

# EDUCATION

## CHAPTER 199

SENATE BILL NO. 2508  
(Senator Heigaard)

(Approved by the Committee on Delayed Bills)

### UNIVERSITY AND SCHOOL LANDS TRUST AGRICULTURAL LOANS

AN ACT to amend and reenact section 15-03-05 of the North Dakota Century Code, relating to agricultural loans made from university and school lands permanent trust funds.

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

SECTION 1. AMENDMENT. Section 15-03-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-05. ~~One-third~~ One-half of permanent funds to be invested in farm loans - Exception. At least ~~one-third~~ one-half of the whole amount of the several permanent funds, as computed by the commissioner of university and school lands at the end of each fiscal year, shall be invested in first mortgages on farmlands and rangelands in this state if there is a sufficient demand for investment in farm loans. First mortgage loans on farmlands and rangelands shall be made only in accordance with the provisions of this chapter.

Approved April 4, 1985

## CHAPTER 200

SENATE BILL NO. 2379  
(Olson)REDEMPTION AFTER FORECLOSURE BY STATE ON  
FARM LOAN

AN ACT to amend and reenact section 15-03-13 of the North Dakota Century Code, relating to the redemption after foreclosure of a mortgage given as consideration for a farm real estate loan made from the loan pool account 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 15-03-13 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-03-13. Redemption after foreclosure. When a mortgage acquired under the provisions of this chapter has been foreclosed, the mortgagor or a redemptioner may redeem the property from the purchaser within one year after the sale, in the following manner:

1. By paying the purchaser the amount of his purchase with five percent interest thereon interest at the rate provided in the mortgage;
2. By paying the amount of any assessment and taxes insurance premiums, assessments, taxes, utilities, or other items which the purchaser has paid thereon after the purchase, and the interest thereon at the same rate; and
3. If the purchaser is also a creditor having a lien prior to that of the redemptioner, other than the mortgage under which the purchase was made, by paying the amount of the lien with interest.

Approved March 30, 1985

## CHAPTER 201

SENATE BILL NO. 2135  
(Committee on Education)  
(At the request of the Board of Higher Education)

### HIGHER EDUCATION REVENUE BONDS

AN ACT to authorize the state board of higher education to issue and sell self-liquidating, tax-exempt bonds for the construction of revenue-producing student housing at the university of North Dakota, a revenue-producing parking lot at the university of North Dakota, a revenue-producing student housing facility at North Dakota state university, a revenue-producing addition to the student center at Mayville state college, a revenue-producing student housing at Minot state college, a revenue-producing addition to the student center at North Dakota state university, and a revenue-producing addition to the auxiliary services building at North Dakota state university; to provide a statement of legislative intent governing issuance of bonds under this Act; to provide an appropriation; and to declare an emergency.

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

**SECTION 1. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding two million five hundred thousand dollars for the purpose of constructing a revenue-producing student housing facility at the university of North Dakota. Bonds issued under the provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 2. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 1, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 1. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 3. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating,

tax-exempt bonds in any amount up to but not exceeding five hundred thousand dollars for the purpose of constructing a revenue-producing parking lot at the university of North Dakota. Bonds issued under the provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 4. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 3, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 3. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 5. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding three million dollars for the purpose of constructing a revenue-producing student housing facility at the North Dakota state university. Bonds issued under the provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 6. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 5, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 5. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 7. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding one million four hundred thousand dollars for the purpose of constructing a revenue-producing addition to the student center at Mayville state college. Bonds issued under the provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 8. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 7, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 7. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 9. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding two million dollars for the purpose of constructing a revenue-producing student housing facility at Minot state college. Bonds issued under the

provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 10. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 9, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 9. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 11. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding two million five hundred thousand dollars for the purpose of constructing a revenue-producing addition to the student center at North Dakota state university. Bonds issued under the provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 12. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 11, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 11. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 13. Board of higher education - Bond issuance - Purposes.** The state board of higher education, in accordance with chapter 15-55, is hereby authorized to issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding two hundred fifty thousand dollars for the purpose of constructing a revenue-producing addition to the auxiliary services building at North Dakota state university. Bonds issued under the provisions of this Act shall not become a general obligation of the state of North Dakota.

**SECTION 14. USE OF PROCEEDS - APPROPRIATION.** The proceeds resulting from the sale of bonds authorized under section 13, or so much thereof as may be necessary, plus any available funds received from federal or private sources, are hereby appropriated for the construction and the equipment of the facility authorized in section 13. Any unexpended balances from the sale of bonds shall be placed in sinking funds for the retirement of the authorized bonds.

**SECTION 15. LEGISLATIVE INTENT.** It is the intention of the legislative assembly that the state board of higher education, prior to issuing any bonds under authority of this Act, consider all of the following:

1. Enrollment projections for the institution.

2. The financial feasibility of the project for which the bonds would be issued, including the present and future ability of the project to fully pay the principal and interest on the bonds.
3. The probability of future legislative action which may affect payment of principal and interest on the bonds.
4. Any other relevant matters of which the board has knowledge.

**SECTION 16. EMERGENCY.** This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved April 15, 1985

## CHAPTER 202

SENATE BILL NO. 2308  
(Senators Nething, Heigaard)  
(Representatives Strinden, Mertens)

### UND EDUCATIONAL AND AIRPORT FACILITIES BONDS

AN ACT to authorize the state board of higher education to issue and sell self-liquidating, tax-exempt bonds for the purpose of constructing, improving, or refinancing debt incurred in connection with the revenue-producing educational and airport facilities at the university of North Dakota; and to provide an appropriation.

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

**SECTION 1. Board of higher education - Issuance of bonds authorized - Purposes.** The state board of higher education may, in accordance with chapter 15-55, issue and sell self-liquidating, tax-exempt bonds in any amount up to but not exceeding ten million dollars for the purpose of constructing an educational facility consisting of housing and related facilities for a management training school for the federal aviation administration and one million dollars for the purpose of refinancing debt incurred in the improvement of the revenue-producing airport facility which is part of the center for aerospace sciences at the university of North Dakota. Bonds issued under the provisions of this section are not a general obligation of the state of North Dakota.

**SECTION 2. APPROPRIATION.** There is hereby appropriated out of the proceeds from the sale of any bonds issued pursuant to section 1 of this Act, the sum of \$11,000,000, or so much thereof as may be necessary, plus any funds received from federal or private sources by the center for aerospace sciences at the university of North Dakota, to the state board of higher education for the construction, improvement, and refinancing of debt incurred in connection with the facilities described in section 1 of this Act. Any unexpended balances received from the sale of bonds authorized by section 1 of this Act must be placed in sinking funds for the retirement of the authorized bonds.

Approved March 28, 1985

## CHAPTER 203

SENATE BILL NO. 2138  
(Committee on Political Subdivisions)  
(At the request of the State Board of Higher Education)

OLD DICKINSON EXPERIMENT STATION LAND  
TRANSFER

AN ACT to require the state board of higher education to transfer the state addition of the city of Dickinson, North Dakota, to the board of university and school lands and to require that any proceeds from sales or other disposition of state addition property be deposited in the common schools trust fund to the extent of the principal and interest owed by the state board of higher education, and any remaining amounts be deposited in the general fund; to amend and reenact section 6 of chapter 208 of the 1979 Session Laws of North Dakota as amended by section 1 of chapter 88 of the 1983 Session Laws of North Dakota authorizing the board of university and school lands to sell state addition; to repeal chapter 151 of the 1977 Session Laws of North Dakota, sections 1, 2, 3, 4, 5, and 7 of chapter 208 of the 1979 Session Laws of North Dakota, section 1 of chapter 175 of the 1981 Session Laws of North Dakota, and section 2 of chapter 4 of the 1983 Session Laws of North Dakota; to provide an appropriation; and to declare an emergency.

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

SECTION 1. The state board of higher education shall transfer to the board of university and school lands the old Dickinson experiment station which is now known as state addition to the city of Dickinson. The board of university and school lands shall exercise control over state addition and shall be substituted for the state board of higher education on all contracts regarding the state addition. Upon payment of the principal and interest owed to it by the state board of higher education, the board of university and school lands shall release its security interest in the previously purchased working ranch unit and shall release and satisfy all mortgages and notes owed to it by the state board of higher education. Upon transfer of the state addition, the board of university and school lands shall assume all other existing obligations on the state addition. Notwithstanding any other provision of law, the board of university and school lands is authorized to lease to the Dickinson experiment station for grazing

or having purposes any or all of the state addition on terms mutually agreed to with the board of higher education. Any rents or profits or proceeds from the sale or other disposition of the property described in this section shall be used first to pay the expenses of any sale or disposition of the property and then to be deposited in the common schools trust fund to make principal and interest payments on such amounts as are owed to the board of university and school lands by the state board of higher education. Upon payment of the total principal and interest on moneys borrowed by the state board of higher education, any additional rents, profits, or proceeds as may be received shall be deposited in the general fund.

SECTION 2. AMENDMENT. Section 6 of chapter 208 of the 1979 Session Laws of North Dakota as amended by section 1 of chapter 88 of the 1983 Session Laws of North Dakota is hereby amended and reenacted to read as follows:

SECTION 6.) Upon ~~full~~ the transfer of the Dickinson experimental livestock research program to the working ranch unit property as described in section 1 of this Act, the state board of higher education shall university and school lands may sell the following property used by the Dickinson experiment station and comprising approximately five hundred forty-four acres-

- 1- That portion of land owned by the board in the northeast quarter of section five, township one hundred thirty-nine north, range ninety-six west-
- 2- That portion of land owned by the board in the southwest quarter of section five, township one hundred thirty-nine north, range ninety-six west-
- 3- That portion of land owned by the board in the southwest quarter, the south half of the northwest quarter, and lots three and four, all of section five, township one hundred thirty-nine north, range ninety-six west.

Notwithstanding the provisions of sections 54-01-05.2 ~~or~~, 54-01-05.5, and chapter 15-07, the land ~~shall~~ may be conveyed for the terms and under the conditions necessary to obtain the best possible return to the state of North Dakota upon such terms as the state board of higher education university and school lands shall prescribe. The state board of higher education may ~~not~~ convey any land described in this section for agricultural purposes. Notwithstanding other provisions of state law and local ordinances, the board, after consultation with the Dickinson planning and zoning commission and Stark County planning and zoning commission, may subdivide the land, and dedicate streets, alleys, and other lands for public use, install water, sewer, curb, gutter, other utilities, and streets for the purpose of achieving the best possible return to the state of North Dakota-

**SECTION 3. INTENT.** It is the intent of the legislative assembly that the working ranch unit continue to be used as the Dickinson experiment station.

**SECTION 4. REPEAL.** Chapter 151 of the 1977 Session Laws of North Dakota, sections 1, 2, 3, 4, 5, and 7 of chapter 208 of the 1979 Session Laws of North Dakota, section 1 of chapter 175 of the 1981 Session Laws of North Dakota, and section 2 of chapter 4 of the 1983 Session Laws of North Dakota are hereby repealed.

**SECTION 5. APPROPRIATION.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$644,284, or so much thereof as may be necessary, to the board of university and school lands for the purpose of paying the city of Dickinson for special assessments due on March 1, 1985, and March 1, 1986, and interest on the special assessments.

**SECTION 6. EMERGENCY.** This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved April 15, 1985

## CHAPTER 204

SENATE BILL NO. 2157  
(Committee on Education)  
(At the request of the Board of Higher Education)

### JUNIOR COLLEGE TEACHER RETIREMENT MEMBERSHIP

AN ACT to create and enact a new subdivision to subsection 13 of section 15-10-17 of the North Dakota Century Code, relating to certain college teachers under the teachers' fund for retirement; and to declare an emergency.

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

SECTION 1. A new subdivision to subsection 13 of section 15-10-17 of the 1983 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

Employees of Bismarck junior college and Lake Region community college coming under the jurisdiction of the board who are members of the teachers' fund for retirement may elect prior to July 1, 1985, to continue membership in the teachers' fund for retirement in lieu of the alternate retirement program. If an employee does not elect to continue membership in the teachers' fund for retirement, membership in that fund will terminate and the employee will become a member of the alternate retirement program established by the board effective July 1, 1985. An employee of the above-named colleges who becomes a member of the alternate retirement program may elect prior to July 1, 1985, to have the employee's assessments and employer's contributions in the teachers' fund for retirement with interest transferred by the board of trustees of the teachers' fund for retirement to the employee's account in the alternate retirement program. If an employee elects to transfer the employee's assessment and employer's contributions together with interest to the alternate retirement program, the employee relinquishes all rights the employee or the employee's beneficiary may have to benefits provided in chapters 15-39, 15-39.1, and 15-39.2.

SECTION 2. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved March 22, 1985

## CHAPTER 205

SENATE BILL NO. 2156  
(Committee on Education)  
(At the request of the Board of Higher Education)

## BOARD OF HIGHER EDUCATION EARLY RETIREMENT

AN ACT to create and enact a new subsection to section 15-10-17 of the North Dakota Century Code, relating to early retirement of faculty and officers of the board of higher education; and to amend and reenact subsection 1 of section 54-14-04.3 and section 54-52.1-03 of the North Dakota Century Code, relating to severance pay and contributions to the uniform group insurance program.

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

SECTION 1. A new subsection to section 15-10-17 of the 1983 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

To establish by rule an early retirement program for faculty and officers of the board as defined by the board. The limitations on severance pay pursuant to section 54-14-04.3 and on requiring the employee to pay contributions to continue on the state uniform group insurance program upon retirement or upon termination of employment pursuant to section 54-52.1-03 shall not apply to the early retirement program.

SECTION 2. AMENDMENT. Subsection 1 of section 54-14-04.3 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. For the purposes of this section, "severance pay" means compensation received, upon termination of employment, for reasons primarily beyond the control of the state employee or officer, for the purpose of assuring an employee or officer funds to depend upon while another job is sought. Severance pay does not include payments made to a terminated employee or officer for accrued annual or sick leave, or compensatory leave, where such payments are authorized. ~~Severance pay also does not include payments made to or on behalf of tenured faculty employees at state~~

institutions of higher learning where such payments are made pursuant to an agreed plan of retirement between the tenured faculty employee and the institution and according to the rules of the state board of higher education.

