensure repayment of the loan in the event of the applicant's death. It may enter into any other appropriate arrangement designed to ensure repayment.

SECTION 12. AMENDMENT.) Section 15-52-25 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-25. DEPOSIT AND PAYMENT OF FUNDS.) All funds made available to the university pursuant to the provisions of this chapter are to be deposited by it and are to be paid out only upon vouchers signed by the official properly designated by the board of higher education.

SECTION 13. AMENDMENT.) Section 15-52-26 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-26. AVAILABILITY OF FUNDS.) The board of higher education is hereby directed and authorized to make available to the university, from the portion of the proceeds of the one-mill levy provided by article 60 of the Constitution of North Dakota as the board of higher education shall have retained in its possession pursuant to the provisions of section 15-52-09 for the purpose of establishing third and fourth year courses of medicine at the university of North Dakota, such funds as may be required for the operation of the medical center loan fund, but not in excess of one hundred thousand dollars in any one year.

SECTION 14. AMENDMENT.) Section 15-52-28 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-52-28. BIENNIAL REPORT.) The board of higher education shall prepare a biennial report as prescribed by subsection 6 of section 54-06-04 of the activities related to the loan fund and submit such report to the governor and secretary of state, together with such recommendations as the board deems desirable.

SECTION 15. REPEAL.) Sections 15-52-11, 15-52-12, 15-52-13, and 15-52-14 of the North Dakota Century Code are hereby repealed.

Approved February 19, 1971

CHAPTER 195

HOUSE BILL NO. 1545
(Stoltenow, Knudson)

ANNEXATION TO SCHOOL DISTRICTS

AN ACT to amend and reenact sections 15-53.1-05, 15-53.1-06, 15-53.1-11, 15-53.1-35, and 15-53.1-36 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, relating to annexation hearings, county committees, attachment of contiguous territory to school districts, transfers of land upon reorganization or annexation, and publication of reorganization notices.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-53.1-05 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-53.1-05. ATTACHMENT OF CONTIGUOUS TERRITORY TO SCHOOL DISTRICT - PETITION.) Territory contiguous to a public school district, whether in the same county or in another, may be attached to such school district by the county committee upon written application signed by two-thirds of the electors in the contiguous territory after hearing and subject to the provisions of section 15-53.1-29. The sufficiency of the petition and the determination of the number of electors necessary to constitute a two-thirds majority shall be determined by the county committee. As used in the words "territory contiguous" in this section, the word "territory" shall mean all or any portion or part of an organized school district, and the word "contiguous" shall mean any two or more tracts which are in actual contact at least to the extent of touching at a common corner.

SECTION 2. AMENDMENT.) Section 15-53.1-06 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, as approved by the forty-second legislative assembly, is hereby amended and reenacted to read as follows:

15-53.1-06. ANNEXATION HEARINGS - EQUALIZATION - NOTICE OF HEARINGS.) Before detaching territory from one school district or annexing territory to another school district, the county committee shall hold a hearing on the annexation thereof. At least fourteen days prior to the time the hearing is to be held, the committee shall cause notice of such hearing to be

published in the official newspaper of the county in which the school district is located, or if no newspaper is published in the county, the notice shall be published in a newspaper in an adjoining county in this state. At such hearing the county committee shall receive testimony for the purpose of determining the value and amount of all school property and all bonded and other indebtedness of each school district affected by a change in boundaries, and shall consider the amount of all outstanding indebtedness and make an equitable adjustment of all property, assets, debts and liabilities among the districts involved; and, if the annexation is approved by the state committee, the county committee may cause a tax to be levied against each district affected in accordance with the provisions of section 15-47-21 which will equalize the several interests fairly. If the adjoining district is in another county or counties, the county committee of all counties affected shall consider and jointly effect the annexation if a majority of the members of each of the county committees approve the annexation. In the event that the annexation is approved by a majority of the members of one or more county committees, the county superintendent of the county in which the annexing district is located shall submit the annexation to the state committee for approval or disapproval, and in such instance approval of the annexation shall have the same effect as approval by all county committees. If the annexation does not receive the approval of any county committee, it shall not be presented to the state committee. An appeal from the decision of the state committee may be had to the district court of the county in which the annexing district is located, in accordance with applicable provisions of chapter 28-32.

SECTION 3. AMENDMENT.) Section 15-53.1-11 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-53.1-11. COUNTY COMMITTEE - SIZE, COMPENSATION, VACANCIES, TERM.)

1. In each county in this state there shall be a county committee which shall be formed by the selection of one resident from each of the county commissioner districts within the county. Each member shall receive the actual and necessary expenses incurred by him in the performance of his official duties in accordance with the schedule for state officers and employees. In addition thereto, each member may also receive five dollars as compensation for each meeting of the committee actually attended by him. All payments for compensation and expenses shall be made upon warrant by the department of accounts and purchases as directed by the department of public instruction from moneys appropriated for that purpose.

The term of each county committee member shall be

three years, staggered so that one term shall expire each year. Members of the county committee shall be selected by appointment by the county superintendent of schools with the approval of the board of county commissioners. Vacancies shall be filled in the same manner for the unexpired portion of the term. In the event a committee member shall fail, refuse, or be unable to perform his duties as a member of such committee, the county superintendent of schools, upon petition of a majority of the school boards having territory in whole or in part within the district which such committee member was appointed to represent, shall declare the position of such member upon the committee to be vacant, and shall immediately appoint a new member to the committee from that district.

2. In the event that the county is redistricted and as a consequence two or more members of the county committee are placed in the same county commissioner district, a new member shall be appointed who is a resident of the new unrepresented district or districts, and as between the two or more members currently serving on the county committee who are residents in the other district, that member shall serve whose term expires latest in point of time, and if all the terms shall expire at the same time, the two or more members shall decide who shall serve by lot. In the event that the county, through redistricting, thereafter elects its county commissioners at large, members of the county committee shall continue to be selected from those commissioner districts established by the districting plan in effect at the time the county is districted at large.

