

**Sixty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 5, 2021**

HOUSE BILL NO. 1028
(Legislative Management)
(Education Funding Formula Review Committee)

AN ACT to amend and reenact section 57-15-17 of the North Dakota Century Code, relating to the ability of a school district to temporarily transfer excess funds accruing as a result of the COVID-19 pandemic between the general fund and the building fund of the school district; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

1. a. All revenue accruing from appropriations or tax levies for a school district building fund, together with any amount as may be realized for building purposes from all other sources, must be placed in a separate fund known as a building fund and must:
 - (1) Be deposited, held, or invested in the same manner as the sinking funds of such school district; or
 - (2) Be used for the purchase of shares or securities of federal or state-chartered savings and loan associations, within the limits of federal insurance.
 - b. Moneys in the building fund may only be used for:
 - (1) The construction of school district buildings and facilities;
 - (2) The renovation, repair, or expansion of school district buildings and facilities;
 - (3) The improvement of school district buildings, facilities, and real property;
 - (4) The leasing of buildings and facilities;
 - (5) The payment of rentals upon contracts with the state board of public school education;
 - (6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57; and
 - (7) The payment of principal, premiums, and interest on bonds issued in accordance with subsection 7 of section 21-03-07.
 - c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
2. Any moneys remaining in a building fund after the completion of payments for any school building project that has cost seventy-five percent or more of the amount in the building fund at the time of letting the contracts, must be returned to the general fund of the school district, upon the order of the school board.

3. The board of a school district may pay into the general fund of the school district any moneys that have remained in the building fund for ten years or more and any moneys transferred from the general fund of the school district into the building fund after March 13, 2020, and before July 1, 2020. The board may include ~~this amount~~ these amounts as part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in the fund for ten years or more, all payments that have been made from the building fund for building purposes must be considered as having been paid from the funds first acquired. Any moneys transferred from the general fund of the school district into the building fund after March 13, 2020, and before July 1, 2020, may be transferred back into the general fund of the school district through June 30, 2021.
4.
 - a. If collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, the board of a school district may transfer unobligated funds from the building fund into the general fund of the school district, provided the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax.
 - b. A board may not transfer funds from the building fund into the general fund for more than two years.

SECTION 2. EXPIRATION DATE. Section 1 of this Act is effective through June 30, 2021, and after that date is ineffective.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1028 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 89 Nays 1 Absent 4

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 46 Nays 0 Absent 1

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2021.

Approved at _____ M. on _____, 2021.

Governor

Filed in this office this _____ day of _____, 2021,
at _____ o'clock _____ M.

Secretary of State