\* SECTION 3. AMENDMENT. Section 54-52.1-03 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-52.1-03. Employee participation in plan - Employee to furnish information - Benefits to continue upon retirement or termination. Any eligible employee may be enrolled in the uniform group insurance program created by this chapter by requesting enrollment with the employing department. An eligible employee who requests enrollment shall be enrolled with the board by the employing department within five days after the expiration of the payroll period during which enrollment was requested. The employee's insurance coverage shall become effective on the date of his enrollment. Upon the retirement of an eligible employee who is entitled to a retirement allowance from a department, board, or agency, or upon the termination of employment of an eligible employee not of retirement age who, upon retirement, will receive a deferred retirement allowance from a department, board, or agency, such employee may continue as a member of the uniform group under the provisions of this chapter; provided, that except for tenured faculty employees of state institutions of higher learning who have entered into agreed plans of retirement with the institution and subject to the rules of the state board of higher education no state contribution for such employee shall be made, and the employee shall pay the premiums directly to the board. Upon the termination of employment where the employee is not entitled to either retirement benefits or a deferred retirement allowance, such employee shall not continue as a member of the uniform group unless the employee was on the uniform group insurance retiree billings as of July 1, 1974, but may continue on an individual basis with the carrier, with such coverage to be offered at the lowest possible rate, to be determined by the board. Each eligible employee requesting enrollment shall furnish the appropriate person in the employing department, board, or agency with such information and in such form as prescribed by the board to enable the enrollment of himself the employee, or himself employee and his dependents, in the uniform group insurance program created by this chapter. In the event the participating employee is a teacher in a state charitable, penal, or educational institution who receives a salary or wages on a nine-month basis and has signed a contract to teach for the next ensuing school year, the agency shall make arrangements to include such employee in the insurance program on a twelve-month basis and make the contribution authorized by this section for each month of the twelve-month period.

Approved March 22, 1985

\* NOTE: Section 54-52.1-03 was also amended by section 1 of House Bill No. 1242, chapter 588.

## CHAPTER 206

SENATE BILL NO. 2106  
(Peterson)SCHOLARSHIPS FOR INDEPENDENT STUDY  
STUDENTS

AN ACT to amend and reenact section 15-19-06 of the North Dakota Century Code, relating to a scholarship fund administered through the state board of public school education for the award of grants to independent study students, and providing a standing and continuing appropriation.

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

SECTION 1. AMENDMENT. Section 15-19-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-19-06. ~~Special operating fund funds~~ - Deposit of collections - Transfers from general fund appropriations --~~Administrative operational fund~~ - Preparation of budget.

1. 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 office of the budget, warrant-checks shall be prepared by the office of management and budget. The state treasurer shall make periodic transfers upon order of the director of the office of management and budget from the division of independent study general fund appropriation to such special operating fund whenever its balance falls so low as to require supplementation.
2. 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.

3. The state board of public school education may establish a scholarship fund to provide financial grants to students enrolled in courses offered through the division of independent study. The scholarship fund may consist only of those funds specifically appropriated by the legislative assembly and property received by the board or the division of independent study as a gift, devise, or bequest. Any gift, devise, or bequest of property received by the board or division of independent study which is designated by the board and donor for the scholarship fund shall be deposited in the scholarship fund at the Bank of North Dakota. The state director of the division of independent study may draw only on the interest earned by the scholarship fund for the award of scholarships within the limits and rules adopted by the state board of public school education. The interest earned by the scholarship fund is hereby appropriated to the division of independent study.
4. The director shall prepare the budget request of the division of independent study for submission to the office of the budget. 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 March 22, 1985

## CHAPTER 207

SENATE BILL NO. 2130  
(Committee on Appropriations)  
(At the request of the Superintendent of Public Instruction)

### REVOLVING PRINTING FUND

AN ACT to establish a revolving printing fund to provide schools instructional materials at cost developed by the superintendent of public instruction; and to provide a continuing appropriation.

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

SECTION 1. REVOLVING PRINTING FUND - APPROPRIATION. All moneys collected by the superintendent of public instruction as payment from schools for instructional materials developed and printed by the superintendent of public instruction shall be paid into the revolving printing fund of the state treasury. The instructional materials may be purchased by schools at cost. All moneys deposited to the revolving printing fund are hereby appropriated. If on the first day of July in any year the amount of money in the revolving printing fund is more than fifty thousand dollars, the amount in excess of fifty thousand dollars shall be transferred to the general fund.

Approved April 11, 1985

## CHAPTER 208

HOUSE BILL NO. 1545  
(Representatives Rydell, Oban, Hill)  
(Senator Stenehjem)

### CHEMICAL ABUSE PREVENTION IN SCHOOLS

AN ACT to create and enact a new chapter to the North Dakota Century Code, relating to the development of a new program for chemical abuse problems in North Dakota schools; and to provide an appropriation.

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

#### SECTION 1. Definitions.

1. "Citizens advisory council" means council appointed by the school board.
2. "Consortium" means more than one school district.
3. "Department" means department of public instruction.
4. "Schools" means public and non-public schools with students in any grades, kindergarten through grade twelve.
5. "Superintendent" means superintendent of public instruction.

SECTION 2. Statement of purpose. The purpose of this Act is to provide local communities, through the local school districts, an avenue to develop chemical abuse prevention programs in North Dakota schools. This Act provides responsibility to the state superintendent of public instruction to implement this program and coordinate these efforts with existing state agencies.

SECTION 3. Grants - Design - Coordination. The state superintendent or designated staff must establish guidelines for the school districts to implement a chemical abuse prevention program in North Dakota schools. The guidelines may reflect the following and other criteria as may be appropriate:

1. Community involvement through a citizens advisory committee already in place or appointed by the school board.
2. Assessment of the current level of services and resources available within a community.
3. Assessment of student and staff needs.
4. Coordination of activities with public and private agencies whenever possible.
5. Development of an appropriate plan for implementation based upon assessed needs.
6. Evaluation of programs.
7. The budget to support implementation.

Based upon the criteria developed by the department of public instruction, the superintendent shall review the proposal and grant funds to the school districts.

The school districts may apply for funds independently or form a consortium for a more cost-effective program. The funding will be based upon the criteria and the merit of each program proposal.

The department shall develop a comprehensive plan to address the coordination of services with existing agencies. These agencies may include the department of human services, health department, highway department, and law enforcement agencies. The purpose of coordination is to develop state guidelines and identify resources.

**SECTION 4. Staff.** The superintendent shall employ one permanent professional staff person for the purpose of coordinating this program. The project coordinator shall:

1. Develop guidelines in consultation with other private and public agencies.
2. Disseminate guidelines to local communities.
3. Provide technical assistance to communities through schools in planning and implementation of a chemical abuse and prevention program.
4. Collect pertinent data for reporting and program evaluation.
5. Facilitate coordination of this program with prevention and educational programs presently being conducted by other state agencies.

6. Provide written evaluation to the superintendent for a report to the state legislature.
7. Serve as a resource specialist to schools in the areas of policy, development, instructional programs, and identifying model programs.

#### SECTION 5. APPROPRIATION.

1. There is hereby appropriated out of the general fund in the state treasury the sum of \$150,000, or so much thereof as may be necessary, to the superintendent of public instruction for the purpose of supporting one full-time position and for the administration of this program for the biennium beginning July 1, 1985, and ending June 30, 1987.
2. There is hereby appropriated \$250,000 out of any state or federal funds which may be made available through grants, gifts, or other sources to the superintendent of public instruction for the purpose of providing chemical abuse services in North Dakota schools for the biennium beginning July 1, 1985, and ending June 30, 1987.

Approved April 16, 1985

## CHAPTER 209

SENATE BILL NO. 2065  
(Legislative Council)  
(Interim Education "B" Committee)

## SCHOOL DISTRICT ANNEXATION, REORGANIZATION, AND DISSOLUTION

AN ACT to create and enact chapters 15-27.1, 15-27.2, 15-27.3, and 15-27.4 of the North Dakota Century Code, relating to general provisions and school district annexation, reorganization, and dissolution; to amend and reenact sections 15-28-01, 15-34.2-06.1, 15-47-21, and 57-16-04 of the North Dakota Century Code, relating to school board members, schoolbus service fees, tax levies for equalization between school districts, and excess school district levies; to repeal chapter 15-53.1 of the North Dakota Century Code, relating to school district reorganization, annexation, and dissolution; and to declare an emergency.

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

SECTION 1. Chapter 15-27.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-27.1-01. Definitions applicable to chapters 15-27.1 through 15-27.4. In this chapter and chapters 15-27.2, 15-27.3, and 15-27.4 unless the context or subject matter otherwise requires:

1. "Annexation" means an alteration of the boundaries of school districts through the attachment of territory from one existing school district to another existing operating school district.
2. "Contiguous" means two or more tracts of land which are in actual contact with each other at a common point.
3. "County committee" means the county committee for the reorganization of school districts.
4. "County superintendent" means the county superintendent of schools.
5. "Dissolution of school districts" means the process through which an existing school district ceases its

active functions in its present organizational form and the district's territory is attached to one or more adjoining existing operating school districts.

6. "Elector" means a person who possesses the qualifications of an elector as provided in section 16.1-01-04.
7. "Reorganization of school districts" means the formation of a new school district by either the unification of two or more existing operating districts into one larger district or separation of territory from one or more operating districts to create one or more new operating districts.
8. "State board" means the state board of public school education.
9. "Territory" means all or any portion of an organized school district.

15-27.1-02. Reorganization not to include annexation or dissolution - Boundary changes application of chapters 15-27.1 through 15-27.4. Chapter 15-27.3 does not apply to chapter 15-27.2 or to chapter 15-27.4 except where specifically referenced in chapters 15-27.2 and 15-27.4. Chapters 15-27.2 and 15-27.4 are separate and additional methods for changing school district boundaries. The boundaries of school districts may be changed or altered only by annexation, reorganization, or dissolution as provided for in chapters 15-27.2, 15-27.3, and 15-27.4. This chapter and chapters 15-27.2, 15-27.3, and 15-27.4 apply 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.

15-27.1-03. County committee - Appointment - Size and compensation.

1. Each county in this state shall have a county committee formed by the selection of one resident from each of the county commissioner districts within the county. Each member is entitled to receive the actual and necessary expenses incurred in the performance of official duties in the amounts provided by law for state officers and employees. Each member is entitled to receive ten dollars as compensation for each meeting of the committee actually attended by the member. The office of management and budget shall pay by warrant the compensation and expenses as directed by the superintendent of public instruction from moneys appropriated for that purpose.
2. The term of each member is three years, staggered so that one term expires each year. The county superintendent with the approval of the board of county commissioners shall appoint the members of the county committee.

Vacancies shall be filled in the same manner for the unexpired portion of the term. If a member fails, refuses, or is unable to perform the required duties, the county superintendent, upon petition of a majority of the school boards having territory wholly or partially within the district which the member was appointed to represent, shall declare the position of the member vacant, and shall immediately appoint a new member to the committee from that district.

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

15-27.1-04. County committee - Meetings. The members of the county committee shall select one member as chairman who shall be the presiding officer for one year and until a successor is chosen. The county superintendent is the secretary of the committee, but has no vote. Meetings of the committee must be held upon call of the chairman or a majority of the committee members. The county superintendent is entitled to compensation for actual and necessary expenses incurred while in the performance of required duties. Additional expenses are chargeable and payable as an expense of the county.

15-27.1-05. 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 written opinions 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 committee. If the defense in the proceedings would result in a conflict with the duties of the 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 the proceedings. Compensation of the special counsel, in the amount as may be agreed to by the county commissioners, must be paid out of the county general fund.

15-27.1-06. State board - Powers and duties. The state board shall:

1. Aid county committees in carrying out their powers and duties under this chapter and chapters 15-27.2, 15-27.3, and 15-27.4 by furnishing them, with the assistance of the employed staff of the state committee, with other necessary clerical assistance, and with necessary plans of procedure, standards, data, maps, forms, and other materials and services.
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 board 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 board to be unsatisfactory, or whenever the terms of adjustment so submitted are found not to be fair and equitable, the state board 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 appointed, as required in section 15-27.1-03, or in case a committee so elected fails or refuses to submit plans, records, reports, and other data as provided for in this chapter.
4. Transmit to the county superintendent of each county affected a copy of the plan for reorganization of school districts approved by the state board; a copy of approved terms of adjustment of property, debts, and liabilities; a statement of the findings and conclusions of the state board respecting such approved plans and terms of adjustment; and copies of maps, reports, records, and all other pertinent material submitted to the state board by the county committee.
5. Establish standards by the adoption of rules to govern the county committees and state board in the development and approval of school district reorganization plans or reorganization, annexation, and dissolution proposals. The standards must require any school district to be formed under any plan or proposal providing for the operation of a high school to have sufficient tax base and fiscal capacity to clearly permit the 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 the standards may be allowed by a county committee or the state board only in extreme cases where because of sparsity of population or geographical barriers it is impossible to obtain

compliance with them. The county committees or the state board may not approve any reorganization, annexation, or dissolution proposal unless it has logical boundaries following a uniform pattern without undue irregularities.

15-27.1-07. State board - Employees. The superintendent of public instruction shall direct school district annexation, reorganization, and dissolution. The superintendent shall appoint and employ any personnel necessary to enable the state board to carry out the powers and duties imposed upon it by this chapter and chapters 15-27.2, 15-27.3, and 15-27.4 and to fix the compensation for such appointees and employees.

15-27.1-08. County and state officers to cooperate with county committee and state board. The county and state officers shall make available to the county committee and the state board such information from public records in their possession as is essential to the committee and the board in the performance of their duties.

15-27.1-09. Duties imposed upon county superintendent and officers where reorganized districts constitute joint districts. The duties of the county superintendent under the provisions of this chapter or under other provisions of law are imposed upon and required to be performed by all county superintendents affected by annexation, reorganization, or dissolution of school districts involving territory in two or more counties.

15-27.1-10. Transfer of land upon annexation or reorganization. The legal title to all land owned by an original school district which has been annexed to another district or included in a reorganized district which is not subject to a possibility of reverter or right of reentry if title is held by other than the original district, vests in the school board of the reorganized school district or the district to which the property is annexed upon approval of the reorganization proposal 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 the property is annexed includes less than the whole of the former district, legal title to the land of the former district vests in the school board of the district in which the land is situated after reorganization or chapter 15-27.2 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 2. Chapter 15-27.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-27.2-01. Annexation of contiguous territory to school district - Petition. Territory contiguous to a public school district, whether in the same county or in another, may be annexed to the school district by the county committee after a public hearing upon written petition signed by two-thirds of the qualified electors in the contiguous territory. The county committee shall determine the sufficiency of the petition and the required number of electors necessary to constitute a two-thirds majority.

