

**FIRST ENGROSSMENT  
with House Amendments  
ENGROSSED SENATE BILL NO. 2165**

Introduced by

Senators Schaible, Rust

Representatives D. Johnson, Owens

1 A BILL for an Act to amend and reenact sections 15.1-07-29 and 15.1-27-35.3, subsection 6 of  
2 section 15.1-36-06, and subdivision a of subsection 5 of section 15.1-36-08 of the North Dakota  
3 Century Code, relating to the elimination of school district ending fund balance carried forward  
4 limitations, deductions from state aid formula payments, and school construction loan amounts;  
5 and to declare an emergency.

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

7 **SECTION 1. AMENDMENT.** Section 15.1-07-29 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15.1-07-29. Ending fund balance ~~Amount.~~**

- 10 4. The board of a school district may carry over moneys to the ensuing fiscal year to  
11 meet the cash requirements of all funds or purposes to which the credit of the school  
12 district may be legally extended.
- 13 2. ~~For taxable years beginning after December 31, 2003, and ending on December 31,~~  
14 ~~2007, the amount carried over by a school district may not exceed fifty percent of the~~  
15 ~~current annual budget for all purposes other than debt retirement and amounts~~  
16 ~~financed from bond sources plus twenty thousand dollars.~~
- 17 3. ~~For taxable years beginning after December 31, 2007, the amount carried over by a~~  
18 ~~school district may not exceed forty five percent of the current annual budget for all~~  
19 ~~purposes other than debt retirement and amounts financed from bond sources plus~~  
20 ~~twenty thousand dollars.~~

21 **SECTION 2. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is  
22 amended and reenacted as follows:

1       **15.1-27-35.3. Payments to school districts - Unobligated general fund balance.**

2       1.    a.    ~~The superintendent of public instruction shall determine the amount of payments~~  
3            ~~due a school district and shall subtract from that the amount by which the~~  
4            ~~unobligated general fund balance of the district on the preceding June thirtieth is~~  
5            ~~in excess of forty percent of its actual expenditures, plus twenty thousand dollars.~~

6        b.    Except as provided in subdivision e~~b~~, beginning July 1, ~~2017~~2023, the  
7            superintendent of public instruction shall determine the amount of payments due  
8            to a school district and shall subtract from that the amount by which the  
9            unobligated general fund balance of the district on the preceding June thirtieth is  
10           in excess of thirty-five percent of its actual expenditures, plus fifty thousand  
11           dollars.

12       e.    Beginning ~~July 1, 2017~~, the

13       b.    The superintendent of public instruction shall determine the amount of payments  
14           due to a school district and shall subtract from that the amount by which the  
15           unobligated general fund balance of the district on the preceding June thirtieth is  
16           in excess of thirty-five percent of its actual expenditures, plus one hundred  
17           thousand dollars if the school district is in a cooperative agreement with another  
18           school district to share academic resources, and the school districts are  
19           considering reorganization under chapter 15.1-12. An eligible school district may  
20           receive payments under this provision for a maximum of two years.

21       2.    For purposes of this section, a district's unobligated general fund balance includes all  
22           moneys in the district's miscellaneous fund, as established under section 57-15-14.2,  
23           but does not include federal impact aid funding.

24       **SECTION 3. AMENDMENT.** Subsection 6 of section 15.1-36-06 of the North Dakota  
25 Century Code is amended and reenacted as follows:

26       6.    If a school district's unobligated general fund balance on the preceding June thirtieth  
27           exceeds the ~~limitation~~amount set forth under section 15.1-27-35.3, the loan amount to  
28           which that district is entitled under this section may not exceed eighty percent of the  
29           project's cost.

30       **SECTION 4. AMENDMENT.** Subdivision a of subsection 5 of section 15.1-36-08 of the  
31 North Dakota Century Code is amended and reenacted as follows:

- 1           a.    The maximum loan amount for which a school district may qualify is ten million  
2                   dollars. However, if a school district's unobligated general fund balance on the  
3                   preceding June thirtieth exceeds the ~~limitation~~amount under section  
4                   15.1-27-35.3, the loan amount under this section may not exceed eighty percent  
5                   of the project's cost up to a maximum loan amount of eight million dollars;

6           **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.