SECTION 4. AMENDMENT.) Section 15-53.1-35 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-53.1-35. TRANSFER OF LAND UPON REORGANIZATION OR ANNEXATION.) The legal title to all land owned by an original school district which has been included in a reorganized district or annexed to another district and which is not subject to a possibility of reverter or right of re-entry if title is held by other than the original district, shall be vested in the school board of the reorganized school district or the district to which such property is annexed upon approval of the reorganization plan by the electors or upon orders of the county superintendent of schools or the reorganization committee, as the case may be. If the reorganized district or district to which such property is annexed includes less than the whole of the former district, legal title to the land of the former district shall vest in the school board of the district in which such land is situated after reorganization or annexation. A certificate prepared by the

county superintendent of schools of the county wherein the land in question is located, stating the legal description of the land involved, and the fact that the school district formerly owning the land has become either annexed, attached, or reorganized with another school district, may be recorded in the office of the register of deeds of the county in which the land is located.

SECTION 5. AMENDMENT.) Section 15-53.1-36 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly, is hereby amended and reenacted to read as follows:

15-53.1-36. COSTS OF REORGANIZATION ELECTIONS.) All costs of any election required in school district reorganization proceedings shall be paid by each of the districts affected by the plan in the same proportion as the amount of each district's territory relates to the amount of territory of the newly proposed school district, should the reorganization plan fail to be approved at the election. Should such reorganization plan be approved at the election, all such costs shall be paid by the newly reorganized school district.

Approved March 29, 1971

CHAPTER 196

SENATE BILL NO. 2198
(Nasset, Berube, Pyle, Redlin, Roen)

DISTRICT CONTRACTING
PRIOR TO ANNEXATION

AN ACT to amend and reenact section 15-53.1-07 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, relating to the contracting by a school board prior to the effective day of annexation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-53.1-07 of the North Dakota Century Code, as contained in section 9 of House Bill No. 1045, is hereby amended and reenacted to read as follows:

15-53.1-07. 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 article, 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 15-53.1-15. 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. Prior to the completion of the annexation of any school district under the provisions of this article, the existing school board of any school district shall not contract or place such district under any obligation, except upon the recommendation of the county committee.

Approved March 17, 1971

CHAPTER 197

HOUSE BILL NO. 1352
(Bier, R. Peterson)

CONTINUANCE OF SCHOOLS
IN REORGANIZED DISTRICTS

AN ACT to amend and reenact sections 15-53.1-27 and 15-53.1-40 of the North Dakota Century Code as contained in section 9 of House Bill No. 1045, as approved by the forty-second legislative assembly, relating to the continuance of elementary schools in reorganized school districts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-53.1-27 of the North Dakota Century Code as contained in section 9 of House Bill No. 1045, as approved by the forty-second legislative assembly, is hereby amended and reenacted to read as follows:

15-53.1-27. CONTINUANCE OF ELEMENTARY SCHOOLS IN REORGANIZED DISTRICTS.) Each elementary school included in reorganized school districts shall be kept in session as provided by law, except that any school may be discontinued when the people in the old district where the school is located, by a majority vote, approve its closing or when a petition requesting that the school be discontinued is signed by two-thirds of the electors in the old district where the school is located and is presented to the school board in the reorganized district. The board may reopen such school at any time upon its own motion. This provision shall apply for five years from and after the effective date of the reorganization plan. After such five-year period any school may be closed by action of the school board, provided that any school so closed for a period of one year or more, may be reopened by action of the school board, and shall be reopened when the electors in the old district so decide by majority vote, or by a petition presented to the school board in the reorganized district signed by two-thirds of the electors in the old district. Such school may be reopened only at the beginning of the next regular school term which follows by at least ninety days the date of the election or the date the validity of the petition is verified.

SECTION 2. AMENDMENT.) Section 15-53.1-40 of the North Dakota Century Code as contained in section 9 of House Bill No. 1045, as approved by the Forty-second Legislative Assembly,

is hereby amended and reenacted to read as follows:

15-53.1-40. POWERS OF SCHOOL BOARD IN REORGANIZED DISTRICT - EXCEPTIONS.) After five years from the effective date of the reorganization plan, the school board of a reorganized district shall exercise the powers granted to a school board by section 15-29-08 or any other provision of law regardless of limitations contained in the reorganization plan. The provisions of this section shall not be construed as authorizing the school board of a reorganized district to exercise any powers prohibited or limited by sections 15-53.1-24, 15-53.1-34, 15-53.1-38, or 15-53.1-39.

Approved March 29, 1971

CHAPTER 198

SENATE BILL NO. 2248
(Goldberg, Litten)

ISSUANCE OF INTERIM WARRANTS

AN ACT to create and enact section 15-55-05.1 of the North Dakota Century Code, relating to the issuance of interim warrants for revenue producing projects at the state institutions of higher learning, and declaring an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) Section 15-55-05.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-55-05.1. INTERIM FINANCING.) The board may provide for interim financing pending completion of revenue producing projects at state institutions of higher learning and financing the cost thereof and may authorize the issuance and sale of special interim warrants for that essential governmental purpose, such warrants to be paid with interest from the proceeds of definitive bonds issued in accordance with this chapter. The board shall arrange for the proper preparation and sale of such warrants and shall issue such warrants in an aggregate principal amount not exceeding the sum of bonds authorized and necessary to finance completion of the project. Such interim warrants shall be subject to call and prepayment on thirty days prior written notice to the place of payment at par and accrued interest to date of prepayment at the option of the board; shall mature not more than two years from their date; and may bear such rate or rates of interest as the board may provide, not exceeding seven percent per annum. Such interim warrants may be sold on the basis of par plus accrued interest to date of delivery, as may be considered by the board to be proper, but interest cost to maturity for any such warrants shall not exceed a rate of seven percent per annum. Such interim warrants shall have all of the qualities and incidents of negotiable paper and shall not be subject to taxation by the state of North Dakota or by any county, municipality, or political subdivision therein. Such interim warrants shall be eligible for investment of funds the same as definitive bonds are or would be eligible for investment under the provisions of section 15-55-08.