15-27.2-02. Restricted changes in boundaries - Petition - Requirements. A resident or residents of a school district may request annexation of the property upon which his or their residence is situated to an adjacent school district by a petition for an exchange of property between the district of residence and the adjacent district under the following conditions:

1. The signer of the petition must reside upon the property which is requested to be annexed to the adjacent district.
2. There is an agreement for the exchange of property between the petitioners and the owner of the property in the adjacent district which property is to be exchanged for the property of the petitioner and the owner of the property in the adjoining district need not reside on the property exchanged in order to enter into the agreement.
3. The school boards of the districts involved approve the exchange of property.
4. The difference in taxable valuation of the property involved in the exchange does not exceed one thousand dollars.

Except as provided in this section, the proceedings in this section are subject to the other provisions of this chapter applicable to annexation proceedings generally. Approval of the annexation petition by the county committee and the state board must contain a finding that the requirements in this section have been met.

15-27.2-03. Proposed annexations involving ten percent or more of a school district's taxable valuation.

1. If a county committee receives an annexation petition made under section 15-27.2-01 which involves the transfer of territory accounting for ten percent or more of a school district's taxable valuation, the county committee shall submit the petition directly to the state board without first taking action on the petition. The state board shall make the sole determination of whether the proposed annexation described in the petition would cause the district which would lose the territory to be unable to levy sufficient taxes to carry on normal school operations.

2. In determining whether a school district would be unable to levy sufficient taxes to carry on normal school operations, the state board shall consider the quality and types of programs that are being offered by the school district which would lose ten percent or more of its valuation under the proposed annexation.
3. If the state board determines that the proposed annexation would cause the district losing the territory to be unable to levy sufficient taxes to carry on normal school operations, the board shall find that the annexation petition made under section 15-27.2-01 is a proposed dissolution of the school district.
4. Upon finding that the annexation petition is a proposal for dissolution of the district, the state board shall return the petition to the county committee with the directive that the county committee consider the petition under chapter 15-27.4.
5. Once the state board has made the finding that such a petition is a proposed dissolution of the school district, annexation proceedings may not be applied by the county committee to that petition.
6. If the state board determines that the proposed annexation would not cause the district losing the territory to be unable to levy sufficient taxes to carry on normal school operations, the board shall find that the petition made under section 15-27.2-01 is a proposed annexation.
7. Upon finding that the petition is a proposal for annexation of the involved territory, the state board shall return the petition to the county committee with the directive that the county committee consider the petition under this chapter.
8. The determination of the state board made pursuant to this section is not subject to chapter 28-32.

15-27.2-04. Annexation hearings - Equalization - Notice of hearings.

1. Before detaching territory from one school district or annexing territory to another school district, the county committee shall hold a hearing on the annexation.
2. 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.

3. At such hearing the committee shall consider testimony and documentary evidence with respect to any of the following factors:
- a. The value and amount of all school property and all bonded and other indebtedness of each school district affected by a change in boundaries.
  - b. The amount of all outstanding indebtedness of each district and that which would constitute an equitable adjustment of all property, assets, debts, and liabilities among the districts involved.
  - c. The taxable valuation of existing districts and the differences in such valuation which would accrue under the proposed annexation.
  - d. The size, geographical features, and boundaries of the districts.
  - e. The number of pupils attending school and the population of the districts.
  - f. The location and condition of the districts' school buildings and their accessibility to affected pupils.
  - g. The location and condition of roads, highways, and natural barriers within the respective districts.
  - h. The school centers where children residing in the districts attend high school.
  - i. Conditions affecting the welfare of the pupils in the land area the subject of the annexation petition.
  - j. The boundaries of other governmental units and the location of private organizations in the territories of the respective districts.
  - k. The educational needs of local communities in the involved districts.
  - l. An objective in economizing in the use of transportation and administrative services.
  - m. Projected future use of existing satisfactory school buildings, sites, and playfields in the involved districts.
  - n. A reduction in disparities in per-pupil valuation between school districts and the objective of equalization of educational opportunities for pupils.

- o. Any other relevant factors which, in the judgment of the committee, are of importance.
4. Following the committee's consideration of testimony and documentary evidence with respect to any of the factors listed in subsection 3, the committee shall make specific findings with reference to every one of those factors to which testimony or documentary evidence was directed.
  5. All proposed annexations must be given final approval by the state board following a hearing conducted by the board at which testimony and documentary evidence shall be considered with respect to any of the factors listed in subsection 3. The state board shall make specific findings with reference to every one of those factors to which testimony or documentary evidence was directed.
  6. If the annexation is approved by the state board, the county committee may cause a tax to be levied against each district affected in accordance with section 15-47-21 which will equalize the several interests fairly.
  7. If the school districts involved in the proposed annexation are situated in more than one county, the county committee of the county encompassing the major portion of each school district shall consider and jointly effect the annexation if a majority of the members of each of such county committees approves the annexation. If the annexation is approved by a majority of the members of one of the two county committees, the county superintendent of the county in which the annexing district is located shall submit the annexation to the state board for approval or disapproval, and in such instance approval of the annexation shall have the same effect as approval by all county committees.
  8. Whenever a petition for annexation has failed to be approved by any county committee, a petition involving any of the same area may not be submitted for a period of three months and such petition may not be submitted more than twice in twelve consecutive months.
  9. Whenever a petition for annexation has failed to be approved by the state board, a petition involving any of the same area may not be submitted for a period of three months and such petition may not be submitted more than twice in twelve consecutive months.
  10. If the school districts are situated in more than one county but the major portions of both such school districts are situated in the same county, the county committee of such county shall consider the matter.

11. Any determination made by a single county committee with respect to an annexation proposed under this section may be appealed to the state board. A decision of the state board with respect to a proposed annexation may in turn be appealed to the district court of the judicial district in which the territory proposed is located in accordance with chapter 28-32.

15-27.2-05. Effective date of attachment or detachment - Equalization - Voting places. If territory is annexed to a school district or detached from it, under this chapter, the change in boundaries becomes effective the next July first after the final approval by the state board 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 at the time the annexation petition is approved by the county reorganization committee. If territory is attached to an existing school district, the electors in the 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 this chapter, the existing school board of any school district may not contract or place the district under any obligation, except upon the recommendation of the county committee.

SECTION 3. Chapter 15-27.3 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-27.3-01. Comprehensive study by county committee - Considerations - Reorganization plan submitted to state board.

1. The county committee shall make a comprehensive study of:
  - a. The taxable valuation of existing districts and the differences in such valuation under possible reorganization plans.
  - b. The size, geographical features, and boundaries of the districts.
  - c. The number of pupils attending school and the population of the districts.
  - d. The location and condition of school buildings and their accessibility to the pupils.
  - e. The location and condition of roads, highways, and natural barriers within the districts.
  - f. The school centers where children residing in the districts attend high school.
  - g. Conditions affecting the welfare of the teachers and pupils.

- h. 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.

2. The county committee shall prepare and submit to the state board a comprehensive plan for the reorganization of school districts within the county. The plan shall be accompanied by:

a. A description of and a map showing the boundaries proposed under any existing plan for the reorganization of school districts, prepared and submitted in compliance with the provisions of this chapter.

b. 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. The recommendations are not binding upon the proposed school district except as otherwise provided by law.

c. A summary of the reasons for the proposed reorganization of school districts.

d. Recommendations specifying whether the reorganized districts shall have five-member, seven-member, or nine-member school boards, and whether the members shall be elected at large or from designated geographic districts.

e. Any other reports, records, and materials as the state board may require.

15-27.3-02. Proposal involving territory in more than one county. If the school districts involved in a reorganization proposal are situated in more than one county, a special committee composed of not fewer than three members of the county encompassing the major portion of each school district shall prepare a proposal for the reorganization of the school districts. The proposal must be submitted to each county committee for its approval. If the reorganization proposal is approved by a majority of the members of one of the two 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 proposal to the state board for approval or disapproval. Approval of the reorganization proposal by the state board has the same effect as approval by all the county committees. If the reorganization proposal fails to receive the approval of any county committee, it may not be presented to the state board for review. If the school districts are situated in more than one county but the major portions of both such school districts are situated in the same county, the county committee of that county shall consider the matter.

15-27.3-03. Completed proposals for district or districts may be submitted prior to comprehensive county plan. The county committees, from time to time, may submit to the state board a proposal for the reorganization of one or more districts without awaiting the completion of a comprehensive plan; provided, however, that the proposal fits into and becomes an integral part of a comprehensive plan which the county committee is required to prepare.

15-27.3-04. 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 proposal, 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 15-27.3-05.

15-27.3-05. 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 the committee for the reorganization of school districts. Notice of hearings must be given by publishing a notice in the official county newspaper at least fourteen days prior to the date of each hearing. If the county committee fails to call a hearing or to give the required public notice, a petition signed by twenty-five percent of the qualified electors in the area proposed to be included in the new school district and presented to the committee makes it mandatory for a hearing to be called. Notice of the hearing must be published within ten days after the petition has been filed, and must set forth the date selected for the hearing, which may 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 reorganization proposal of the county committee. The testimony and documentary evidence considered by the county committee must include any information regarding the following factors:

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.
3. The taxable valuation of the existing districts and the differences in such valuation which would accrue under a proposed reorganization.
4. The size, geographical features, and boundaries of the districts.
5. The number of pupils attending school and the population of the districts.
6. The location and condition of the districts' school buildings and their accessibility to affected pupils.
7. The location and condition of roads, highways, and natural barriers within the respective districts.
8. The school centers where children residing in the districts attend high school.
9. Conditions affecting the welfare of the teachers and pupils of the involved districts.
10. The boundaries of other governmental units and the location of private organizations in the territories of the respective districts.
11. The educational needs of local communities in the involved districts.
12. An objective in economizing in the use of transportation and administrative services.
13. Projected future use of existing satisfactory school buildings, sites, and playfields in the involved districts.
14. A reduction in disparities in per-pupil valuation between school districts and the objective of equalization of educational opportunities for pupils.
15. Any other relevant factors which, in the judgment of the county committee, are of importance.

Following the county committee's consideration of testimony and documentary evidence with respect to the factors listed in subsections 1 through 15, the committee shall make specific findings with reference to those factors to which testimony or documentary evidence was directed in proceedings before the committee.

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 board at the time of submitting a plan as provided in subsection 2 of section 15-27.3-01. A subcommittee composed of not fewer 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.

15-27.3-06. Reorganized school districts - Determination of tax levy. Prior to the submission of a reorganization proposal, the county committee or committees shall determine the amount necessary to meet the expenses of the proposed reorganized district and shall propose a tax levy sufficient to meet those expenses. The proposed tax levy must be submitted to the state committee as a part of the reorganization proposal and, if approved by the state committee, must be included as a part of the proposal and submitted to the electors of the proposed new district as provided in this chapter. Tax levies submitted as a part of a reorganization proposal which is approved as provided in this chapter are not subject to mill levy limitations provided by law.

15-27.3-07. 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 15-27.3-05 may appeal from the decision. The appeal must 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 may not otherwise affect the validity of the reorganization or creation of any district or districts under this chapter.

15-27.3-08. Approved proposal received by county superintendent - Duty of superintendent to call special election - Definition of voting units - Favorable results.

1.
  - a. Upon receipt from the state board of an approved proposal 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.
  - b. The election must be held at the place or places in the territory which have been determined by the county superintendent to be convenient for the voters.
  - c. The special election must be held after July first and no later than December thirty-first of the year in which the approved proposal is received unless there are not sufficient business days left in that year to accomplish the required publication of notice, in which event the special election must be held the following year.
2.
  - a. In holding the election, all existing districts within the proposed new district containing one or more incorporated cities regardless of number or size vote as a single unit, and all existing districts within the proposed new district regardless of number or size which do not contain one or more incorporated cities vote as a single unit.
  - b. For the purposes of this section, all districts containing incorporated cities are considered an incorporated area, and all districts which do not contain at least one incorporated city are considered an unincorporated area.
3.
  - a. Notice of the election, stating the time and place of holding the election, must be published by the county superintendent in the official county newspaper at least fourteen days before the election.
  - b. 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 must also contain a description of the boundaries of the proposed new district, a statement, if any, of the terms of adjustment of property, debts, and liabilities applicable to the proposal, and the proposed tax levy.
4. 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.

5. The result of the elections must be certified and delivered to the county superintendent within three days after the closing of the polls.
6. 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 the approved proposal 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.

15-27.3-09. Elections for consolidating or reorganizing two or more reorganized school districts. Notwithstanding section 15-27.3-08, whenever reorganization proceedings are had for the purpose of consolidating or otherwise affecting two or more school districts which have previously been reorganized, each of the reorganized school districts votes as a separate unit and the reorganization proceedings may be adopted only upon approval by each voting unit.

15-27.3-10. Transportation required. A reorganization proposal must provide for the transportation of students and must specify if family-type or public schoolbus-type of transportation shall be used, and if the proposal is approved by the voters of the new district, then the school board of the district shall provide adequate and practical transportation of the type specified, except that if family-type transportation is specified, the school board may later substitute public schoolbus-type transportation. A reorganized school district is not bound by the schedule of payments or limitations provided in section 15-34.2-03, and shall establish a schedule of transportation payments as is proper under the circumstances affecting that district, but the newly established schedule of payments may not be less than the amounts specified in section 15-34.2-03 for family-type transportation.

15-27.3-11. Proposal rejection - Revision - New election.

1. If a proposal for the formation of a new school district is rejected by the voters at the election provided for in section 15-27.3-08, 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 15-27.3-05, make such revision as it deems advisable in the boundaries proposed for the new district, in the terms of adjustment of the property, debts, and liabilities of the district, and the proposed tax levy, as

the case may be, and resubmit the same to the state board for approval.

2. a. If the boundaries of the proposed new district, the terms of adjustment, or the proposed mill levy, as the case may be, as revised, are approved by the state board, notice thereof shall be transmitted to the county superintendent, as provided for in section 15-27.1-06.

b. Upon receipt of such notice the county superintendent shall call, in the manner and for the purpose specified in section 15-27.3-08, a special election of the voters residing within the revised boundaries of the proposed new district.
3. 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 the district and to perform the necessary duties related thereto in the same manner and to the same effect as is provided in section 15-27.3-08.

