

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1590

Introduced by

Representatives Heinert, Berg, Hauck, Lefor, Meier, Porter

Senator Cory

1 A BILL for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code,
2 relating to a student education services account pilot program; and to provide an appropriation.

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

4 **SECTION 1.** A new chapter to title 6 of the North Dakota Century Code is created and
5 enacted as follows:

6 **Definitions.**

7 As used in this chapter:

8 1. "Authorized education expenses" means:

9 a. Tuition for:

10 (1) Career and technical education courses;

11 (2) Dual-credit courses;

12 (3) Vocational and technical courses;

13 (4) Nonpublic school education;

14 (5) Certified online courses; and

15 (6) Approved programs; and

16 b. Expenditures for:

17 (1) Meals served to students in school buildings;

18 (2) Tutoring services;

19 (3) Mental health assistance;

20 (4) Special needs programs;

21 (5) Educational materials essential for meeting education standards;

22 (6) Medical appointments necessary for an educational benefit;

23 (7) Standardized test preparation materials and programs;

24 (8) Higher education entrance examinations; and

(9) Educational camps.

2. "Child" means a resident of the state who is enrolled in kindergarten through grade twelve.

3. "College save program" means a North Dakota higher education savings plan under section 6-09-38.

4. "Parent" means the parent or legal guardian of a child.

5. "Student education services account" or "account" means an account held by a parent in the name of a child and the child's parent, which is administered by the Bank of North Dakota under this chapter.

Student education services account program - Bank of North Dakota - Pilot program - Rules.

1. Beginning with the 2025-26 school year and continuing through the 2026-27 school year, the Bank of North Dakota shall establish and operate a student education services account pilot program to provide funding for authorized education expenses.

2. To administer the program, the Bank of North Dakota may:

a. Adopt rules in accordance with chapter 28-32 to implement this chapter.

b. Contract with private service providers for administration of student education services accounts.

3. To participate in the program, a parent annually shall register in the manner prescribed by the Bank of North Dakota.

Student education services account - Deposits - Payments.

1. A parent may deposit in a child's student education services account up to two thousand dollars per child per school year.

2. The Bank of North Dakota shall deposit funds in the amount of fifty percent of the amount deposited by a parent in a child's student education services account.

3. Any funds remaining in the student education services account at the end of a fiscal year may be carried over to the next fiscal year.

4. An account is for one child and account funds may not be shared among siblings.

5. A vendor shall request payment from the student education services account administrator for authorized education expenses incurred by the holder of a student education services account. Requests for payment may be made in December and

1 May, unless the amount to be paid exceeds three hundred dollars, in which case the
2 request for payment may be made at any time.

3 **Student education services account - College save program rollover - Refunds.**

4 1. Upon graduation from high school, the parent may transfer account funds to the
5 college save program, if the child is enrolled at an institution of higher education in the
6 state.

7 2. If a child no longer resides in the state, does not pursue higher education, or enrolls in
8 an institution of higher education located in another state, the account is closed and
9 the funds contributed by the parent must be refunded to the parent.

10 **SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - STUDENT EDUCATION**

11 **SERVICES ACCOUNT - PILOT PROGRAM.** There is appropriated out of any moneys in the
12 general fund in the state treasury, not otherwise appropriated, the sum of \$41,200,000, or so
13 much of the sum as may be necessary, to the Bank of North Dakota, for the purpose of funding
14 and administering the student education services account pilot program, for the biennium
15 beginning July 1, 2025, and ending June 30, 2027. The Bank of North Dakota may use up to
16 \$1,200,000, to administer the program.