Such warrants shall not constitute a general obligation indebtedness of the state of North Dakota nor of the institution for which they are issued nor of the state board of higher

education nor of the individual members, officers, or agents thereof; shall be payable solely out of the proceeds of definitive bonds to be issued for the project under the provisions of this chapter; and the warrants issued and sold shall so state.

SECTION 2. 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, 1971

CHAPTER 199

HOUSE BILL NO. 1042
(K. Johnson, J. Peterson, Reimers, Solberg, Tweten)
(From Legislative Council Study)

FINANCIAL RECORDS ON
REVENUE PRODUCING BUILDINGS

AN ACT to create and enact sections 15-55-20 and 15-55-21 of the North Dakota Century Code, relating to the maintaining of financial records and expenses of revenue producing buildings or other revenue producing campus improvements.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) Section 15-55-20 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-55-20. FINANCIAL RECORDS REQUIRED.) Each institution under the control of the board of higher education which has constructed revenue producing buildings or other revenue producing campus improvements shall maintain records of financial accounts to provide a record of revenues received and expenses incurred in the use of each revenue producing building or other revenue producing campus improvement. The definition of "expenses incurred" shall include, but not be limited to, the estimated value of heat, electricity, water, repairs, insurances, and janitorial and maintenance services provided. From the information recorded in such records, appropriate financial statements shall be prepared and included in the institutions' published and audited annual or biennial financial reports.

SECTION 2.) Section 15-55-21 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-55-21. EXPENSES TO BE PAID FROM GROSS REVENUES.) Expenses incurred as defined in section 15-55-20 of the North Dakota Century Code shall be payable from the gross revenues of the revenue bond project, except in those instances where contracts or revenue bond indentures in existence on the effective date of this section provide that such payments shall not be charged to the gross revenues.

Approved March 22, 1971

CHAPTER 200

HOUSE BILL NO. 1360
(Miedema)

STATE AID FOR SPECIAL EDUCATION

AN ACT to amend and reenact section 15-59-06 of the North Dakota Century Code, relating to funds provided by the legislative assembly for reimbursement for special education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-59-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-59-06. STATE CO-OPERATION IN SPECIAL EDUCATION.) Exceptional children who are enrolled in approved programs of special education shall be deemed to be regularly enrolled in the school and school districts providing such program and shall be included in determination of elementary and high school per pupil payments from the county equalization fund whether such pupils are regularly attending school in the school or school district receiving such payments or not. Upon the determination by the director of special education that the school district has made expenditures for each exceptional child in such program equal to the average expenditures made in such district for elementary or high school students, as the case may be, and that the parents of a child receiving special education under such program, or the legally responsible person, have made adequate efforts to provide needed education or that adequate reasons otherwise exist for the provision of special education to such child, the director by vouchers drawn upon funds provided by the legislative assembly for such purpose may provide reimbursement to such school or school district in an amount not exceeding one and one-half times the state average per pupil cost of education computed by the department of public instruction for the previous school year for such child per year for instruction and two times the state average per pupil cost of education computed by the department of public instruction for the previous year for such child per year for transportation, equipment, and residential care.

Approved March 29, 1971

CHAPTER 201

SENATE BILL NO. 2204
(Holand)

STUDENTS WITH PHYSICAL
OR MENTAL DISABILITIES

AN ACT to amend and reenact section 15-59-07 of the North Dakota Century Code, relating to the education of students with physical handicaps and learning disabilities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-59-07 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-59-07. EDUCATION OF STUDENTS WITH PHYSICAL HANDICAPS AND LEARNING DISABILITIES - CONTRACT.) If any school district in this state has any educable elementary or high school student who in the opinion of a qualified psychologist, a medical doctor, and the district superintendent is unable to attend the public schools in the district because of a physical handicap or because of a learning disability, such school district shall contract with any accredited private nonsectarian nonprofit corporation within or without the state which has proper facilities for the education of such student, if there are no public schools in the state with the necessary facilities which will accept such student. No school district shall enter into a contract with any private nonsectarian nonprofit corporation for the education of any student having a physical handicap or learning disability, unless the curriculum provided by such school and the contract has been approved in advance by the superintendent of public instruction. The contract shall provide that such school district agrees to pay to the private nonsectarian nonprofit corporation as part of the cost of educating such student an amount for the school year equal to three times the state average per-pupil elementary or high school cost, depending on whether the enrollment would be in a grade or high school department, provided that such payment shall not exceed the actual per-pupil cost incurred by such private, nonsectarian nonprofit corporation. The district of the student's residence shall be reimbursed from funds appropriated by the legislative assembly for the foundation aid program, in an amount equal to sixty percent of the payment made to such private, nonsectarian nonprofit corporation. If the attendance of such student at such school is for less than a school year, then the contract shall provide for such lesser amount prorated on a monthly basis. The reimbursement herein provided to the contracting district from

the foundation aid program shall be in lieu of any other foundation aid to which the district might otherwise be entitled.

As used in this section, the term "learning disability" shall mean a disorder in one or more of the basic psychological processes involved in understanding or in using spoken or written languages, and which may be manifested in disorders of listening, thinking, talking, reading, writing, spelling, or arithmetic. The term "learning disability" shall include, but not be limited to, such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia; but shall not include learning problems due primarily to visual hearing or motor handicaps, mental retardation, emotional disturbance, or environmental disadvantage.