15-27.3-12. School boards in reorganized and original districts. After the establishment of any new school district, the school board for the new school district must 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 is governed by chapter 15-28. Members of school boards elected in the newly reorganized districts may not enter upon the duties of office until the time specified in section 15-27.3-15 except as provided by section 15-27.3-13. School boards in original school districts included within a reorganized district continue and remain in existence until the time specified in section 15-27.3-15 at which time the new school board elected for the newly reorganized district as provided in this section becomes the governing body of such school districts. Prior to the completion of the reorganization of any school district under this chapter, the existing school board of any school district may not contract or place the district under any obligation, except upon the recommendation of the county committee. Subsequent annual elections in the school district are governed by the laws pertaining to such elections.

15-27.3-13. Board may negotiate prior to assumption of duties - Termination of teachers.

1. Notwithstanding any provision of this chapter, the school board for a new school district established pursuant to this chapter shall negotiate in the manner provided by

chapter 15-38.1 with the teachers of the district in lieu of the old board or boards prior to the effective date of assumption of its other duties pursuant to section 15-27.3-15. The school board may enter into agreements with representative organizations pursuant to chapter 15-38.1.

2. After the establishment of any new school district pursuant to this chapter, the school board for the new school district shall, on or before April fifteenth of the year in which the reorganization takes effect, notify those teachers of the districts which are being reorganized whether, taking into account reductions in staff positions due to the reorganization, they will be offered contracts of employment with the new district.

15-27.3-14. Continuance of elementary schools in reorganized districts. Each elementary school included in reorganized school districts must be kept in session as provided by law, except that any school may be discontinued when the school board in the district where the school is located, by a unanimous vote, approves its closing. The school board may reopen such school at any time upon its own motion. The 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 school board's action.

15-27.3-15. Effective date of approved reorganization proposals - Transfer of all property. Except as provided by section 15-27.3-13, any reorganization proposal voted upon and approved becomes 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 proposal, debts, obligations, and liabilities of the several districts or parts of districts incorporated into the reorganized district become the general debt, obligation, and liability of the reorganized district.

15-27.3-16. Voluntary proposals for the reorganization of school districts. Proposals for the reorganization of school districts must be submitted by the county committee to the state board for final approval:

1. After a hearing on the reorganization proposal is held by the county committee; and
2. For approval before proposals are submitted to a vote of the electors.

Reorganization proposals may be approved by the county committee and approved by the state board, if in the judgment of the county

committee and the state board, the proposals constitute an acceptable part of the comprehensive reorganization plan submitted pursuant to section 15-27.3-01 for the reorganization of the school districts of the county.

15-27.3-17. Sale or removal of school buildings in reorganized districts. On motion of the school board, or on petition of a majority of the qualified electors in an original school district included in a reorganized district established in accordance with this chapter, for the sale or removal of a schoolhouse in such district, the school board of the reorganized district may have the school building moved or sold. If a petition is submitted, the school building must be moved to the place designated in the petition, or sold if the petition so provides. The proceeds of the sale must be placed in either the general fund or the building fund of the reorganized district, in the discretion of the school board. If the 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.

15-27.3-18. Costs of reorganization elections. Each of the districts affected by the proposal shall pay all costs of any election required in school district reorganization proceedings 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 proposal fail to be approved at the election. If the reorganization proposal is approved at the election, the newly reorganized school district shall pay all the costs.

15-27.3-19. Changes in reorganization proposal. At any time after the reorganization proposal has become effective, any provision of the reorganization proposal theretofore or thereafter adopted, including provisions affecting the adjustment of assets and liabilities but excepting provisions defining the boundaries of the district, may be changed by a majority vote of the qualified electors without approval of the state board or the county committee. The school board in the reorganized district may, upon its own motion, or shall, upon the filing with it of a petition signed by a number of qualified electors equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year the census was taken, unless the census is greater than four thousand, in which case only fifteen percent of the number of persons enumerated in the school census, is required. However, not fewer than twenty-five signatures of qualified electors is required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the county superintendent for the county in which the school is located shall determine the number of qualified electors in the qualified district. If a majority of all votes cast by the electors residing in each of the geographic areas

is in favor of the proposed change, then the proposed change is effected.

15-27.3-20. Powers of school board in reorganized district - Exceptions. After five years from the effective date of the reorganization proposal, the school board of a reorganized district shall exercise the powers granted to a school board by section 15-29-08 or any other provisions of law regardless of limitations contained in the reorganization proposal. This section does not authorize the school board of a reorganized district to exercise any powers prohibited or limited by sections 15-27.3-10, 15-27.3-17, or 15-27.3-19.

15-27.3-21. Proportionate tax rate on agricultural property. Any school district which imposed a proportionate tax rate for school purposes levied on agricultural property different from the school district levy on other taxable property as permitted by sections 15-53.1-37 and 15-53.1-38, as they existed on December 31, 1984, must continue to levy that proportionate tax rate unless it is discontinued by the school board upon a majority of the voters of the school district. No other school district may impose such a proportionate tax rate for different classes of property within the school district.

**SECTION 4.** Chapter 15-27.4 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-27.4-01. Dissolution of public school districts - Responsibility of county committee - Duty of county superintendent. The county committee shall forthwith schedule and provide notice of a public hearing to dissolve a school district and attach the territory to other school districts upon the following occurrences:

1. Receipt by the county committee of notice from the county superintendent that:
  - a. A school district can no longer levy sufficient taxes to carry on normal school operations;
  - b. A school district within the county has not operated a school by the thirty-first 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;
  - c. There exists territory not organized into a school district; or
  - d. Any portion of a school district within the county has been severed from the district by the expansion and growth of a city and the severed portion is not contiguous with the district.

2. Receipt by the county committee from the state board of a returned annexation petition sent back to the county committee pursuant to section 15-27.2-03.
3. When any portion of a school district has been left out of a school district reorganization, the county committee shall, within forty-five days after voter approval of the school district reorganization proposal, order a hearing pursuant to section 15-27.4-02 for the purpose of determining to which school district or districts the remaining territory should be attached.

After approval by the state board of the proposed dissolution, the county committee shall provide for the attachment of the territory of the dissolved district to one or more adjoining school districts effective July first next following the approval unless another effective date is provided for by the county committee. Qualified electors residing in the attached territory are entitled to vote and hold office in the school district to the same extent as all other qualified electors residing in the district, and the territory is part of the school district as fully in every respect as if it had been included in the district when organized. This section does not prevent the district from providing for the education of the children to the extent that its current budget in the judgment of the school board will permit, or relieve the district from any existing responsibility for the education of children attending its schools before the effective date of the order. This section does not change the effect of any election held within the school district pursuant to chapter 15-48 before the effective date of the order.

15-27.4-02. Notice of hearing - Order of attachment - Joint county action.

1. 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 15-27.4-01, and any unorganized territory recommended for attachment as provided by that section, 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.
2. The county committee shall receive testimony at the hearing for the purpose of determining and considering the factors listed in subsection 3 of section 15-27.2-04 as they relate to the dissolution proceeding.
3. At or after the 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 the school districts and attached territory.

4. The district to be dissolved must be attached to a contiguous operating school district.
5. The order becomes effective July first following the date of the order or resolution and after approval by the state board, unless another effective date is provided for by the county committee, as provided in section 15-27.4-01.
6. 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 is suspended until such time as the attachment becomes effective.
7. If any of the 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 the adjoining school district becomes effective only upon the adoption of a concurring resolution by the county committee of the other county in which it is situated.
8. If the county committees cannot agree upon an order attaching the territory to adjoining districts, the county superintendent of the county in which the majority of the district being dissolved is located shall submit the dissolution and attachment to the state board, and in such instance the state board shall dissolve and attach the district to be dissolved, or the unorganized territory, in the manner as will, in its judgment, provide the best educational opportunities for pupils of the public school system in the school districts and attached territories.
9. The action of the state board has the same effect as approval by all county committees.

\* SECTION 5. AMENDMENT. Section 15-28-01 of the 1983 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;

\* NOTE: Section 15-28-01 was also amended by section 30 of House Bill No. 1059, chapter 235.

- 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 July 1, 1971, operating with a school board composed of a ~~greater or lesser number of members~~ other than five members, in which case the number of members of such board shall remain unchanged unless increased under the provisions of subsection 2.
2. The number of school board members in any public school district may be increased to either five, seven, or nine or decreased to seven or five 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 change, and the change 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~~ The length of any term which existed prior to the increase in membership and which is held by a member who has duly qualified, may not 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 reorganized 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 proposal takes the place of the petition and

election requirements of this subsection, and approval of the reorganization ~~plan shall have~~ proposal has the same effect as if the approval were by the election provided for in this subsection. Should a decrease to not less fewer than five members be approved by the voters, the excess number of members will serve out existing terms until the number approved by the voters has been reached.

**SECTION 6. AMENDMENT.** Section 15-34.2-06.1 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**15-34.2-06.1. Charge for bus transportation optional.** The school board of any school district which has not been reorganized ~~pursuant to chapter 15-53-1,~~ may charge a fee for schoolbus service provided to anyone riding on buses provided by the school district. For schoolbus service which was started prior to July 1, 1981, the total fees collected may not exceed an amount equal to the difference between the state transportation payment and the state average cost for transportation or the local school district's cost, whichever is the lesser amount. For schoolbus service started on or after July 1, 1981, the total fees collected may not exceed an amount equal to the difference between the state transportation payment and the local school district's cost for transportation during the preceding school year. Any districts that have not previously provided transportation for pupils may establish charges based on costs estimated by the school board during the first year that transportation is provided.

**SECTION 7. AMENDMENT.** Section 15-47-21 of the 1983 Supplement to 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 clerk 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. This section applies to proceedings under ~~article II, annexation, and article IV, involuntary dissolution of chapter 15-53.1 chapters 15-27.2 and 15-27.4, but does not apply to article III, reorganization, of chapter 15-53.1 15-27.3~~ except where specifically so referenced.

\* SECTION 8. AMENDMENT. Section 57-16-04 of 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 15-27.3-08~~ for elections for approval of school district reorganization ~~plans proposals~~.

\*\* SECTION 9. REPEAL. Chapter 15-53.1 of the North Dakota Century Code is hereby repealed.

SECTION 10. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved April 11, 1985

\* NOTE: Section 57-16-04 was also amended by section 108 of House Bill No. 1059, chapter 235.

\*\* NOTE: Section 15-53.1-05 was amended by section 35 of House Bill No. 1059, chapter 235; Section 15-53.1-05.2 was amended by section 30 of Senate Bill No. 2086, chapter 82; Section 15-53.1-16 was amended by section 36 of House Bill No. 1059, chapter 235; Section 15-53.1-34 was amended by section 37 of House Bill No. 1059, chapter 235; and Section 15-53.1-39 was amended by section 38 of House Bill No. 1059, chapter 235.

## CHAPTER 210

HOUSE BILL NO. 1614  
(Representatives Lautenschlager, J. Peterson)  
(Seantors Redlin, Reiten)

### SCHOOL BOARD ELECTIONS AND TERMS

AN ACT to create and enact a new subsection to section 15-28-01 of the North Dakota Century Code, relating to certain school board elections and terms of office for school board members; and to amend and reenact section 15-28-03 of the North Dakota Century Code, relating to certain school board elections and terms of office for school board members.

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

SECTION 1. A new subsection to section 15-28-01 of the 1983 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

If a school board has elected to convert to four-year terms of office for school board members as provided for in subsection 2 of section 15-28-03 and has also increased the number of board members pursuant to subsection 2 of this section, the board by lot or by some other random selection method shall provide for such a combination of initial terms of office not to exceed four years for the new board members. Such a combination must equalize to the greatest extent feasible the number and length of terms for old and new members to be elected during the next three election years. The members' terms must be staggered and must expire in even-numbered years.

SECTION 2. AMENDMENT. Section 15-28-03 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-28-03. Annual and special elections - When held - Officers elected - Terms - Optional joinder with city election or primary election.

1. An annual election shall be held in each public school district on the first or second Tuesday in June, at the discretion of the school board, of each year. At each annual election, members of the school board shall be

elected to fill all vacancies therein caused by the expiration of terms of office or otherwise. Each member elected shall serve for a term of three years, except when elected to serve an unexpired term. Such term shall commence on the second Tuesday in July following his election, and he shall continue until his successor is elected and qualified. In addition to the annual election, a special election may be held at any time if approved by a resolution of the school board. Such election may be held for any purpose provided for by law.

2. The annual election provided for in this section may, upon resolution of the school board, be held in conjunction with the regularly scheduled city election, established by state law or established pursuant to the home rule powers of the city, held in a city located wholly or partially within that school district. The school board may enter into an agreement with the city commission or the city council concerning the sharing of election personnel, the printing of election materials, and the apportioning of election expenses. References in this chapter to the date of school board elections, insofar as they relate to a school board which holds its elections in conjunction with a city, are deemed to mean or to refer to the date of the applicable city election. Such a school board has the further option to convert the terms of office of its members to four years rather than three years in order that school board elections like city elections may be held biennially rather than annually. A school board may convert the future terms of its members to four years by passing a resolution requiring such a conversion. Thereafter, following the expiration of the three-year term of each incumbent in office as of the date of the passage of the resolution, the term of office for that position on the board shall be four years, except that as to any seat where such an extension of the term would result in the four-year term of office ending in an odd-numbered year, for which seat one additional and transitional term of three years shall be provided before the term becomes a four-year term of office. Once the school board has accomplished the transition to biennial elections, references in this chapter to annual elections as they apply to the school board are deemed to mean biennial elections, and the election held pursuant to section 15-28-11 must be held in even-numbered years.
3. If the school election is held in conjunction with the primary election, the school board may enter into an agreement with the governing body of the county or counties in which the district lies concerning use of a single canvassing board, the sharing of election personnel, the printing of election materials, and the apportioning of election expenses.

## CHAPTER 211

SENATE BILL NO. 2476  
(Olson)

## SCHOOL BOARD ELECTION FILING

AN ACT to amend and reenact section 15-28-09 of the North Dakota Century Code, relating to public school district elections.

