

**HOUSE BILL NO. 1141**

Introduced by

Education Committee

(At the request of the Superintendent of Public Instruction)

1 A BILL for an Act to provide for distribution of appropriated funds for the school district  
2 reorganization bonus; and to amend and reenact sections 15.1-12-10 and 15.1-12-11.1 of the  
3 North Dakota Century Code, relating to the general fund and building fund levies of a newly  
4 reorganized school district and the school district reorganization bonus.

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

6 **SECTION 1. AMENDMENT.** Section 15.1-12-10 of the 1999 Supplement to the North  
7 Dakota Century Code is amended and reenacted as follows:

8 **15.1-12-10. School district reorganization - Contents of plan - Public hearing -**  
9 **Testimony and evidence.**

- 10 1. The reorganization plan required by section 15.1-12-09 must:
- 11 a. Include a map showing the boundaries of each participating district and of the  
12 proposed new district;
  - 13 b. Include the demographic characteristics of each participating district, including  
14 the population per age group;
  - 15 c. Include the number of students enrolled in each participating district during  
16 the current school year and during the ten preceding school years;
  - 17 d. Include projected student enrollments for the ensuing ten years;
  - 18 e. Include the location and condition of all school buildings and facilities in each  
19 participating district and intended uses for the buildings and facilities;
  - 20 f. Address planned construction, modification, or improvement of school  
21 buildings and facilities located within the boundaries of the new district;
  - 22 g. Address planned course offerings by the new district;
  - 23 h. Include the planned administrative structure of the new district and the  
24 number of full-time equivalent personnel to be employed by the new district;

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- 1 i. Include the planned number of members who will constitute the board of the  
2 new district and the manner in which the members are to be elected;
- 3 j. Address plans regarding student transportation;
- 4 k. Identify other governmental entities, including multidistrict special education  
5 units and area vocational and technology centers, which may provide services  
6 to the new district;
- 7 l. Include the taxable valuation and per student valuation of each participating  
8 district and the taxable valuation and per student valuation of the new district;
- 9 m. Include the amount of all bonded and other indebtedness incurred by each  
10 participating district;
- 11 n. Address the planned disposition of all property, assets, debts, and liabilities of  
12 each participating district, taking into consideration section 15.1-12-18;
- 13 o. Include a proposed budget for the new district and a proposed general fund  
14 levy and any other levies, provided that tax levies submitted to and approved  
15 by the state board as part of a reorganization plan are not subject to mill levy  
16 limitations otherwise provided by law; and
- 17 p. Include any other information that the participating school districts wish to  
18 have considered by the county committee or the state board.
- 19 2. The reorganization plan may include a provision allowing the general fund mill  
20 levies of the districts, whose general fund mill levy is less than the proposed  
21 general fund levy of the reorganized district, to be increased by equal increments  
22 over five years so that in the fifth year all property in the former school districts that  
23 reorganized to form the new district will be assessed the same general fund mill  
24 levy.
- 25 3. A reorganization plan may include a proposed building fund levy of up to ten mills.  
26 Approval of the reorganization plan by a majority vote authorizes the building fund  
27 levy included in the reorganization plan and the sixty percent approval requirement  
28 in section 57-15-16 does not apply to this building fund levy.
- 29 4. Upon receiving a reorganization plan, the county superintendent shall schedule  
30 and give notice of a public hearing regarding the plan.

- 1     ~~3.~~ 5. The county superintendent shall publish the notice in the official newspaper of the  
2                   county at least fourteen days before the date of the hearing.
- 3     ~~4.~~ 6. If no newspaper is published in the county, the county superintendent shall publish  
4                   the notice in the official newspaper of an adjoining county in this state.
- 5     ~~5.~~ 7. Before the hearing, the county committee shall review the reorganization plan and  
6                   ensure that all statutory requirements have been met.
- 7     ~~6.~~ 8. At the hearing, the county committee shall accept testimony and documentary  
8                   evidence regarding the reorganization plan.
- 9     ~~7.~~ 9. Following consideration of the testimony and documentary evidence presented at  
10                  the hearing, the committee shall approve or deny the reorganization plan.
- 11   ~~8.~~ 10. If the plan is approved by at least one county committee, the county superintendent  
12                  shall forward all minutes, records, documentary evidence, and other information  
13                  regarding the proceeding, and the county committee's decision, to the state board  
14                  for final approval.
- 15   ~~9.~~ 11. To become effective, a reorganization plan must meet all statutory requirements  
16                  and must receive approval by both the state board and a majority of electors  
17                  residing within the boundaries of the proposed new district.