Approved March 27, 1971

CHAPTER 202

SENATE BILL NO. 2061
(Coughlin, Holand, Kautzmann, Lips, Litten, Van Horn)
(From Legislative Council Study)

COUNTY BOARDS OF SPECIAL EDUCATION

AN ACT to amend and reenact section 15-59.1-01 of the North Dakota Century Code, relating to the county board of special education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-59.1-01 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-59.1-01. COUNTY BOARD OF SPECIAL EDUCATION.) The county superintendent of schools shall appoint a county board of special education which shall consist of from three to five members from within the county, and each member thus appointed shall be subject to approval by the board of county commissioners. Terms of office shall be for two years and shall be arranged as follows:

1. If three members are appointed, no more than two terms shall expire in any one year.
2. If four members are appointed, no more than two terms shall expire in any one year.
3. If five members are appointed, no more than three terms shall expire in any one year.

At the time of the initial appointment, the decision as to which terms are to expire at the end of the first year shall be determined by lot by the county superintendent of schools. Vacancies shall be filled in the same manner as original appointment. The county superintendent of schools shall serve as secretary and executive officer of the board. Expenses of members of the board shall be paid in the same manner as expenses of other county officials are paid. The board of county commissioners may in its discretion provide for additional per diem compensation.

Approved March 27, 1971

CHAPTER 203

SENATE BILL NO. 2429
(Longmire)

DIRECTOR OF SURPLUS PROPERTY

AN ACT to amend and reenact subsection 5 of section 15-61-02 and section 15-61-04 of the North Dakota Century Code, relating to authority of the director of surplus property and disposition of charges made for surplus property and making an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Subsection 5 of section 15-61-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

5. The director of surplus property is authorized and empowered to participate with other surplus property agencies in screening and acquiring surplus property, and to make such certifications, take such action, make such expenditures and enter into such contracts, agreements and undertakings for and in the name of the state including co-operative agreements with any federal agencies providing for utilization by and exchange between them of the property, facilities, personnel and services of each by the other, require such reports and make such investigations as may be required by law or regulation of the United States of America in connection with the disposal of real property and the receipt, warehousing, and distribution of personal property received by the director of surplus property from the United States of America.

SECTION 2. AMENDMENT.) Section 15-61-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-61-04. TRANSFER CHARGES.) Any charges made or fees assessed by the director of surplus property for the acquisition, warehousing, distribution, or transfer of any property of the United States of America for educational, public health or civil defense purposes, including research, shall be limited to those reasonably related to the costs of care and handling in respect to its acquisition, receipt, warehousing, distribution or transfer by the director of surplus property and, in the case of real

property, such charges and fees shall be limited to the reasonable administrative costs that the director of surplus property has incurred in effecting transfer.

The charges or fees assessed and collected by the director of surplus property shall be deposited with the state treasurer in the surplus property special fund and any funds not needed to administer the surplus property program under this chapter and not otherwise appropriated for such administrative costs are hereby appropriated to make refunds to donees in accordance with existing federal regulations 45 C.F.R. 14.5(2)(i), 45 C.F.R. 14.7(f) and 45 C.F.R. 14.7(d).

Approved March 3, 1971

CHAPTER 204

HOUSE BILL NO. 1498
(Raymond, Wilkie, Giffey)

INDIAN SCHOLARSHIPS

AN ACT to amend and reenact sections 15-63-01 and 15-63-05 of the North Dakota Century Code relating to the state board of Indian scholarships and scholarship payments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 15-63-01 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-63-01. STATE BOARD FOR INDIAN SCHOLARSHIPS.) There is hereby established a state board for Indian scholarships consisting of an Indian appointed by the governor, the executive director of the state Indian affairs commission, and the commissioner of higher education. The commissioner of higher education shall serve as chairman and the executive director of the state Indian affairs commission shall serve as secretary of the board for Indian scholarships.

SECTION 2. AMENDMENT.) Section 15-63-05 of the 1969 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-63-05. SCHOLARSHIP PAYMENTS - CONDITIONS.) Upon the granting of a scholarship and acceptance thereof, the recipient shall be entitled to a credit in fees in the enrolling institution of higher learning to apply toward the cost of registration, health, activities, board, books, and other necessary items of not to exceed five hundred dollars per quarter for three quarters, or seven hundred fifty dollars per semester for two semesters, in any academic year. After the enrolling institution has deducted the amount due such institution, the remaining balance shall be given to the recipient for necessary expenses during the quarter or semester. At the beginning of each quarter or semester of a regular academic year, the board for Indian scholarships shall certify to the state auditor the name of each recipient and the amount payable, and the state auditor shall issue his warrant to the state treasurer who shall pay the amount of the scholarship to the institution of higher learning in which the recipient is enrolled. Renewal of the scholarship award shall be subject to the maintenance of a minimum grade average of "C" in the courses taken.

Approved March 24, 1971

CHAPTER 205

SENATE BILL NO. 2283
(Unruh)

REGIONAL MEDICAL EDUCATION BOARD

AN ACT creating a regional medical education board.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. REGIONAL MEDICAL EDUCATION BOARD - CREATION - PURPOSES - MEMBERSHIP.) A regional medical education board to be known as the midwestern board for medical and allied health education is hereby created as an agency of the government. This board which initially may be comprised of representatives of the states of Iowa, Minnesota, North Dakota, and South Dakota shall promote the education and training of doctors of medicine and other health services personnel, including, but not limited to, the general practice of family medicine and placing particular emphasis on meeting the need for additional health services in the smaller municipalities and rural areas of the region.

SECTION 2. BOARD ACTIVITIES.) The regional medical education board shall participate in programs designed to fulfill the purposes described in section 1 of this Act for the benefit of the citizens of the states comprising the region. Applicants for training from the region, to the greatest extent practicable, shall be given preference for participation in the programs.

SECTION 3. POWERS OF THE BOARD.) The board shall be appointed as provided in section 4 of this Act. The board shall have the following powers:

1. To enact bylaws.
2. To elect, following enactment of identical or substantially similar legislation, any states and provinces of Canada as members of the region, and to prescribe the terms and conditions of such membership.
3. To sue and be sued.
4. To make contracts, both public and private, to carry out any of the purposes and powers conferred by this Act in accordance with such standards as

it may determine.