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

SECTION 1. AMENDMENT. Section 15-28-09 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-28-09. Election - Candidates - Ballots - Stickers. Any

1. Except as otherwise provided in subsection 2, any candidate for election as a member of the school board of a school district shall file with the clerk of the board, not less than twenty-five days before the election and before four p.m. on the twenty-fifth day, a statement setting forth the candidate's name and the position for which that person is a candidate. A statement which is mailed to the clerk shall be in the clerk's physical possession before four p.m. on the twenty-fifth day before the election. At least twenty days before the election, the clerk shall prepare and cause to be printed, or otherwise uniformly reproduced, an official ballot containing the names of all persons who have filed as herein provided. The arrangement of the names of the candidates upon the ballot shall be determined by lot by such clerk in the presence of the candidates or their representatives. The ballot shall be headed "official ballot", shall be nonpartisan in form, and shall contain the following:

- 1- a. The name of the district.
- 2- b. The date of the election.
- 3- c. The number of persons to be elected to each office.

- 4+ d. Blank spaces below the names listed as candidates for each office in which names not stated on the ballot may be written.
2. When a school annual election or special election is held in conjunction with a statewide election, any candidate for election as a member of the school board of a school district shall file with the clerk of the board, not less than fifty-five days before the election and before four p.m. on the fifty-fifth day, a statement setting forth the candidate's name and the position for which that person is a candidate. A statement which is mailed to the clerk shall be in the clerk's physical possession before four p.m. on the fifty-fifth day before the election.
3. Nothing herein shall prevent any person who is qualified to hold the office, who desires to be a candidate at the election, and who has failed to file as herein provided, from providing stickers to be attached to the official ballot by the electors. A sticker shall not be more than one-half inch [12.7 millimeters] in width, and shall have printed thereon the name and address of one person.

Approved March 29, 1985

## CHAPTER 212

HOUSE BILL NO. 1253  
(Representatives O'Connell, D. Olson, V. Olson)  
(Senators Heinrich, Kelly)

## SCHOOL BOARD ANNUAL MEETING DATE

AN ACT to amend and reenact section 15-29-02 of the North Dakota Century Code, relating to the time for the annual meeting of school boards.

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

SECTION 1. AMENDMENT. Section 15-29-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-29-02. Regular and special meetings of board - Notice of special meetings. The annual meeting of the school board shall be held ~~on the second Tuesday in July following the annual election during the month of July following the annual election, on a date called by the president and convenient to the rest of the members, with such notice given as is prescribed in this section for special meetings,~~ at which time the newly elected members shall assume the duties of their offices. The board shall hold a regular meeting for the transaction of business once in each calendar month thereafter; provided, however, that the board of any school district in which are located only one-room or two-room schools may meet as often as the board shall deem necessary, but not less than four times in each year. Special meetings may be called by the president, or by any two members of the board. Written or printed notice of a special meeting shall be given to each member of the board; provided, however, that the attendance at any meeting, without objection, by any member shall constitute a waiver of the notice required to be given to such member.

Approved March 1, 1985

## CHAPTER 213

HOUSE BILL NO. 1291  
(Representatives O'Connell, Laughlin, Schindler)  
(Senators Kelly, Dotzenrod)

### COMPENSATION OF SCHOOL BOARD MEMBERS

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 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~~ twenty-five dollars as compensation for each meeting of the board actually attended ~~by him~~. In addition thereto, each member may be reimbursed for all necessary meals and lodging and travel expense actually incurred ~~by him~~ while engaged on official business of the board, at the same rate as provided for state officers and employees. Any mileage claimed shall not exceed the number of miles [kilometers] between the points traveled as measured by the most usual route.

Approved March 1, 1985

## CHAPTER 214

HOUSE BILL NO. 1257  
(Dorso, Wold)SCHOOL TRANSPORTATION AND FUEL  
CONTRACTS

AN ACT to create and enact section 15-34.2-07.1 of the North Dakota Century Code, relating to the direct negotiation of school transportation and motor vehicle fuel contracts; and to amend and reenact sections 15-34.2-07, 15-34.2-08, and 15-47-15 of the North Dakota Century Code, relating to school transportation, motor vehicle fuel, and heating fuel contracts.

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

SECTION 1. AMENDMENT. Section 15-34.2-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

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 Except as otherwise provided in section 15-34.2-07.1 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 submitted in a separate envelope 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.

SECTION 2. Section 15-34.2-07.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

15-34.2-07.1. School transportation and fuel contracts - Direct negotiation. Notwithstanding sections 15-34.2-07 and 15-34.2-08, a contract for the transportation of schoolchildren, or a contract for the purchase of fuel for vehicles which was originally bid by and let to a contractor may be renewed by direct negotiation with that contractor provided that two or more written quotations are obtained for the service or fuel when possible, or upon sealed bids. At least thirty days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service or fuel to be provided. All quotations obtained must be kept on file for a period of at least one year after their receipt. If a contract is made by direct negotiation, all quotations must be maintained as public information. If a contract is made upon sealed bids, the procedure for advertising and awarding bids must conform to the provisions of section 15-34.2-07 except as otherwise provided in this section. A directly negotiated contract may only be entered into at a public meeting of the school district board during which meeting the patrons of the school district are given an opportunity to appear and comment. Notice of the school board meeting must be published at least one week prior to the meeting in a legal newspaper of wide circulation within the school district.

**SECTION 3. AMENDMENT.** Section 15-34.2-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**15-34.2-08. Contract for vehicular transportation - Conditions for granting.** The school board shall let the contract, in each case except as otherwise provided in section 15-34.2-07.1, 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.

**\* SECTION 4. AMENDMENT.** Section 15-47-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**15-47-15. School contracts - Advertisement for bids - Publication - Exceptions - Penalty.** No contract involving the expenditure of an aggregate amount greater than ~~four~~ eight thousand dollars, except as hereinafter set forth, shall be entered into by any school district of any kind or class except upon sealed proposals and to the lowest responsible bidder after ten days' notice by at least one publication in a legal newspaper published in the county in which the school district, or a portion thereof, is located. If no newspaper is published in such county, the publication shall be made in a newspaper published in an adjacent county. The provisions of

**\* NOTE:** Section 15-47-15 was also amended by section 1 of Senate Bill No. 2261, chapter 228.

this section shall not apply to any of the following classes of contracts:

1. For personal services of employees of the district.
2. For school text or reference books.
3. For any article which is not for sale on the open market.
4. For any patented, copyrighted, or exclusively sold device or feature required to match articles already in use.
5. For any patented, copyrighted, or exclusively sold article of so distinctive a nature that only one make of the article can be purchased.
6. Any building contract.
7. For school transportation services or fuel for vehicles the purchase of which is made by direct negotiation with a contractor in accordance with section 15-34.2-07.1.
8. For heating fuel which is purchased under a directly negotiated contract provided the procedure described in section 15-34.2-07.1 for transportation and vehicle fuel is followed.

Such exceptions shall be strictly construed. Every member of a school board who participates in a violation of this section shall be guilty of a class B misdemeanor.

Approved March 28, 1985

## CHAPTER 215

HOUSE BILL NO. 1266  
(Hoffner, R. Berg, Sauter, W. Williams)

## DISCIPLINE IN ALTERNATIVE EDUCATION

AN ACT to provide disciplinary procedures for students enrolled in approved alternative education programs; to amend and reenact subsection 13 of section 15-29-08 and section 15-40.1-07.2 of the North Dakota Century Code, relating to the discipline of students; and to declare an emergency.

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

SECTION 1. Approved alternative education programs - Suspension of students.

1. A student enrolled in an approved alternative education program, for which state aid payments must be made as described in section 15-40.1-07.2, may be suspended for not more than twenty days for insubordination, habitual disobedience, or disorderly conduct.
2. The administrator of an approved alternative education program shall give immediate notice of the suspension and the reason for the suspension of a student to the student's parents or guardian.

SECTION 2. Alternative education program - Expulsion of students. A student enrolled in an approved alternative education program may be expelled for a period not to exceed the remainder of the current school term. A student may be expelled if the student is found to be habitually insubordinate or disobedient or if the student habitually displays disorderly conduct. Prior to the expulsion of a student under this section, the school administrator must find at a hearing which provides procedural due process that:

1. The student's continued presence in the classroom or on the school campus presents a clear, present, and continuing danger of physical harm to the student or to other individuals; or

2. The student has engaged in serious or persistent misbehavior that threatens to impair the educational efficiency of the school and the misbehavior violates specific, published standards of student conduct for the school.

The student's parents or a representative of the student is entitled to notice of and to participate in a disciplinary proceeding under this section.

SECTION 3. AMENDMENT. Subsection 13 of section 15-29-08 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

13. To adopt, alter, and repeal, when it deems it expedient, rules and regulations for the reception, organization, grading, government, and instruction of pupils, and for their suspension, expulsion, or transfer from one school to another. No pupil shall be suspended or expelled except for insubordination, habitual indolence, or disorderly conduct, and a suspension shall not be for a longer period than ten days except as provided in section 1 of this Act, nor shall an expulsion be in effect beyond the end of the current term of school.

SECTION 4. AMENDMENT. Section 15-40.1-07.2 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-07.2. **Payments for alternative programs.** Payments made pursuant to section 15-40.1-07 must be made to high school districts which provide approved alternative education programs for students from the ages of sixteen through eighteen twenty-one who have dropped out of school. Upon determination by the local school district of nonmembership in the regular program of a high school, a district may apply to the superintendent of public instruction for continuation of the foundation aid funding for high school students enrolled in an approved alternative education program. A subtraction will be made from the district average daily membership when a student is dropped from membership and added back for the days of membership in an approved alternative program. Proportionate payments must be made for students enrolled in less than four units and must be based on the number of units carried and the high school weighting factor.

SECTION 5. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved March 29, 1985

## CHAPTER 216

HOUSE BILL NO. 1625  
(Representatives Hill, Schindler, Rydell)  
(Senator Peterson)

## TEACHERS' PROFESSIONAL PRACTICES COMMISSION

AN ACT to amend and reenact section 15-38-18 of the North Dakota Century Code, relating to the duties of the teachers' professional practices commission.

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

SECTION 1. AMENDMENT. Section 15-38-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-38-18. Duties of commission and superintendent of public instruction. It ~~shall be~~ is the duty of the commission to develop and revise, consistent with state law, professional codes or standards relating to ethics, conduct, and professional performance and practices and to provide recommendations for in-service education of persons engaged in the profession of teaching in the public schools. In the development of such professional codes and standards, the commission shall solicit the assistance of members of the teaching profession and representatives of school administrators, school board members, teacher education professors, and other interested citizens. The commission shall recommend such professional codes and standards as it may approve to the superintendent of public instruction, who after a hearing thereon may, consistent with state law, approve or ~~revise~~ concur or veto and return to the commission for further study the revision of such codes and standards as he the superintendent of public instruction deems proper and in the best interest of the public and the profession, and thereafter shall promulgate adopt such approved or revised codes and standards as ~~regulations~~ rules in accordance with chapter 28-32. The commission shall advise the superintendent of public instruction regarding rules and regulations and procedures to be followed related to the issuance of teachers' certificates.

Approved March 31, 1985

## CHAPTER 217

HOUSE BILL NO. 1433  
(C. Williams, Shaw)

**TEACHERS' FILES MATERIALS REVIEW**

AN ACT to amend and reenact section 15-38.2-03 of the North Dakota Century Code, relating to the review of material placed in teachers' files.

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

SECTION 1. AMENDMENT. Section 15-38.2-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-38.2-03. Right to object to material in file. If ~~the~~ a teacher believes that any material, except the formal evaluations required under sections 15-47-27 and 15-47-38, placed in his the teacher's file is inappropriate or in error, he or she may seek review by the school administration of the placement of such material in the file and the school administration must grant the review. If the teacher is dissatisfied with the result of the administration's review, the teacher is entitled to, on request, receive a formal review before the school board regarding the placement of the material in the file.

Approved March 14, 1985

## CHAPTER 218

SENATE BILL NO. 2155  
(Committee on Education)  
(At the request of Teachers' Fund for Retirement)

## TEACHERS' RETIREMENT BENEFITS, REFUNDS, AND REPORTS

AN ACT to create and enact three new subsections to section 15-39.1-04 of the North Dakota Century Code, relating to the definition of beneficiary, contract, and salary under the teachers' fund for retirement; and to amend and reenact sections 15-39.1-16, 15-39.1-17, 15-39.1-20, and 15-39.1-23 of the North Dakota Century Code, relating to annuity options, payment of benefits to beneficiaries, payment of refunds, and the penalty for failure to make required reports and payments under the teachers' fund for retirement.

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

SECTION 1. Three new subsections to section 15-39.1-04 of the 1983 Supplement to the North Dakota Century Code are hereby created and enacted to read as follows:

"Beneficiary" means the person designated in writing by the member or, in the absence of such designation, the member's surviving spouse, if any.

"Contract" means a written agreement with any school board or other governing body of any school district of this state or a letter of appointment by a state institution, state agency, or other employer participating in the fund.

"Salary" means a member's earnings in eligible employment under this chapter for teaching, supervisory, and administrative services during a school year as reported on the member's federal income tax withholding statements plus the value of any fringe benefits selected at the member's option in lieu of monetary remuneration. "Salary" does not include fringe benefits such as payments for unused sick leave or vacation leave, housing allowances, transportation expenses, early retirement

incentive pay, severance pay, or medical insurance premiums paid by the employer in addition to salary.

SECTION 2. AMENDMENT. Section 15-39.1-16 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

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 one of the following additional provisions The board shall adopt rules providing for the receipt of retirement benefits in the following optional forms:

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

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~~ the person as the teacher shall have has nominated by written designation filed with the board at the time of retirement.

Option three. Upon the death of the teacher within five years of the commencement of annuity payments, ~~such~~ the payments shall be continued for the remainder of the five-year period to ~~such~~ the person as the teacher shall have has nominated by written designation filed with the board at the time of retirement.

Option four. Upon the death of the teacher within ten years of the commencement of annuity payments, ~~such~~ the payments shall be continued for the remainder of the ten-year period to ~~such~~ the person as the teacher shall have has 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 any of such~~ these 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~~ the teacher's designated beneficiary.

