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Sixty-eighth
Legislative Assembly
of North Dakota

_____ **BILL NO.** _____

Introduced by:

A BILL for an Act to add a section 15.1-09 and 57-15-16.01, and 15-39.1-04 of the North Dakota Century Code, relating to support of non-public schools and mill levy authority

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

Section 15.1-09-61 of the North Dakota Century Code is amended and reenacted as follows and section 57-66 is created and enacted as follows:

Section 1. Amendment.

1. Non-public schools, with the majority of the vote of the electors of that district may request during the general or primary election the approval of up to a 3 mill levy authority to assist in the operation or tuition assistance of an approved non-public school with a physical presence in this state. This authority does not extend to a non-public virtual school that does not provide for 75% of its operational budget in a physical school in North Dakota.
2. Fund derived from this levy may not be used to pay out of state tuition or services. All services must be used for expenditures in the local voter approved district

Section 2. 57-15-14.6. of the North Dakota Code is created and enacted as follows and section 57-66 is created an

1. The board of a non-public school district may levy no more than up to three mills or the lesser value as necessary, on the taxable valuation of the district, for the payment of tuition buildings or operations, in accordance with section 15.1-09-61. The proceeds of this levy must be deposited into a special fund known as the tuition or operations fund to be dispersed by the state superintendent of public instruction upon the successful majority vote of the electorate of the city or township of the non-public school physical residence.

Section 3. 57-15-16.01 of the North Dakota Century Code is created and enacted as follows:

1. Tax levy for building fund in non-public school districts.

- a. The governing body of any non-public school district may levy taxes annually for a 4 year period a levy, which is not restricted by the levy limitations prescribed by law, when authorized to do so by fifty percent plus one of the qualified electors voting upon the question at a regular or special election in any school district. The governing body of the non- public school district may create a building, tuition, or operations fund by appropriating and setting up in its budget for an amount not in excess of 3 mills.
- b. This authority expires as of July 1, 2025, or the date as determined in the vote or whichever is sooner.

Section 4. 15-39.1-04. Is amended and reenacted

For purposes of this chapter, unless the context or subject matter otherwise requires:

1. "Actuarial equivalent" means the amount calculated to be of equal actuarial value to the benefit otherwise payable when computed on the basis of actuarial assumptions and methods adopted by the board.
2. "Beneficiary" means a person, estate, trust, or organization designated in writing by a participating member to receive benefits provided by this plan, in receipt of benefits, or otherwise provided under section 15-39.1-17.
3. "Board" means the board of trustees of the teachers' fund for retirement.
4. "Contract" means a written agreement with a school board or other governing body of a school district or special education unit of this state or a letter of appointment by a state institution, state agency, or other employer participating in the fund.
5. "Fund" means the teachers' fund for retirement.
6. "Interest" as applied to member assessments is an annual rate of six percent compounded monthly and as applied to the repurchase of credit for withdrawn years is six percent compounded annually.
7. "Normal retirement age" means the age at which a member becomes eligible for monthly lifetime normal unreduced retirement benefits as provided in subsection 1 of section 15-39.1-10.
8. "Retirement" means cessation of covered employment and acceptance of a benefit under former chapter 15-39, or chapter 15-39.1 or 15-39.2.
9. "Retirement annuity" means the payments made by the fund to a member after retirement, these payments beginning on the first or fifteenth day of the month following eligibility for a benefit.
10. "Salary" means a member's earnings in eligible employment under this chapter for teaching, supervisory, administrative, and extracurricular services during a plan year reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary

1 deferral amounts under 26 U.S.C. 125, 132(f), 401(k), 403(b), 414(h), or 457, as amended.
2 "Salary" includes amounts paid to members for performance of duties, unless amounts are
3 conditioned on or made in anticipation of an individual member's retirement or termination.
4 The annual salary of each member taken into account in determining benefit accruals and
5 contributions may not exceed the annual compensation limits established under 26 U.S.C.
6 401(a)(17)(B), as amended, as adjusted for increases in the cost of living in accordance with 26
7 U.S.C.

8 401(a)(17)(B), as amended. A salary maximum is not applicable to members whose
9 participation began before July 1, 1996. "Salary" does not include:

- 10 a. Fringe benefits or side, nonwage, benefits that accompany or are in addition to a
11 member's employment, including insurance programs, annuities, transportation
12 allowances, housing allowances, meals, lodging, or expense allowances, or other benefits
13 provided by a member's employer.
- 14 b. Insurance programs, including medical, dental, vision, disability, life, long-term care,
15 workforce safety and insurance, or other insurance premiums or benefits.
- 16 c. Payments for unused sick leave, personal leave, vacation leave, or other unused leave.
- 17 d. Early retirement incentive pay, severance pay, or other payments conditioned on or made
18 in anticipation of retirement or termination.
- 19 e. Teacher's aide pay, referee pay, bus driver pay, or janitorial pay.
- 20 f. Amounts received by a member in lieu of previously employer-provided benefits or
21 payments that are made on an individual selection basis.
- 22 g. Signing bonuses as defined under section 15.1-09-33.1.
- 23 h. Other benefits or payments not defined in this section which the board determines to be
24 ineligible teachers' fund for retirement salary.

25 11. "State institution" includes North Dakota vision services - school for the blind, the school for the
26 deaf, and the North Dakota youth correctional center.