5. To employ all necessary personnel, professional and otherwise, under such terms and conditions as it may prescribe.
6. To participate in the planning and development of any needed physical facilities, including clinical and academic facilities.
7. To encourage and participate in studies of the need for medical and allied health personnel throughout the region.

SECTION 4. APPOINTMENT OF MEMBERS.) Each state or Canadian province having membership on the board shall appoint five members to the board in the manner prescribed by law in the member state or province making the appointment. Membership on the board from this state shall be appointed by the governor as follows: one state senator; one state representative; the dean of the medical school at the university of North Dakota, or his designee; the commissioner of higher education, or his designee; and the president of the state medical association, or his designee. Vacancies on the North Dakota membership of the board shall be filled as provided in this section. Members shall be appointed for two-year terms of office, and the first appointments shall be made immediately following the effective date of this Act.

SECTION 5. COMMENCEMENT OF BOARD ACTION.) When two or more states have joined the region, the appointees of such states shall constitute the board, and shall be empowered to assume the powers and duties set forth in this Act.

SECTION 6. BOARD VOTING - QUORUM.) The members of the board shall be entitled to one vote each. No action of the board shall be binding unless taken at a meeting at which a majority of the total number of votes on the board are cast in favor thereof. Action of the board shall be only at a meeting at which a majority of the members are present.

SECTION 7. TERMINATION OF MEMBERSHIP.) A member state or province of the region may terminate its membership in a manner prescribed by the laws of the member state or province, but all funds, property, and otherwise, of the withdrawing state which have been granted to the board shall continue to be the property of the board, unless all remaining party states and the withdrawing state conclude an appropriate agreement therefor to the contrary.

SECTION 8. ACCEPTANCE OF GIFTS AND GRANTS.) The board may apply for, receive, and accept a gift, bequest, devise, or grant of money or property, either public or private, and may comply with the requirements of the donor as a condition

thereof.

SECTION 9. BOARD TO SEEK FUNDING.) The board shall seek funding from each member state or province in the public interest in a way so as to equalize the contribution of each member to the greatest extent possible in conducting its programs.

SECTION 10. BOARD AUTHORIZED TO CONTRACT.) The board may accomplish any of the purposes prescribed in this Act through the medium of cooperative agreements and contracts with state or federal agencies or instrumentalities or with privately owned and operated agencies and institutions engaged in medical and allied health services education, undergraduate and graduate. Such cooperative agreements or contracts, however, shall ensure continuous financial and other support for the facility by appropriate means.

SECTION 11. BOARD TO REPORT ANNUALLY.) The board shall report to the legislative bodies of each state or province comprising the region, and the chief executive officer of each, on or before December first of each year concerning its programs and needs, financial and otherwise.

SECTION 12. MEMBERS' EXPENSES - NO COMPENSATION.) North Dakota board members shall receive no compensation from this state for service on the board, but shall be allowed to recover their actual and necessary travel expenses incurred in attending meetings of the board, at the rates provided for other state officials and employees. All members, except the president of the state medical association, shall receive their expenses, on voucher submitted, from moneys appropriated to their agency, department, board, or institution. The president of the state medical association shall receive his expense reimbursement from moneys appropriated to the state medical school, on vouchers approved by the dean of that school.

Approved March 19, 1971

CHAPTER 206

HOUSE BILL NO. 1203
(Raymond)

CONSTRUCTION OF
UNIVERSITY PARKING LOT

AN ACT to authorize the state board of higher education to sell self-liquidating tax-exempt bonds and provide for the use of the proceeds of such self-liquidating bonds for the purpose of constructing or purchasing revenue producing campus improvements at institutions of higher learning in this state under the jurisdiction of the board, at such maximum amounts, at such locations, and for such other purposes as are hereinafter provided.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 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 self-liquidating tax-exempt bonds for the purpose of constructing or purchasing revenue producing campus improvements 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 hereinafter provided;

- | | |
|--|---------------|
| 1. University of North Dakota, Grand Forks | |
| a. Parking lots | \$ 50,000.00 |
| 2. North Dakota state school of science,
Wahpeton | |
| a. Parking lots | \$ 100,000.00 |

Bonds issued under the provisions of this Act shall never become a general obligation of the state of North Dakota.

SECTION 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 authorized in section 1. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the bonds authorized in section 1.

Approved March 27, 1971

CHAPTER 207

HOUSE BILL NO. 1311
(Halcrow, Jenkins, Anderson, Kingsbury)

SUGAR BEET RESEARCH CENTER

AN ACT to authorize the state board of higher education to approve construction of a sugar beet research and service center on or off the campus of North Dakota state university, and repealing chapter 198 of the 1969 Session Laws of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) The state board of higher education is hereby authorized to approve construction of a sugar beet research and service center on or off the campus of North Dakota state university. Such center shall be built solely with private funds and such federal moneys as may be obtained for this purpose. No state funds shall be expended for such purpose. No permission for the construction of the center shall be granted until the board has assurance that the funds for the payment of such construction are available. In the event the full amount of funds necessary to construct such service center facility is not available, the board may proceed with construction of a component portion of such facility if sufficient funds are available to pay for the construction of such portion. The board shall have the authority to enter into an agreement for the sale or lease of such facility with the Red River Valley Sugar Beet Growers Association, Incorporated, or such other private or federal agency as will agree to conduct sugar beet research, for so long as such property is used for a sugar beet research and service center. Any such lease shall provide that maintenance and services charges shall be borne by the lessee. These charges may include sewer, water, heat, electricity, custodial and insurance costs. If such property is sold, transferred and conveyed, the necessary deed shall be executed by the governor and attested by the secretary of state.

SECTION 2. REPEAL.) Chapter 198 of the 1969 Session Laws of North Dakota is hereby repealed.