SECTION 3. AMENDMENT. Section 15-39.1-17 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

## 15-39.1-17. Death of member.

1. If the death of a member who has not acquired a vested interest should occur prior to retirement, a refund of his the member's assessments accumulated with interest shall be made to such the member's beneficiary as he may designate, or, if there is no beneficiary is designated, the same shall be paid to the surviving spouse, or if no surviving spouse, to the surviving children, or if none, to his the member's estate; provided, however, that if no probate proceedings have been instituted within thirty days of the death of the member, then to such the heirs at law who file claim with the fund within one hundred fifty days of the death of the member.
2. If the death of a member who has acquired a vested interest should occur prior to retirement, then his designated the member's beneficiary may apply for a refund of his the member's assessments accumulated with interest. If there is no designated beneficiary, then the same shall be paid to the surviving spouse, or if no surviving spouse, to the surviving children, or if none, to his the member's estate; provided, however, that if no probate proceedings have been instituted within thirty days of the death of the member, then to such the heirs at law who file claim with the fund within one hundred fifty days of the death of the member. In lieu of such a refund, the designated beneficiary, if a beneficiary has been designated, may elect either to receive a monthly annuity in accordance with option one as set forth in under section 15-39.1-16, with the amount of such the annuity being determined as though the deceased member had retired under the option on the day benefits commence to the beneficiary; or the designated beneficiary may elect to receive for sixty months an amount equal to the monthly annuity the member would have received if the member had attained age sixty-five and retired, based on the member's credited service to date of death. 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 the member shall pay any deficiency into the fund before receiving the annuity.
3. If a member who has received annuity payments other than a reduced retirement allowance as provided in section 15-39.1-16 dies prior to receiving accumulated annuity payments which exceed the assessments paid by the member to the fund plus interest, or a member who has elected a reduced retirement allowance under option one or two in section 15-39.1-16 dies and the person who was nominated to receive his reduced allowance also dies prior to receiving, together, accumulated annuity payments which exceed the assessments paid by the member to the fund plus interest, the member's beneficiary shall receive a final

payment equal to the assessments the member paid to the fund plus interest as provided in section 15-39.1-20 less the amount of the annuity payments made.

**SECTION 4. AMENDMENT.** Section 15-39.1-20 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**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~~ the member may, after a period of one hundred twenty days, withdraw from the fund and shall be then entitled to receive a refund of assessments accumulated with interest. The one-hundred-twenty-day requirement may be waived by the board when it has evidence the teacher will not be returning to teach in North Dakota. ~~Such~~ The refund shall be in lieu of any other benefits to which the member may be entitled under the terms of this chapter. The accumulated assessments of a member who ceases to be eligible to participate in the fund before accumulating ten years of service credit shall be automatically refunded. The assessments plus interest earned, if not claimed by the member, shall be returned during the month of January next following the date of termination. The automatic refund shall be waived provided the member presents the board with a statement of intent to return to teach in North Dakota within thirty-six months after eligibility to participate in the fund ceases. The board may waive the automatic refund for members who present to the board a statement of intent to return to teach in North Dakota within a period exceeding thirty-six months after eligibility to participate in the fund ceases.

**SECTION 5. AMENDMENT.** Section 15-39.1-23 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**15-39.1-23. Penalties for failure to make required reports and payments.** Any An employing body failing to file reports required by the board or failing to pay over for credit to the fund the amounts required to be paid by this chapter, shall be subject to a civil penalty of two hundred fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after ~~such~~ the report was required to be filed or ~~such~~ the payment became due. The board, if satisfied the delay was excusable, may waive, or if paid, refund all or part of the two hundred fifty dollar penalty but not the interest. ~~Such~~ The penalty shall be paid to the fund and deposited in the same manner as other receipts under this chapter.

In addition 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.

Approved March 22, 1985

## CHAPTER 219

SENATE BILL NO. 2153  
(Committee on Education)  
(At the request of the Teachers' Fund for Retirement)

## TEACHERS' FUND FOR RETIREMENT BOARD COMPENSATION

AN ACT to amend and reenact section 15-39.1-08 of the North Dakota Century Code, relating to compensation of the members of the teachers' fund for retirement board.

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

SECTION 1. AMENDMENT. Section 15-39.1-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

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 as allowed by law for state employees. No member of the board shall lose regular salary, vacation pay, vacation or any personal leave, or be denied right of attendance by the state or political subdivision thereof while serving on official business of the fund.

Approved April 11, 1985

## CHAPTER 220

SENATE BILL NO. 2206  
(Committee on Education)

(At the request of the Teachers' Fund for Retirement)

## TEACHERS' RETIREMENT BENEFITS

AN ACT to create and enact a new section to chapter 15-39.1 of the North Dakota Century Code, relating to postretirement benefit adjustments under the teachers' fund for retirement; and to amend and reenact subsection 2 of section 15-39.1-10 of the North Dakota Century Code, relating to benefits paid to members of the teachers' fund for retirement.

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

SECTION 1. AMENDMENT. Subsection 2 of section 15-39.1-10 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. The amount of retirement benefits shall be calculated as follows: One and ~~five-hundredths~~ fifteen-hundredths percent of the final average monthly salary of the member multiplied by the number of years of credited service. For the purposes of this subsection, ~~monthly salary means one-twelfth of the annual salary paid the member. Final~~ final average monthly salary shall be the average of the member's highest monthly salaries received for any three years employed during the last ten years of membership in means one thirty-sixth of the total of the member's highest annual salaries earned between July first of a calendar year and June thirtieth of the subsequent calendar year for any three of the last ten years of service under the fund.

SECTION 2. A new section to chapter 15-39.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Postretirement adjustments. Every person receiving monthly benefits from the fund on an account on which benefits were being paid on June 30, 1985, shall receive an increase in benefits beginning July 1, 1985, equal to one percent for each year the person has been retired under the fund. No member may receive more than a ten percent or more than a forty dollar per month increase in benefits under this section.

Approved March 22, 1985

## CHAPTER 221

SENATE BILL NO. 2272  
(Senators Heinrich, Thane)  
(Representatives Martinson, Oban)

### TEACHERS' PARTIAL SERVICE RETIREMENT

AN ACT to create and enact a new section to chapter 15-39.1 of the North Dakota Century Code, relating to partial service retirement under the teachers' fund for retirement.

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

SECTION 1. A new section to chapter 15-39.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

**Partial service retirement.** A full-time teacher, except for an elected official or a member of the alternate retirement program under subsection 13 of section 15-10-17, who is sixty-two or more years of age and has ten or more years of service credit may negotiate a partial service retirement agreement with the teacher's employer which results in not less than a twenty percent reduction and not more than a sixty percent reduction in the teacher's full-time employment. The board shall pay a reduced retirement benefit to the teacher after the employer certifies to the board that a partial service retirement agreement has been approved by the teacher and the teacher's employer. The reduced retirement benefit must equal the full retirement benefit the teacher is eligible to receive at the time the partial service retirement agreement becomes effective less the percentage of full-time employment the teacher is working under the partial service retirement agreement. The board must disapprove any partial service retirement agreement that does not provide for proportionately reduced compensation and, except for any health and dental insurance benefits provided by the employer, other benefits customarily provided to teachers such as vacation and sick leave. A teacher subject to a partial service retirement agreement may further reduce worktime only once each school fiscal year and may elect only once in every five years after initial entry into the program to increase worktime to another less than full-time schedule. The employer shall certify to the board any amendments or changes to the partial service retirement agreement. A teacher who reduces worktime under this section must be given priority by the employer for return to a full-time position to the extent full-time

work is available. A teacher subject to a partial service retirement agreement is not considered retired until the teacher becomes fully retired. Increased compensation and receipt of additional service credit by a teacher while subject to a partial service retirement agreement do not affect a partial service retirement benefit as initially determined by the board. An employer and a teacher subject to a partial service retirement agreement shall pay their respective required assessments under section 15-39.1-09 based on the full-time salary that would have been paid if the teacher had not entered into a partial service retirement agreement. A teacher subject to a partial service retirement agreement must receive at the time of full retirement a retirement benefit based on total service credit earned, including that earned during partial service retirement. The full retirement benefit must be based on the final average salary, as determined by the board, the teacher would have received if full-time employment had been maintained during the period the teacher was subject to a partial service retirement agreement. A teacher subject to a partial service retirement agreement may not elect a joint and survivor benefit payment option under section 15-39.1-16 to be effective while subject to a partial service retirement agreement. Disability and death benefits provided under this chapter may not be reduced under this section if a teacher dies while subject to a partial service retirement agreement.

Approved March 22, 1985

## CHAPTER 222

SENATE BILL NO. 2154  
(Committee on State and Federal Government)  
(At the request of Teachers' Fund for Retirement and  
Public Employees Retirement System)

## DUAL MEMBERSHIP IN RETIREMENT FUNDS

AN ACT to create and enact a new section to chapter 15-39.1, a new section to chapter 39-03.1, and a new section to chapter 54-52 of the North Dakota Century Code, relating to reciprocal calculation of benefits in the teachers' fund for retirement, the highway patrolmen's retirement system, and the public employees retirement system and dual membership in the teachers' fund for retirement and the public employees retirement system; and to amend and reenact subsection 1 of section 15-39.1-09 and subsection 4 of section 54-52-01 of the North Dakota Century Code, relating to the membership in the teachers' fund for retirement and the public employees retirement system.

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

SECTION 1. AMENDMENT. Subsection 1 of section 15-39.1-09 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Every teacher ~~shall be, except under subsection 2 of section 2 of this Act, is~~ a member of the fund and ~~shall~~ must be assessed upon ~~his~~ the teacher's salary six and twenty-five hundredths 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 six and twenty-five hundredths percent per annum of the salary of each teacher employed by it. All such sums ~~shall~~ must be certified by the disbursing official and ~~shall be~~ paid quarterly to the state treasurer who shall set the same aside in the teachers' fund for retirement.

SECTION 2. A new section to chapter 15-39.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Effect of public employees retirement system service on vesting and benefits - Dual membership.

1. A teacher's years of service credit for the purpose of vesting of rights under this chapter is the total of the years of service credit earned in the fund and the years, with twelve months of compensation equal to a year, of service employment, earned in the public employees retirement system and the highway patrolmen's retirement system. A teacher who terminates eligible employment under the fund and who has not received a refund of member assessments may elect to remain an inactive member of the fund without refund of assessments if the teacher begins eligible employment under the public employees retirement system or the highway patrolmen's retirement system. The board shall terminate the inactive status of a teacher under this subsection if the teacher gains eligible employment under this chapter or if the teacher terminates eligible employment under the public employees retirement system and the highway patrolmen's retirement system. A teacher who has service credit in the fund and in the public employees retirement system or the highway patrolmen's retirement system, or both, must receive benefits under this chapter calculated by using the certified salaries of the retirement plan of last membership in the computation of final average monthly salary. The board shall calculate benefits for a teacher under this section by using only those years of service credit earned under this chapter.
  
2. If a teacher, who is a member of the fund, is also employed in any position where membership in the public employees retirement system is required, then for purposes of current employment the teacher is a member of the retirement system in which the teacher has the most years of service credit. If the teacher has an equal amount of service credit in both the fund and the public employees retirement system, the teacher is a member of the public employees retirement system. The board of trustees of the teachers' fund for retirement and the state retirement board shall jointly certify to the appropriate employers of the teacher the fact of the beginning and termination of eligibility for dual membership in the respective retirement systems and the retirement system to which the teacher is required to be a member under this subsection. The employers upon receipt of this certification shall pay over to that retirement system the member assessments and employer contributions at the rates currently existing for that system. If the teacher is required to be a member of the public employees retirement system, the board, at the teacher's election, shall designate the teacher an inactive member of the fund without refund of the teacher's accumulated assessments with interest until the

teacher ceases the employment which requires membership in both the fund and the public employees retirement system.

SECTION 3. A new section to chapter 39-03.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Effect of other state retirement systems' service on eligibility for benefits and benefits paid. A member's years of service for the purpose of determining eligibility for benefits under this chapter is the total of the years of service earned under this chapter and the years of service employment earned in the public employees retirement system and the years of service credit earned in the teachers' fund for retirement. A member who terminates eligible employment under this chapter and who has not received a refund of the member's accumulated deductions may elect to remain an inactive member of the system without refund of the member's accumulated deductions if the member begins eligible employment in the teachers' fund for retirement or the public employees retirement system. The board shall terminate the inactive status of a member under this section if the member gains eligible employment under this chapter or if the employee terminates eligible employment under teachers' fund for retirement or the public employees retirement system. A member who has service credit in the system and in the teachers' fund for retirement or the public employees retirement system, or both, must receive benefits under this chapter calculated by using the certified salaries of the retirement plan of last membership. The board shall calculate benefits for an employee under this subsection by using only those years of service employment earned under this chapter.

SECTION 4. AMENDMENT. Subsection 4 of section 54-52-01 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

- 4. "Employee" means any person employed by a governmental unit, whose compensation is paid out of the governmental unit's funds, or funds controlled or administered by a governmental unit, or paid by the federal government through any of its executive or administrative officials; certified employees of a school district means those employees eligible to participate in the teachers' fund for retirement who shall, except under subsection 2 of section 5 of this Act, are not be eligible employees under this chapter.

SECTION 5. A new section to chapter 54-52 of the North Dakota Century Code is hereby created and enacted to read as follows:

Effect of teachers' fund for retirement service on eligibility for benefits and benefits paid - Dual membership.

- 1. An employee's years of service employment for the purpose of determining eligibility for benefits under this chapter

is the total of the years of service employment earned in the public employees retirement system and the years of service credit earned in the teachers' fund for retirement and the highway patrolmen's retirement system. An employee who terminates eligible employment under the system and who has not received a refund of the employee's account balance may elect to remain an inactive member of the system without refund of the employee's account balance if the member begins eligible employment in the teachers' fund for retirement or the highway patrolmen's retirement system. The board shall terminate the inactive status of an employee under this subsection if the employee gains eligible employment under this chapter or if the employee terminates eligible employment under teachers' fund for retirement and the highway patrolmen's retirement system. An employee who has service credit in the system and in the teachers' fund for retirement or the highway patrolmen's retirement system, or both, must receive benefits under this chapter calculated by using the certified salaries of the retirement plan of last membership. The board shall calculate benefits for an employee under this subsection by using only those years of service employment earned under this chapter.

2. If an employee, who is a participating member, is also employed in any position where membership in the teachers' fund for retirement is required, then for purposes of current employment the employee is a member of the retirement system in which the employee has the most years of service employment. If the employee has an equal amount of service in both the public employees retirement system and the teachers' fund for retirement, the employee is a member of the public employees retirement system. The board of trustees of the teachers' fund for retirement and the state retirement board shall jointly certify to the appropriate employers of the employee the fact of the beginning and termination of eligibility for dual membership in the respective retirement systems and the retirement system to which the employee is required to be a member under this subsection. The employers upon receipt of this certification shall pay over to that retirement system the member assessments and employer contributions at the rates currently existing for that retirement system. If the employee is required to be a member of the teachers' fund for retirement, the board, at the employee's election, shall designate the employee an inactive member of the public employees retirement system until the employee ceases the employment which requires membership in both the public employees retirement system and the teachers' fund for retirement.