18                **SECTION 2. AMENDMENT.** Section 15.1-12-11.1 of the 1999 Supplement to the  
19 North Dakota Century Code is amended and reenacted as follows:

20                **15.1-12-11.1. Reorganization bonus - Eligibility - Distribution - Advance.**

- 21                1. If a school district reorganizes with one or more contiguous school districts or  
22                  portions of districts, the newly reorganized district is entitled to receive a  
23                  reorganization bonus, provided at least one of the reorganizing districts is a high  
24                  school district and that the newly reorganized district consists of at least eight  
25                  hundred square miles.
- 26                2. The total reorganization bonus to which a newly reorganized district is eligible  
27                  consists of:
- 28                  a. Fifty thousand dollars per one hundred square mile block, or a major portion  
29                    thereof, included within the reorganized district and calculated by determining  
30                    the lesser of the total square mileage of the reorganized district or one  
31                    thousand four hundred square miles, and subtracting from that amount the

- 1 square mileage of the largest district or portion of a district involved in the  
2 reorganization;
- 3 b. One thousand dollars per student calculated by determining the lesser of the  
4 total fall enrollment of the newly reorganized district or seven hundred fifty and  
5 subtracting from that amount the fall enrollment in the district or portion of the  
6 district that had the largest student population of those districts or portions of  
7 districts participating in the reorganization during the school year immediately  
8 preceding the effective date of the reorganization; and
- 9 c. Fifty thousand dollars for each whole school district that formed the  
10 reorganized district.
- 11 3. The superintendent of public instruction shall distribute the reorganization bonus to  
12 each eligible reorganized district during the month of December, following the  
13 effective date of the district's reorganization. The superintendent shall distribute  
14 the reorganization bonuses in accordance with section 3 of this Act.
- 15 4. School districts may receive an advance of fifteen thousand dollars per district for  
16 the purpose of studying and planning for reorganization, provided at least one of  
17 the school districts is a high school district and that the school districts, if  
18 reorganized, would consist of at least eight hundred square miles [207198.40  
19 hectares]. If the school districts reorganize, the money advanced must be  
20 deducted from their reorganization bonus. If the school districts do not reorganize,  
21 they do not have to repay the money advanced.

22 **SECTION 3. REORGANIZATION BONUS - DISTRIBUTION - LIMITATION.** For  
23 purposes of distributing reorganization bonuses, the superintendent of public instruction shall  
24 determine the eligibility of reorganized districts chronologically, according to the date on which  
25 each district's reorganization plan was approved by the state board of public school education.  
26 After all other statutory obligations have been met within the limits of legislative appropriations,  
27 the superintendent of public instruction shall make the distribution of reorganization bonuses  
28 from funds made available in the grants - foundation aid and transportation line item in House  
29 Bill No. 1013, as approved by the fifty-seventh legislative assembly, for the 2001-03 biennium,  
30 provided the superintendent may not expend more than five million dollars during the 2001-03  
31 biennium for the purpose of this Act. No reorganization bonus payable under this Act may

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1 exceed five hundred thousand dollars. A reorganized district that receives a reorganization  
2 bonus under this Act is not eligible to receive additional reorganization bonuses based on future  
3 reorganization efforts for a period of ten years. If any funds appropriated by the legislative  
4 assembly for reorganization bonuses remain after completion of all statutory obligations, the  
5 superintendent of public instruction shall distribute the remaining funds in the same manner as  
6 funds remaining in the grants - foundation aid and transportation line item in the superintendent  
7 of public instruction's 2001-03 appropriation are distributed.