10318.0200 **FIRST ENGROSSMENT**

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1466

Introduced by

Representatives N. Johnson, Delmore, Haas, Hawken

Senators Schobinger, Wardner

A BILL for an Act to amend and reenact section 57-15-16 of the North Dakota Century Code, relating to school district building funds; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 57-15-16 of the North Dakota Century Code is amended and reenacted as follows:

57-15-16. Tax levy for building fund in school districts.

1. The governing body of any school district shall levy taxes annually for a school building fund, not in excess of twenty mills, which levy is in addition to and not restricted by the levy limitations prescribed by law, when authorized to do so by ~~sixty percent~~ a majority of the qualified electors voting upon the question at a regular or special election in any school district. The governing body of the school district may create the building fund by appropriating and setting up in its budget for an amount not in excess of twenty percent of the current annual appropriation for all other purposes combined, exclusive of appropriations to pay interest and principal of the bonded debt, and not in excess of the limitations prescribed by law. If a portion or all of the proceeds of the levy have been allocated by contract to the payment of rentals upon contracts with the state board of public school education as administrator of the state school construction fund, the levy must be made annually by the governing body of the school district until the full amount of all such obligations is fully paid. Any portion of a levy for a school building fund which has not been allocated by contract with the state board of public school education must be allocated by the governing body pursuant to section 57-15-17. Upon the completion of all payments to the state school construction fund, or upon payment and cancellation or defeasance of the bonds, the levy may be discontinued at the

discretion of the governing body of the school district, or upon petition of twenty percent of the qualified electors who voted in the last school election, the question of discontinuance of the levy must be submitted to the qualified electors of the school district at any regular or special election and, upon a favorable vote of sixty percent of the qualified electors voting, the levy must be discontinued. Any school district, executing a contract or lease with the state board of public school education or issuing general obligation bonds, which contract or lease or bond issue requires the maintenance of the levy provided in this section, shall immediately file a certified copy of the contract, lease, or bond issue with the county auditor or auditors of the county or counties in which the school district is located. The county auditor or auditors shall register the contract, lease, or bond issue in the bond register in substantially the manner provided in section 21-03-23. Upon the filing of the contract, lease, or bond issue with the county auditor or auditors, the school district may not discontinue the levy and the levy must automatically be included in the tax levy of the school district from year to year by the county auditor or auditors until a sufficient sum of money has been collected to pay to the state treasurer for the retirement of all obligations of the school district with the state board of public school education or to pay to the custodian of the bond sinking fund all amounts due or to become due on the bonds.

2. The school board of any school district, in levying taxes for a school building fund as provided for in subsection 1, shall specify on the ballot the number of mills to be levied and may in its discretion submit a specific plan for which such fund shall be used. The plan shall designate the general area intended to be served by use of such fund. The area intended to be served shall be described in the plan but need not be described in the building fund ballot. After approval of the levy and the plan no change shall be made in the purpose of expenditure of the building fund except that upon a favorable vote of ~~sixty percent~~ a majority of the qualified electors residing in any specific area intended to be served, material changes may be made in such plan as it affects such area to the extent such changes do not conflict with contractual obligations incurred. The provisions of this section and of

subsection 1 of section 57-15-17 in regard to the purpose for which the building fund may be expended ~~shall~~ do not apply to expenditures for major repairs.

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2000.