Approved March 22, 1985

## CHAPTER 223

SENATE BILL NO. 2152  
(Committee on State and Federal Government)  
(At the request of Teachers' Fund for Retirement)

## TEACHERS' RETIREMENT FUND INVESTMENTS

AN ACT to amend and reenact section 15-39.1-26 of the North Dakota Century Code, relating to investment of moneys in the teachers' fund for retirement.

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

SECTION 1. AMENDMENT. Section 15-39.1-26 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

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 investments shall not be limited to those specified in section 21-10-07 and 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 office of management and budget, except that any related investment counseling fees, trustee fees, or custodial fees charged by money management firms shall be paid out of moneys in the fund without the need for a prior appropriation or the submission of a voucher.

Approved March 22, 1985

## CHAPTER 224

HOUSE BILL NO. 1048  
(Legislative Council)  
(Interim Education "A" Committee)

## FOUNDATION AID

AN ACT to amend and reenact sections 15-40.1-06 and 15-40.1-07 of the North Dakota Century Code, relating to the educational support for elementary and secondary school students and proportionate payments for summer physical education courses.

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

SECTION 1. AMENDMENT. Section 15-40.1-06 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-06. Declaration of legislative intent - Educational support per pupil - School district equalization factor - Limitations.

1. It is the intent of the legislative assembly, not considering any separate and supplemental payments as may be provided by law, to support elementary and secondary education in this state from state funds based on the educational cost per pupil. In determining the educational cost per pupil, the following criteria shall not be used:
  - a. Expenditures for capital outlay for buildings and sites, or debt service.
  - b. Expenditures from school activities and school lunch programs.
  - c. Expenditures for the cost of transportation, including the cost of schoolbuses.
2. It is hereby determined that the
  - a. The educational support per pupil during the first year of the ~~1983-85~~ 1985-87 biennium shall be one thousand four hundred twenty-five dollars and for the second year of the biennium the educational support

per pupil shall be one thousand ~~three~~ four hundred ~~fifty~~ fifty-five 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.

- b. 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 be supported in the amount 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.
3. In determining the amount of payment due school districts for per-pupil aid under this section, the product of twenty mills times the latest available net assessed and equalized valuation of property of the school district shall be subtracted from the amount of such aid.
4. No school district shall receive foundation payments beyond the October payment unless the following reports have been filed with the superintendent of public instruction:
- a. Annual average daily membership report.
  - b. Annual school district financial report.
  - c. The September tenth fall enrollment report.
  - d. The personnel report forms for certified and noncertified employees.
5. No school district shall receive the January foundation payment unless the taxable valuation and mill levy certifications are on file with the department of public instruction by December fifteenth.

\* SECTION 2. AMENDMENT. Section 15-40.1-07 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-07. High school per-pupil payments - Amount - Proportionate payments. There shall be paid each year from state funds to all school districts of the county operating high schools and to school districts contracting to educate high school pupils in a federal school, subject to adjustment as provided in section 15-40.1-09, payments as follows:

1. For high schools having under seventy-five pupils in average daily membership, the amount of money resulting from multiplying the factor 1.70 times the educational support per pupil as provided in section 15-40.1-06 for

\* NOTE: Section 15-40.1-07 was also amended by section 1 of House Bill No. 1549, chapter 225.

each high school pupil registered in the schools each year.

2. For high schools having seventy-five or more, but less than one hundred fifty pupils in average daily membership, the amount of money resulting from multiplying the factor 1.40 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
3. For high schools having one hundred fifty or more, but less than five hundred fifty pupils in average daily membership, the amount of money resulting from multiplying the factor 1.32 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
4. For high schools having a total high school enrollment of five hundred fifty or more pupils in average daily membership, the amount of money resulting from multiplying the factor 1.20 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.

Every high school district shall receive at least as much in total payments as it would have received if it had the highest number of pupils in the next lower category. No school district shall receive less in foundation program per-pupil payments than such district would have received in such payments based upon the enrollment in such district for the previous school year. However, no payment shall be made for those pupils 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. Payments shall be made to the high school district in which the student is enrolled for graduation and units of approved vocational education in accordance with the provisions of chapter 15-20.1, and other courses approved by the superintendent of public instruction, earned in another high school district shall be included to meet the minimum four required units. In the case of students enrolled in nonpublic schools for graduation or students enrolled in less than four units of standard high school work who are in their fourth year of high school coursework and who are enrolled in approved alternative high school curriculum programs, proportionate payments shall be made to the public school district in which such student is enrolled for specific courses. School districts offering high school summer school programs shall be eligible for proportionate payments provided each course offered in such programs satisfies requirements for graduation and comprises at least as many clock hours as courses offered during the regular school term. However, no proportionate payments may be made to school districts for summer physical education programs.

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. Payments pursuant to this chapter to school districts in bordering states shall be made after subtracting the amount realized from a twenty-mill levy in the sending school district divided by the total number of resident pupils enrolled in the school district plus the number of resident pupils from the district attending school in another state.

Approved April 15, 1985

## CHAPTER 225

HOUSE BILL NO. 1549  
(Knudson, Schindler)

## FOUNDATION AID ENROLLMENT DETERMINATION

AN ACT to amend and reenact sections 15-40.1-07, 15-40.1-08, and 15-40.1-09 of the North Dakota Century Code, relating to the method of determining enrollment for foundation aid payments to school districts; and to declare an emergency.

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

\* SECTION 1. AMENDMENT. Section 15-40.1-07 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-07. High school per-pupil payments - Amount - Proportionate payments. There shall be paid each year from state funds to all school districts of the county operating high schools and to school districts contracting to educate high school pupils in a federal school, subject to adjustment as provided in section 15-40.1-09, payments as follows:

1. For high schools having under seventy-five pupils in average daily membership, the amount of money resulting from multiplying the factor 1.70 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
2. For high schools having seventy-five or more, but less than one hundred fifty pupils in average daily membership, the amount of money resulting from multiplying the factor 1.40 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
3. For high schools having one hundred fifty or more, but less than five hundred fifty pupils in average daily membership, the amount of money resulting from multiplying the factor 1.32 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.

\* NOTE: Section 15-40.1-07 was also amended by section 2 of House Bill No. 1048, chapter 224.

4. For high schools having a total high school enrollment of five hundred fifty or more pupils in average daily membership, the amount of money resulting from multiplying the factor 1.20 times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.

Every high school district shall receive at least as much in total payments as it would have received if it had the highest number of pupils in the next lower category. ~~No school district shall receive less in foundation program per-pupil payments than such district would have received in such payments based upon the enrollment in such district for the previous school year-~~ However, no payment shall be made for those pupils 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. Payments shall be made to the high school district in which the student is enrolled for graduation and units of approved vocational education in accordance with the provisions of chapter 15-20.1, and other courses approved by the superintendent of public instruction, earned in another high school district shall be included to meet the minimum four required units. In the case of students enrolled in nonpublic schools for graduation or students enrolled in less than four units of standard high school work who are in their fourth year of high school coursework and who are enrolled in approved alternative high school curriculum programs, proportionate payments shall be made to the public school district in which such student is enrolled for specific courses. School districts offering high school summer school programs shall be eligible for proportionate payments provided each course offered in such programs satisfies requirements for graduation and comprises at least as many clock hours as courses offered during the regular school term.

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. Payments pursuant to this chapter to school districts in bordering states shall be made after subtracting the amount realized from a twenty-mill levy in the sending school district divided by the total number of resident pupils enrolled in the school district plus the number of resident pupils from the district attending school in another state.

**SECTION 2. AMENDMENT.** Section 15-40.1-08 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-08. Elementary per-pupil payments - Amount. There shall be paid from state funds to school districts of the county operating elementary schools and to school districts contracting to educate elementary pupils in a federal 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. For one-room rural schools there shall be paid that amount of money resulting from multiplying the factor 1.30 times the educational support per pupil as provided in section 15-40.1-06 for each of the first sixteen pupils in grades one through eight in average daily membership, and for each additional pupil in grades one through eight in average daily membership there shall be paid .9 times the educational support 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. For elementary schools having under one hundred pupils in average daily membership there shall be paid that amount of money resulting from multiplying the factor 1.0 times the educational support per pupil as provided in section 15-40.1-06 for each of the first twenty pupils in grades one through six in average daily membership in each classroom or for each teacher and for each additional pupil in grades one through six in average daily membership in each classroom or for each teacher there shall be paid .9 times the educational support 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. For elementary schools having one hundred or more pupils in average daily membership, and provided the districts in which such schools are located have an average daily membership of less than one thousand elementary pupils, there shall be paid that amount of money resulting from multiplying the factor .9 times the educational support per pupil as provided in section 15-40.1-06 for each of the first thirty pupils in grades one through six 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 daily membership in each classroom or for each teacher.
4. For elementary schools in school districts having an average daily membership of one thousand or more elementary pupils, there shall be paid that amount of money resulting from multiplying the factor .95 times the educational support per pupil as provided in section 15-40.1-06 for each of the first thirty pupils in grades one through six 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 daily membership in each classroom or for each teacher.

5. For each of the above classes of elementary schools, except for one-room rural schools, there shall be paid that amount of money resulting from multiplying the factor 1.0 times the educational support per pupil as provided in section 15-40.1-06 for each of the first thirty pupils in grades seven and eight 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 daily membership in each classroom or for each teacher.
6. For elementary schools having pupils under the compulsory age for school attendance, but not less than three years of age, in a special education program approved by the director of special education, there shall be paid that amount of money resulting from multiplying the factor .49 times the educational support per pupil as provided in section 15-40.1-06 for each special education pupil under the compulsory age for school attendance in average daily membership in each classroom or for each teacher.
7. For elementary schools providing kindergartens which are established according to provisions of section 15-45-01, and for out-of-state kindergarten programs, approved by the state superintendent and utilized by North Dakota school districts bordering other states, there shall be paid that amount of money resulting from multiplying the factor .50 times the educational support per-pupil payment for that elementary school as determined under this section for each of the first twenty-five pupils in average daily membership in each classroom or for each teacher, except that no payment shall be made for more than twenty-five pupils in average daily membership in each classroom or for each teacher. The full per-pupil payment shall be made only to those kindergarten programs providing the equivalent of ninety full days of classroom instruction during any twelve-month period. Programs providing shorter periods of instruction during the same time period shall receive a proportionately smaller per-pupil payment.

Every school district shall receive at least as much in total payments for elementary pupils as it would have received if it had the highest number of pupils in the next lower category. ~~No school district shall receive less in foundation program per-pupil payments for any year than such district would have received in such payments based upon the enrollment in such district for the previous school year.~~ Payments pursuant to this chapter to school districts in bordering states shall be made after subtracting the amount realized from a twenty-mill levy in the sending school district divided by the total number of resident pupils enrolled in the school district

plus the number of resident pupils from the district attending school in another state.

\* SECTION 3. AMENDMENT. Section 15-40.1-09 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

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 state funds 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 office of management and budget a list of the school districts and schools not operated by school districts entitled to payments from state funds, 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. Per-pupil aid as provided under sections 15-40.1-06, 15-40.1-07, and 15-40.1-08 must be computed on the basis of the previous year's average daily membership or the current year's fall enrollment, whichever is greater. Adjustments must be made if the per-pupil payments for the previous school year were based on the fall enrollment. If the average daily membership for the previous year is less than the fall enrollment for the previous year, the average daily membership for the previous year must be compared with the average daily membership for the second preceding year. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's foundation aid payments. If the average daily membership for the previous year is greater than the previous year's fall enrollment, then the average daily membership for the previous year must be used in calculating any adjustment to a district's foundation aid payments. For purposes of this chapter, "average daily membership" shall mean the total days all students in a given school are in attendance, including days set aside for the North Dakota education association convention, plus any three holidays selected from those listed in subsections 2 through 10 of section 15-38-04.1 which have been decided upon after consultation with the teachers, the total days all students are absent, and the two parent-teacher conference days authorized in section 15-47-33, divided by one hundred eighty days. School districts educating children of agricultural migratory workers or offering high school

\* NOTE: Section 15-40.1-09 was also amended by section 7 of House Bill No. 1002, chapter 2.

summer school programs 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 state funds 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.

**SECTION 4. EMERGENCY.** This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved March 14, 1985

## CHAPTER 226

HOUSE BILL NO. 1049  
(Legislative Council)  
(Interim Education "A" Committee)

## SCHOOL TRANSPORTATION AID

AN ACT to amend and reenact section 15-40.1-16 of the North Dakota Century Code, relating to state transportation aid payments to schools.

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

SECTION 1. AMENDMENT. Section 15-40.1-16 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-16. Aid for transportation. There shall be paid from state funds to each school district providing schoolbus transportation in contract schoolbuses or in district-owned and operated schoolbuses, and to school districts with students riding commercial buses to and from school within the incorporated limits of a city, the following amounts:

1. For schoolbuses and school vehicles transporting pupils who live outside the incorporated limits of the city in which the school the pupil is enrolled is located, a sum equal to ~~thirty-six cents per mile {1.61 kilometers}~~ during the first year of the 1983-85 biennium and thirty-eight cents during the ~~second~~ each year of the 1983-85 1985-87 biennium for vehicles having a capacity of nine or fewer pupils and ~~seventy-three cents per mile {1.61 kilometers}~~ during the first year of the 1983-85 biennium and seventy-six cents per mile [1.61 kilometers] ~~the second~~ for each year of the 1983-85 1985-87 biennium for schoolbuses having a capacity of ten or more pupils. In addition, those school districts qualifying for payments for buses having a capacity of ten or more pupils shall be entitled to an amount equal to nineteen cents per day for each public school pupil living outside the city limits who is transported in such buses.
2. For pupils who ride schoolbuses or commercial buses to or from school and who live within the incorporated limits of

the city in which the school the pupil is enrolled is located, a sum equal to nine and one-half cents per pupil per one-way trip. However, no payment shall be made under this subsection for a student who rode on a vehicle for which payments are claimed under subsection 1.