Approved March 27, 1971

CHAPTER 208

HOUSE BILL NO. 1313
(Jenkins)

NORTH DAKOTA STATE
UNIVERSITY LAND SALE

AN ACT directing the state board of higher education to sell and transfer certain land and improvements thereon owned by the state of North Dakota for the use and benefit of the North Dakota state university of agriculture and applied science, and appropriating the proceeds of such sale to the state board of higher education for the purpose of acquiring other land, and declaring an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1.) The state board of higher education is hereby authorized to sell and transfer to the Fargo Industrial Development Commission, a nonprofit community organization at Fargo, North Dakota, for a minimum purchase price of thirty two thousand six hundred forty seven dollars, land owned by the state of North Dakota and held for the use and benefit of the North Dakota state university of agriculture and applied science, which land is located in the northeast quarter of section thirty-four, township one hundred forty north, range forty-nine west, Cass County, North Dakota, and which is more particularly described as follows:

A triangular portion of the northeast one quarter of section thirty-four, township one hundred forty north, range forty-nine west of the fifth principal meridian, lying south of the Burlington-Northern Railway right-of-way, situated in the county of Cass and state of North Dakota, and comprising twenty-three and eight tenths acres more or less, excluding existing rights-of-way.

Upon sale of such land, the proceeds of the sale are hereby appropriated to the state board of higher education for the purpose of acquiring replacement land, as determined by the state board of higher education, in the name of the state of North Dakota for the use and benefit of the North Dakota state university of agriculture and applied science. Such appropriation shall not revert to the general fund at the end of the biennium. Upon the sale of the above described land, the deed to the purchaser shall be executed by the governor and attested by the secretary of state.

SECTION 2. 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, 1971

CHAPTER 209

HOUSE BILL NO. 1368
(Committee on Appropriations)

CESSATION OF OPERATIONS
AT UND-ELLENDALE BRANCH

AN ACT to cease operation of university of North Dakota-Ellendale branch as an institution of higher education and for its conversion to an alternative use, to authorize the state board of higher education to pay the revenue bonds of 1969 for the new men's dormitory and the revenue bonds for Hicks Hall and Crabtree Hall from the insurance proceeds in the fire replacement fund, and making an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. ELLENDALE BRANCH TO CEASE OPERATION - ALTERNATIVE USE TO BE FOUND.) At a date determined by law, the university of North Dakota-Ellendale branch shall cease operation as an ongoing institution of higher education and shall not continue to educate students, grant degrees, hold classes, or continue its administration; however, routine maintenance and custodial care of the institutional facilities shall be provided. The legislative council is hereby directed to create a special committee, of nine members, the members of which shall include four citizens of the community of Ellendale selected by the chairman of the legislative council, to determine a use for the physical facilities of the university of North Dakota-Ellendale branch other than that of an institution of higher education. All members shall be voting members, and those who are not members of the legislative assembly shall be paid travel expenses and per diem in the same manner as provided for legislative members pursuant to section 54-35-10 of the North Dakota Century Code. It shall be the duty of the committee to study and determine an alternative use for the physical facilities. The committee may use such moneys appropriated from fire insurance proceeds held by the board of higher education for the university of North Dakota-Ellendale branch as may be appropriated by the legislative assembly.

SECTION 2.) The state board of higher education is hereby authorized and directed to pay the revenue bonds of 1969 for the new men's dormitory, the revenue bonds for Hicks Hall and Crabtree Hall at the state teacher's college at Ellendale, from the insurance proceeds in the fire replacement funds.

SECTION 3. APPROPRIATION.) There is hereby appropriated to the state board of higher education from the university of North Dakota-Ellendale branch fire replacement funds in the

state treasury the sum of \$25,000.00, or so much thereof as may be necessary, for purposes specified in section 1 of this Act, and the sum of \$366,500.00 or so much thereof as may be necessary, for the purposes specified in section 2 of this Act. The board shall first use the sums in the respective bond sinking funds for the retirement of the revenue bonds.

Approved March 27, 1971

CHAPTER 210

HOUSE BILL NO. 1554
(Tweten, J. Peterson, L. Hausauer)

COLLEGE BUILDING FUND

AN ACT to provide for a conditional transfer of funds to the college building fund and making an appropriation from the college building fund for the construction of college buildings, and repealing chapter 157 of the 1967 Session Laws of the state of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) Commencing July 1, 1972, and at the same date each year thereafter until the sum of \$5,643,551.00 shall have been transferred to the college building fund, the director of the department of accounts and purchases shall determine the cash balance in the general fund of the state. In the event the cash balance in the general fund as of the close of business on the previous thirtieth day of June shall exceed \$15,000,000.00, the director of accounts and purchases shall direct the state treasurer to transfer to the college building fund an amount which shall not exceed \$2,000,000.00, or the amount in excess of \$15,000,000.00 in the general fund, whichever is the lesser. Such funds shall be expended by the board of higher education for the construction, reconstruction, and equipping of buildings at state-operated institutions of higher learning in accordance with specific appropriations to be made by the legislative assembly. The amount in the college building fund on July 1, 1971, shall remain in the college building fund and be considered a part of the \$5,643,551.00 authorized hereunder.