27 12. "Teacher" means:

- 28 a. All persons licensed by the education standards and practices board who are contractually
29 employed in teaching, supervisory, administrative, or extracurricular services by a state
30 institution, multidistrict special education unit, area career and technology center,
31 regional education association, school board, or other governing body of a school district
32 or non-public approved school of this state, including superintendents, assistant
33 superintendents, business managers, principals, assistant principals, and special teachers.
34 For purposes of this subdivision, "teacher" includes persons contractually employed by
35 one of the above employers to provide teaching, supervisory, administrative, or
36 extracurricular services to a separate state institution, state agency, multidistrict special

1 education unit, area career and technology center, regional education association, school
2 board, or other governing body of a school district of this state under a third-party
3 contract.

4 b. The superintendent of public instruction, assistant superintendents of public instruction,
5 county superintendents, assistant superintendents, supervisors of instruction, the
6 professional staff of the department of career and technical education, the professional
7 staff of the center for distance education, the executive director and professional staff of
8 North Dakota united who are members of the fund on July 1, 1995, the professional staff
9 of an interim school district, and the professional staff of the North Dakota high school
10 activities association who are members of the fund on July 1, 1995.

11 c. The executive director and professional staff of the North Dakota council of school
12 administrators who are members of the fund on July 1, 1995, and licensed staff of teachers
13 centers, but only if the person was previously a member of and has credits in the fund.

14 d. Employees of institutions under the control and administration of the state board of
15 higher education who are members of the fund on July 16, 1989.

16 13. "Tier one grandfathered member" for purposes of sections 15-39.1-10 and 15-39.1-12 means a
17 tier one member who, as of June 30, 2013, is vested as a tier one member in accordance with
18 section 15-39.1-11; and

19 a. Is at least fifty-five years of age; or

20 b. Has a combined total of years of service credit in the plan and years of age which equals
21 or exceeds sixty-five.

22 14. "Tier one member" means a teacher who has credit in the system on July 1, 2008, and has not
23 taken a refund pursuant to section 15-39.1-20 after June 30, 2008.

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15. "Tier one nongrandfathered member" for purposes of sections 15-39.1-10 and 15-39.1-12 means a tier one member who does not qualify as a tier one grandfathered member.
16. "Tier two member" means a teacher who is not a tier one member.

401(a)(17)(B), as amended. A salary maximum is not applicable to members whose participation began before July 1, 1996. "Salary" does not include:

- a. Fringe benefits or side, nonwage, benefits that accompany or are in addition to a member's employment, including insurance programs, annuities, transportation allowances, housing allowances, meals, lodging, or expense allowances, or other benefits provided by a member's employer.
 - b. Insurance programs, including medical, dental, vision, disability, life, long-term care, workforce safety and insurance, or other insurance premiums or benefits.
 - c. Payments for unused sick leave, personal leave, vacation leave, or other unused leave.
 - d. Early retirement incentive pay, severance pay, or other payments conditioned on or made in anticipation of retirement or termination.
 - e. Teacher's aide pay, referee pay, bus driver pay, or janitorial pay.
 - f. Amounts received by a member in lieu of previously employer-provided benefits or payments that are made on an individual selection basis.
 - g. Signing bonuses as defined under section 15.1-09-33.1.
 - h. Other benefits or payments not defined in this section which the board determines to be ineligible teachers' fund for retirement salary.
17. "State institution" includes North Dakota vision services - school for the blind, the school for the deaf, and the North Dakota youth correctional center.
18. "Teacher" means:
- a. All persons licensed by the education standards and practices board who are contractually employed in teaching, supervisory, administrative, or extracurricular services by a state institution, multidistrict special education unit, area career and technology center, regional education association, school board, or other governing body of a school district or non-public approved school of this state, including superintendents, assistant superintendents, business managers, principals, assistant principals, and special teachers. For purposes of this subdivision, "teacher" includes persons contractually employed by one of the above employers to provide teaching, supervisory, administrative, or extracurricular services to a separate state institution, state agency, multidistrict special education unit, area career and technology center, regional education association, school board, or other governing body of a school district of this state under a third-party contract.
 - b. The superintendent of public instruction, assistant superintendents of public instruction, county superintendents, assistant superintendents, supervisors of instruction, the professional staff of the department of career and technical education, the professional staff of the center for distance education, the executive director and professional staff of

North Dakota united who are members of the fund on July 1, 1995, the professional staff of an interim school district, and the professional staff of the North Dakota high school activities association who are members of the fund on July 1, 1995.

- c. The executive director and professional staff of the North Dakota council of school administrators who are members of the fund on July 1, 1995, and licensed staff of teachers centers, but only if the person was previously a member of and has credits in the fund.
 - d. Employees of institutions under the control and administration of the state board of higher education who are members of the fund on July 16, 1989.
19. "Tier one grandfathered member" for purposes of sections 15-39.1-10 and 15-39.1-12 means a tier one member who, as of June 30, 2013, is vested as a tier one member in accordance with section 15-39.1-11; and
- a. Is at least fifty-five years of age; or
 - b. Has a combined total of years of service credit in the plan and years of age which equals or exceeds sixty-five.
20. "Tier one member" means a teacher who has credit in the system on July 1, 2008, and has not taken a refund pursuant to section 15-39.1-20 after June 30, 2008.

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21. "Tier one nongrandfathered member" for purposes of sections 15-39.1-10 and 15-39.1-12 means a tier one member who does not qualify as a tier one grandfathered member.
22. "Tier two member" means a teacher who is not a tier one member.