The mileage payments provided for in this section shall be made to each school district for transporting pupils to and from school. Such payments shall be made only to school districts operating schoolbuses in accordance with the laws of this state relating to standards for schoolbuses, and to the qualifications of schoolbus drivers. Certification as to the compliance with the laws of this state in regard to schoolbuses 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. The superintendent of public instruction shall do an on-site audit of the books and records, regarding transportation cost, pupils transported and miles traveled, of at least ten school districts each fiscal year to verify compliance with section 15-40.1-16.

Approved April 15, 1985

## CHAPTER 227

HOUSE BILL NO. 1326  
(Lautenschlager, Frey, Rice)

## TUITION OF STUDENTS IN OTHER DISTRICTS

AN ACT to amend and reenact section 15-40.2-05 of the North Dakota Century Code, relating to the payment of student tuition by school districts.

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

SECTION 1. AMENDMENT. Section 15-40.2-05 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

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 in writing 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. The school board shall, within sixty days of its receipt of such application, meet with the parent or guardian of the pupil concerned and render a decision in regard to payment of tuition charges. If the school board has not rendered a decision within sixty days of receipt of the application, the application shall be deemed approved. 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 through twelve, or whether the pupil is an elementary school pupil, which, for purposes of this section, shall be defined to mean grades one through eight, or whether the pupil is a kindergarten pupil, which, for purposes of this section, shall be defined as a program established pursuant to chapter 15-45, 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 in cases of extreme family or pupil hardship, the committee may approve or disapprove the application. Upon approval, the committee 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 in cases of extreme family or pupil hardship, the committee may approve or disapprove the application. Upon approval, the committee 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.
3. Kindergarten. If the pupil is a kindergarten pupil, the school board of the district of the pupil's residence may pay tuition to the receiving district. The committee shall not hear an appeal from the parents or guardian as provided for in this section if the school board of the district of residence decides not to pay tuition to the admitting district. If the school board of the district of residence does not pay the tuition to the admitting district, the parent or guardian of the pupil may pay the tuition to the admitting district under the provisions of section 15-40.2-02.

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 a majority of all members of the committee must render a decision regarding payment of the tuition. 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 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.

Approved March 14, 1985

## CHAPTER 228

SENATE BILL NO. 2261  
(Redlin)

## SCHOOL CONTRACT BID REQUIREMENTS

AN ACT to amend and reenact section 15-47-15 of the North Dakota Century Code, relating to bidding requirements for school contracts.

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

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

15-47-15. School contracts - Advertisement for bids - Publication - Exceptions - Penalty. No contract involving the expenditure of an aggregate amount greater than ~~four~~ eight thousand dollars, except as hereinafter set forth, shall be entered into by any school district of any kind or class except upon sealed proposals and to the lowest responsible bidder after ten days' notice by at least one publication in a legal newspaper published in the county in which the school district, or a portion thereof, is located. If no newspaper is published in such county, the publication shall be made in a newspaper published in an adjacent county. The provisions of this section shall not apply to any of the following classes of contracts:

1. For personal services of employees of the district.
2. For school text or reference books.
3. For any article which is not for sale on the open market.
4. For any patented, copyrighted, or exclusively sold device or feature required to match articles already in use.
5. For any patented, copyrighted, or exclusively sold article of so distinctive a nature that only one make of the article can be purchased.
6. Any building contract.

Such exceptions shall be strictly construed. Every member of a school board who participates in a violation of this section shall be guilty of a class B misdemeanor.

Approved March 22, 1985

\* NOTE: Section 15-47-15 was also amended by section 4 of House Bill No. 1257, chapter 214.

## CHAPTER 229

SENATE BILL NO. 2279  
(Holmberg)

### TEACHER EVALUATION

AN ACT to amend and reenact sections 15-47-27, 15-47-27.1, and subsection 5 of section 15-47-38 of the North Dakota Century Code, relating to the dates for the evaluation of teachers.

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

SECTION 1. AMENDMENT. Section 15-47-27 of the 1983 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 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 March first and not later than May first 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 May first in any year and not earlier than March first, 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 reemployment, 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 reemployment, either by the action or nonaction of the school board or the director of institutions, on or before May first, 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 June first, 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 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. Each district shall have an established system through which two written evaluations are prepared for every teacher employed by the district during each school year. These written performance reviews shall be completed and made available to the teacher no later than December fifteenth for the first review and February twenty-eighth March fifteenth for the second review each year.

**SECTION 2. AMENDMENT.** Section 15-47-27.1 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

**15-47-27.1. First-year teachers - Evaluation - Renewal and nonrenewal of contracts.** Each school district and the director of institutions in this state shall have an established system through which two written evaluations are prepared during each school year for every teacher who is in his or her first year of teaching. The evaluation must be in the form of written performance reviews, and the first review must be completed and made available to first-year teachers no later than December fifteenth and the second review must be completed and made available no later than February twenty-eighth March fifteenth of each year. If a school board or the director of institutions determines not to renew the contract of a first-year teacher, written notification of the decision of nonrenewal must be given to the teacher no earlier than April fifteenth nor later than May first. Failure by a school board or the director of institutions to provide written notification of nonrenewal to a first-year teacher by May first constitutes an offer to renew the contract of the teacher for the ensuing school year under the same terms and conditions as the contract for the current year. Such notification of nonrenewal given to a first-year teacher must contain a detailed description of the reason or reasons for the nonrenewal.

**\* SECTION 3. AMENDMENT.** Subsection 5 of section 15-47-38 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

5. The school board of any school district contemplating not renewing a teacher's contract, as provided in section 15-47-27, shall notify the teacher in writing of such contemplated nonrenewal no later than April fifteenth. The teacher shall be informed in writing of the time, which shall not be later than April twenty-first, and place of a special school board meeting for the purpose of discussing and acting upon such contemplated nonrenewal. The teacher shall also be informed in writing of the reasons for nonrenewal. The reasons given by the school board for its decision not to renew a teacher's contract must be drawn from specific and documented findings arising from formal reviews conducted by the board with

**\* NOTE:** Section 15-47-38 was also amended by section 28 of Senate Bill No. 2086, chapter 82.

respect to the teacher's overall performance. Each district shall have an established system through which two written evaluations are prepared for every teacher employed by the district during each school year. These written performance reviews shall be completed and made available to the teacher no later than December fifteenth for the first review and February twenty-eighth March fifteenth for the second review each year. The reasons given by the board for not renewing a teacher's contract shall be sufficient to justify the contemplated action of the board and shall not be frivolous or arbitrary but shall be related to the ability, competence, or qualifications of the teacher as a teacher, or the necessities of the district such as lack of funds calling for a reduction in the teaching staff. At the meeting with the board the teacher may then produce such evidence as may be necessary to evaluate the reasons for nonrenewal, and either party may produce witnesses to confirm or refute the reasons. The administrator shall substantiate the reasons with written or oral evidence presented at the meeting. All witnesses are subject to questioning for the purposes of clarification. At the meeting, the board shall discuss the reasons and determine whether or not the administrator has, in fact, substantiated the reasons. If the board finds that the reasons have not been substantiated, the nonrenewal proceedings will be dismissed. The meeting shall be an executive session of the board unless both the school board and the teacher shall agree that it shall be open to other persons or the public. The teacher may be represented at the meeting by any two representatives of his own choosing; and the teacher's spouse, or one other family member of the teacher's choice, may also attend the meeting if the teacher so desires. In addition to board members, the school district clerk, and the superintendent, the school board may be represented by two other representatives of its own choosing at such executive session. At the meeting, if the teacher so requests, he shall be granted a continuance of not to exceed seven days. No cause of action for libel or slander shall lie for any statement expressed either orally or in writing at any executive session of the school board held for the purposes provided for in this section. The determination not to renew a contract if made in good faith shall be final and binding on all parties. Final notice of the determination not to renew a contract shall be given in writing by May first as provided in section 15-47-27.

Approved April 4, 1985

# CHAPTER 230

HOUSE BILL NO. 1402  
(Richard, Brokaw)

## SCHOOL DISTRICT ANNEXATION OR DISSOLUTION

AN ACT to amend and reenact section 15-53.1-41 of the North Dakota Century Code, or in the alternative to amend and reenact section 15-27.4-01 of the North Dakota Century Code as created by Senate Bill No. 2065, as approved by the forty-ninth legislative assembly, relating to the dissolution of school districts; to repeal section 15-53.1-05.2 of the North Dakota Century Code, or in the alternative to repeal section 15-27.2-03 of the North Dakota Century Code as created by Senate Bill No. 2065, as approved by the forty-ninth legislative assembly, relating to proposed annexations involving ten percent or more of the school district's assessed valuation; and to declare an emergency.

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

SECTION 1. AMENDMENT. If Senate Bill No. 2065 does not become effective, section 15-53.1-41 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-53.1-41. Dissolution of school districts - Responsibility of the county committee - Duty of county superintendent. The county committee shall forthwith schedule and provide notice of a hearing to dissolve a school district and attach the territory to other districts in the manner provided in section 15-53.1-29 in the event of any of the following occurrences-

1- Receipt by the county committee of it receives notice from the county superintendent that:

a- 1. A school district within the county can no longer levy sufficient taxes to carry on normal school operations;

b- 2. A school district within the county has not operated a school by the thirty-first 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;

- e- 3. There exists territory within the county not organized into a school district; or
  - d- 4. Any portion of a school district within the county has been severed from such district by the expansion and growth of a city and the severed portion is not contiguous with such district. As used in this subdivision, the word "contiguous" shall have the same meaning as is ascribed to it in section 15-53.1-05.
- 2- ~~Receipt by the county committee from the state board of a returned annexation petition sent back to the county committee pursuant to the provisions of section 15-53.1-05.2.~~

After approval by the state board of the proposed dissolution, the county committee shall provide for the attachment of the territory of the dissolved district to one or more adjoining school districts effective July first next following the approval unless another effective date is provided for by the county committee. 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 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.

**SECTION 2. AMENDMENT.** If Senate Bill No. 2065, as approved by the forty-ninth legislative assembly, becomes effective, section 15-27.4-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**15-27.4-01. Dissolution of public school districts - Responsibility of the county committee - Duty of county superintendent.** The county committee shall forthwith schedule and provide notice of a public hearing to dissolve a school district and attach the territory to other school districts upon the following occurrences:

1. Receipt by the county committee of notice from the county superintendent that:

- a. A school district can no longer levy sufficient taxes to carry on normal school operations;
  - b. A school district within the county has not operated a school by the thirty-first 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;
  - c. There exists territory not organized into a school district; or
  - d. Any portion of a school district within the county has been severed from the district by the expansion and growth of a city and the severed portion is not contiguous with the district.
2. ~~Receipt by the county committee from the state board of a returned annexation petition sent back to the county committee pursuant to section 15-27-2-03-~~
- 3- When any portion of a school district has been left out of a school district reorganization, the county committee shall, within forty-five days after voter approval of the school district reorganization proposal, order a hearing pursuant to section 15-27.4-02 for the purpose of determining to which school district or districts the remaining territory should be attached.

After approval by the state board of the proposed dissolution, the county committee shall provide for the attachment of the territory of the dissolved district to one or more adjoining school districts effective July first next following the approval unless another effective date is provided for by the county committee. Qualified electors residing in the attached territory are entitled to vote and hold office in the school district to the same extent as all other qualified electors residing in the district, and the territory is part of the school district as fully in every respect as if it had been included in the district when organized. This section does not prevent the district from providing for the education of the children to the extent that its current budget and the judgment of the school board will permit, or relieve the district from any existing responsibility for the education of children attending its schools before the effective date of the order. This section does not change the effect of any election held within the school district pursuant to chapter 15-48 before the effective date of the order.

**SECTION 3. REPEAL.** If Senate Bill No. 2065 does not become effective, section 15-53.1-05.2 of the North Dakota Century Code is hereby repealed.

SECTION 4. REPEAL. If Senate Bill No. 2065, as approved by the forty-ninth legislative assembly, becomes effective, section 15-27.2-03 of the North Dakota Century Code is hereby repealed.

SECTION 5. EMERGENCY. This Act is hereby declared to be an emergency measure and is in effect from and after its passage and approval.

Approved March 27, 1985

## CHAPTER 231

HOUSE BILL NO. 1407  
(Representatives Hamerlik, Cleveland, R. Berg)  
(Senator Stenehjem)

### LEASES OF REVENUE-PRODUCING BUILDINGS

AN ACT to amend and reenact section 15-55-04.1 of the North Dakota Century Code, relating to the leasing of revenue-producing buildings.

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

SECTION 1. AMENDMENT. Section 15-55-04.1 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-55-04.1. Lease of revenue-producing buildings. The state board of higher education may, at such times as it deems necessary, enter into agreements with other persons, including any federal or state agency, for the lease of revenue-producing buildings, constructed or purchased under the provisions of this chapter, upon such terms and conditions as the board shall deem proper. However, any such lease entered into pursuant to this section shall be limited to a maximum term of ~~two~~ ten years.

Approved March 14, 1985

## CHAPTER 232

SENATE BILL NO. 2062  
(Legislative Council)  
(Interim Education "A" Committee)

## SPECIAL EDUCATION BOARDING CARE COSTS

AN ACT to amend and reenact section 15-59-07.2 of the North Dakota Century Code, relating to reimbursements made by the superintendent of public instruction for special education boarding care costs; and to repeal section 15-59-07.1 of the North Dakota Century Code, relating to the cost of out-of-state boarding care for handicapped students.

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

SECTION 1. AMENDMENT. Section 15-59-07.2 of the 1983 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-59-07.2. Legislative intent-- Reimbursement by the department of human services superintendent of public instruction for special education boarding care costs. It is the intent of the legislative assembly that the department of human services The superintendent of public instruction, within the limits of legislative appropriations provided therefor, make reimbursements to local school districts toward defraying, shall reimburse local school districts for eighty percent of the costs of room and board paid on behalf of handicapped children placed in facilities outside their school district of residence for special education services not available within their school district of residence. It is the intent of the legislative assembly that reimbursements Reimbursements shall be made regardless of whether the child has been placed in a facility within the state or outside the state. Any special education room and board costs in excess of those payments made by the department of human services superintendent of public instruction are the responsibility of the local school district. The placement of handicapped children in public or private facilities will be made by school districts. Placement in congregate care will be made in facilities designated by the department of human services.

SECTION 2. REPEAL. Section 15-59-07.1 of the North Dakota Century Code is hereby repealed.

Approved April 11, 1985