SECTION 2. APPROPRIATIONS.) There is hereby appropriated out of any moneys in the college building fund the sum of \$5,643,551.00, or so much thereof as may be available in such fund, and from federal and private sources the sum of \$1,069,695.00 for the construction, reconstruction, and equipping of buildings and facilities at state-operated institutions of higher learning for purposes as follows and within the limitations of the costs hereafter stated:

NAME OF INSTITUTION AND TYPE OF FACILITY	STATE FUNDS	FEDERAL AND PRIVATE FUNDS	TOTAL FUNDS
State college, Valley			
City-science building	\$ 884,063.00	\$ 115,937.00	\$1,000,000.00

NAME OF INSTITUTION AND TYPE OF FACILITY	STATE FUNDS	FEDERAL AND PRIVATE FUNDS	TOTAL FUNDS
Dickinson state college- physical education classroom addition and remodeling	\$ 800,000.00		\$ 800,000.00
University of North Dakota at Grand Forks- engineering building	\$ 439,442.00	\$ 600,000.00	\$1,039,442.00
University of North Dakota, Grand Forks- law building addition and renovation	\$ 998,804.00		\$ 998,804.00
Minot state college- classroom building	\$ 800,000.00		\$ 800,000.00
NDSU Bottineau branch- science building	\$ 276,242.00	\$ 203,758.00	\$ 480,000.00
NDSU, Fargo-addition to maintenance building	\$ 225,000.00		\$ 225,000.00
University of North Dakota, Grand Forks- service and mainte- nance building	\$ 450,000.00		\$ 450,000.00
State school of science, Wahpeton- maintenance and laboratory building	\$ 150,000.00	\$ 150,000.00	\$ 300,000.00
Dickinson state college-library addi- tion and renovation	\$ 600,000.00		\$ 600,000.00
NDSU-Bottineau branch- garage-storage building	\$ 20,000.00		\$ 20,000.00
	\$5,643,551.00	\$1,069,695.00	\$6,713,246.00

The construction of a specific building or facility shall not be commenced until the amount of funds indicated by such building or facility in the column "Federal and Private Funds" has been either actually received or irrevocably promised from such sources for such facilities except that should the funds received or to be received from the federal and private funds be less than the amount indicated in that column, the board of higher education shall determine whether the facility should be constructed, basing its determination on whether the facility can, if constructed at a lower cost, reasonably meet the original purposes of the authorized facility. In no event shall any facility exceed the cost indicated in the column "Total Funds" except to the extent funds from the federal and private sources exceed the amount authorized for the specific building or facility. If federal funds become available for buildings for which no federal funds are listed in this Act, the amount available from state funds shall be reduced accordingly. The order of appearance of the facilities set forth above is not necessarily the order of priority for the construction of such facilities, and the board of higher education, in its discretion, may divert the construction

of such buildings and facilities in a different order of priority than that listed in this section. The state funds herein appropriated shall remain available for expenditure for the purposes specified until the buildings and facilities herein authorized shall be constructed, except that upon the completion of the construction, reconstruction, and equipping of any specific building or facility, any unexpended state funds specifically appropriated and designated herein for such building or facility shall revert to the college building fund.

SECTION 3. REPEAL.) Chapter 157 of the 1967 Session Laws of the state of North Dakota is hereby repealed effective July 2, 1971.

Approved March 30, 1971

CHAPTER 211

SENATE BILL NO. 2262
(Longmire, Unruh)

CONSTRUCTION OF
REHABILITATION HOSPITAL

AN ACT to provide for the issuing of revenue bonds for the construction of a rehabilitation hospital at the university of North Dakota, and appropriating the moneys for such construction.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) The state board of higher education is hereby authorized and empowered to construct, reconstruct, and equip a rehabilitation hospital at the university of North Dakota, Grand Forks, in an amount not to exceed four million five hundred thousand dollars. 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 in an amount not to exceed three million dollars for such purpose. The bonds authorized by this section shall be retired solely from revenues from the rehabilitation hospital and shall never become a general obligation of the state of North Dakota. The state board of higher education may use the seven hundred fifty thousand dollars reimbursement for the present rehabilitation treatment center facilities authorized by section 1 of chapter 204 of the 1969 Session Laws to construct such rehabilitation hospital, if the present rehabilitation treatment center facilities are converted to a student health center as therein provided, and the remaining cost of constructing and equipping such hospital shall be met from private and other funds and building reserves of the rehabilitation treatment center.

SECTION 2. APPROPRIATION.) There is hereby appropriated from federal funds, from the proceeds of the revenue bonds herein authorized, from the reimbursement for the conversion of the present rehabilitation treatment center facilities to a student health center, and from the building reserves of the rehabilitation treatment center at the university of North Dakota, Grand Forks, the sum of \$4,500,000.00 for the purpose of construction, reconstruction, and equipment of a rehabilitation hospital at the university of North Dakota, Grand Forks. The construction of the building shall not be commenced until the amount of funds has been either actually received or irrevocably promised from the

various sources. In no event shall the building exceed the cost authorized herein except to the extent funds from federal sources exceed the amount of \$500,000.00. The authorization contained in this Act is in lieu of the rehabilitation treatment center hospital authorization contained in chapter 204 of the 1969 Session Laws.

Approved March 27, 1971

CHAPTER 212

SENATE BILL NO. 2264
(Longmire, Unruh)

WINTER SPORTS BUILDING

AN ACT to amend and reenact sections 2 and 4 of chapter 204 of the 1969 Session Laws of North Dakota, relating to buildings and facilities at the university of North Dakota, Grand Forks, North Dakota, and providing an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 2 of chapter 204 of the 1969 Session Laws of North Dakota is hereby amended and reenacted to read as follows:

Section 2.) 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 purposes of constructing a revenue producing winter sports building at the university of North Dakota, Grand Forks, North Dakota, in an amount of not to exceed eight hundred thousand dollars, provided that the total cost of such building shall not exceed one million eight hundred thousand dollars, and provided further that private and other moneys in the amount of one million dollars shall make up the balance of the cost. The bonds authorized by this section shall be retired solely from revenues from the winter sports building and student facility fees as provided by this Act, and shall never become a general obligation of the state of North Dakota.

