

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2158
(Senators Schaible, Myrdal)
(Representatives Monson, Hatlestad)

AN ACT to amend and reenact section 15.1-12-29 of the North Dakota Century Code, relating to the distribution of the unobligated cash balance of a dissolved school district.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

1. After ten thousand dollars is set aside, as required by section 15.1-12-28, and after the required amount is deposited in the reimbursement account for job service North Dakota, as required by section 15.1-12-28.1, ~~any:~~
 - a. Any remaining unobligated cash balance, up to an amount equaling a dissolved school district's general fund expenditure for the last school year before the district's dissolution is a credit for real property owners within the boundaries of the dissolved school district, against taxes levied by the district to which their property is now attached. If property from the dissolved district is attached to more than one school district, the percentage of the total credit to which each eligible real property owner is entitled must equal the percentage that the taxable valuation of the individual's real property bears to the total taxable valuation of the dissolved district's property at the time of the attachment order;
or
 - b. The county committee may distribute the remaining unobligated cash balance not exceeding five hundred thousand dollars to another political subdivision located partially or wholly within the geographic boundaries of the dissolving school district. After distributing the funds, the county committee shall distribute any remaining unobligated cash balance in accordance with subdivision a.
2. Upon approval of the board of county commissioners, any school district ~~required to provide~~providing a tax credit under subdivision a of subsection 1 may provide a cash refund in lieu of the tax credit. At the request of the county auditor, the school district holding the unobligated cash balance available under subdivision a of subsection 1 shall pay to the county treasurer the amount to be paid to those who own real property within the dissolved district. The treasurer shall issue the refund to the owner of the property as shown on the county's assessment list at the time of payment. If there is a lien for unpaid taxes against the property, the treasurer shall first apply the property owner's tax credit toward any outstanding balance. Any amount remaining may then be paid to the property owner. The cash refunds must be calculated proportionately to the total taxable value of the dissolved district during the last year taxes were levied.
3. After the requirements of subdivision a of subsection 1 have been met, the county auditor shall distribute any remaining unobligated cash balance among the school districts to which the real property of the dissolved district was attached. The percentage of the remaining unobligated cash balance to which each school district is entitled equals that percentage of the dissolved district's total taxable valuation which was attached to the receiving school district.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2158.

Senate Vote: Yeas 38 Nays 9 Absent 0

House Vote: Yeas 59 Nays 31 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,

at _____ o'clock _____ M.

Secretary of State