SECTION 2. AMENDMENT.) Section 4 of chapter 204 of the 1969 Session Laws of North Dakota is hereby amended and reenacted to read as follows:

Section 4. APPROPRIATION.) There is hereby appropriated from private and other sources the sum of \$11,052,500.00 for the construction, reconstruction, and equipment of buildings and facilities at the university of North Dakota, Grand Forks, North Dakota, for the purposes as follows and within the limitations of the costs hereafter stated:

Type of Facility	Student Facility Fees	Private Funds	Other Funds	Total Funds
Rehabilitation treatment center hospital	\$	\$	\$4,500,000	\$4,500,000
Student health center	750,000			750,000
Fine arts center			3,500,000	3,500,000
Winter sports building	800,000	500,000	500,000	1,800,000
Planetarium		500,000		500,000
Astronomical observatory		2,500		2,500
	<u>\$1,550,000</u>	<u>\$1,002,500</u>	<u>\$8,500,000</u>	<u>\$11,052,500</u>

The construction of any building shall not be commenced until the amounts of funds indicated for such building in the columns "Private Funds" or "Other Funds" have been either actually received or irrevocably promised from such sources for such buildings except that should the funds received or to be received from the private and other fund sources be less than the amount indicated in the columns "Other Funds" or "Private Funds", the board of higher education shall determine whether the facility should be constructed, basing its determination on whether the building can, if constructed at a lower cost, reasonably meet the original purposes of the authorized building. In no event shall any building exceed the cost indicated in the column "Total Funds" except to the extent funds from the private and other fund sources exceed the amount authorized for the specific building. The order of appearance of the buildings set forth above is not necessarily the order of priority for the construction of such buildings and the board of higher education, in its discretion, may direct the construction of such buildings in a different order or priority than that listed in this section.

Approved March 29, 1971

CHAPTER 213

SENATE BILL NO. 2346
(Holand, Litten)

SALE OF LAND TO
FARGO AIRPORT AUTHORITY

AN ACT authorizing the state board of higher education to sell and transfer certain land and improvements, and appropriating the sale proceeds to the state board of higher education for acquiring other land.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1.) The state board of higher education is hereby authorized to sell and transfer to the Fargo municipal airport authority, for a minimum purchase price of forty thousand four hundred twenty-five dollars, land and improvements thereon owned by the state of North Dakota and held for the benefit and use of the North Dakota state university of agriculture and applied science, which land is located in the northwest quarter of section twenty-six, township one hundred forty, range forty-nine, Cass County, and which is more particularly described as follows:

A triangular portion of the northwest one-quarter of section twenty-six, township one hundred forty, north of range forty-nine west of the fifth prime meridian, lying east of United States highway number eighty-one situated in Cass County, and comprising forty-nine and nine-tenths acres, more or less, excluding existing rights-of-way.

Upon sale of such land, the sale proceeds are hereby appropriated to the state board of higher education for the purpose of acquiring replacement land, as determined by the state board of higher education, in the name of the state of North Dakota, for the use and benefit of the North Dakota state university of agriculture and applied science. Upon the sale of the above-described land, the deed to the purchaser shall be executed by the governor and attested by the secretary of state.

Approved March 27, 1971

CHAPTER 214

SENATE BILL NO. 2512
(Committee on Delayed Bills)

SALE OF ELLENDALE BRANCH
LAND AND BUILDINGS

AN ACT to authorize the state board of higher education to sell and convey certain land presently under the custody and control of the Ellendale branch of the university of North Dakota to the city of Ellendale or to a nonprofit industrial development corporation in such city.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) The state board of higher education is hereby authorized to sell and convey certain land, including the buildings and improvements located thereon, owned by the state of North Dakota and held for the use and benefit of the Ellendale branch of the university of North Dakota to the city of Ellendale, subject to its acceptance, or to a nonprofit industrial development corporation in such city, subject to its acceptance, for a purchase price of not to exceed fifty thousand dollars. Such land may be sold in parts or parcels, and is described, in part, as follows:

Lots seven, eight, nine, ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, and eighteen, block one, DeCoster, Flemington and Wells addition, city of Ellendale, North Dakota; blocks nine and eleven in DeCoster, Flemington and Wells addition, city of Ellendale, North Dakota; Fulls subdivision to block four of DeCoster, Flemington and Wells addition, city of Ellendale, North Dakota; lots seven through eighteen, block one, DeCoster, Flemington and Wells addition to the city of Ellendale, North Dakota; lot five, Boekelheide subdivision to the city of Ellendale, North Dakota; lots one through six, block five, DeCoster, Flemington and Wells addition to the city of Ellendale, North Dakota; lots seven, eight, nine, ten, eleven and east ten feet of lot twelve, except north seventy-five feet, all in block four, DeCoster, Flemington and Wells addition to the city of Ellendale, North Dakota; all of block three, DeCoster, Flemington and Wells addition to the city of Ellendale, North Dakota; that part of the southwest quarter (SW $\frac{1}{4}$) of section twelve (12), township one hundred twenty-nine north, range sixty-three west, described as beginning at the quarter corner between sections twelve and thirteen,

thence north twenty-eight and ninety hundredths chains along the quarter line, thence west nine and six tenths chains to a point thirty-three feet east of the east line of DeCoster, Flemington and Wells addition, thence south twenty and forty-five hundredths chains to a point thirty-three feet east of the east line of DeCoster, Flemington and Wells addition if extended south, thence west sixteen and thirty-five hundredths chains to the east line of fourth street extended, thence south eight and forty-five hundredths chains to the section line, thence east twenty-five and forty-one hundredths chains to the point of beginning, containing forty (40) acres, more or less; and such other properties under the jurisdiction and control of the state board of higher education for the use and benefit of the Ellendale branch of the university of North Dakota as the board may determine.

Such sale shall not be consummated until such time as the people of the state of North Dakota approve a revision of the Constitution of the state of North Dakota removing the requirement that an educational or charitable institution be located in the city of Ellendale. Until such time as the properties are sold and conveyed to the city of Ellendale, or to a nonprofit industrial development corporation in such city, the expense of upkeep, maintenance, and repair shall be the obligation of the state of North Dakota, and the state board of higher education is hereby authorized and directed to maintain and keep in repair such buildings until such time as they are sold or conveyed. All documents necessary to carry out the provisions of this Act shall be executed by the governor and attested by the secretary of state. Upon the sale of such land, the proceeds of the sale shall be deposited in the general fund in the state treasury.

Approved March 27, 1971