

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2039

Introduced by

Legislative Management

(Government Finance Committee)

1 A BILL for an Act to create and enact a new section to chapter 15-10, a new section to chapter
2 15.1-27, and a new section to chapter 15.1-36 of the North Dakota Century Code, relating to a
3 scholarship fund, uses of the foundation aid stabilization fund, and a school construction
4 assistance loan fund; to provide a continuing appropriation; to provide for transfers; and to
5 provide for a contingent effective date.

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

7 **SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Scholarship fund.**

10 The scholarship fund is a special fund in the state treasury. Moneys deposited in the fund
11 must remain in the fund on a permanent basis. Any interest or other earnings of the fund must
12 be used to award scholarships to residents of this state attending institutions of higher
13 education in the state. The state board of higher education shall develop rules and guidelines
14 for the award of scholarships from interest or other earnings of the fund.

15 **SECTION 2.** A new section to chapter 15.1-27 of the North Dakota Century Code is created
16 and enacted as follows:

17 **Uses of the foundation aid stabilization fund.**

18 Any funds that remain in the foundation aid stabilization fund, after transfers to other funds,
19 must be used to provide state aid to school districts and educationally related property tax relief
20 to school district patrons.

21 **SECTION 3.** A new section to chapter 15.1-36 of the North Dakota Century Code is created
22 and enacted as follows:

1 **School construction assistance loan fund - Continuing appropriation.**

2 The school construction assistance loan fund is a special revolving loan fund in the state
3 treasury. Moneys in the fund are appropriated on a continuing basis for the purpose of providing
4 low-interest school construction loans. Any interest or other earnings of the fund must be
5 deposited in the fund.

6 **SECTION 4. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

7 **CONSTRUCTION ASSISTANCE LOAN FUND.** During the period beginning July 1, 2016, and
8 ending June 30, 2017, the office of management and budget shall transfer an amount equal to
9 the lesser of \$300,000,000 or fifty percent of the balance of the foundation aid stabilization fund
10 on July 1, 2016, from the foundation aid stabilization fund to the school construction assistance
11 loan fund.

12 **SECTION 5. TRANSFER - FOUNDATION AID STABILIZATION FUND TO**

13 **SCHOLARSHIP FUND.** During the period beginning July 1, 2016, and ending June 30, 2017,
14 the office of management and budget shall transfer an amount equal to the lesser of
15 \$300,000,000 or fifty percent of the balance of the foundation aid stabilization fund on July 1,
16 2016, from the foundation aid stabilization fund to the scholarship fund.

17 **SECTION 6. CONTINGENT EFFECTIVE DATE.** Sections 2, 4, and 5 of this Act are
18 contingent on the passage of Senate Concurrent Resolution No. 4003 by the sixty-fourth
19 legislative assembly and approval of that resolution by the voters of this state. If sections 2, 4,
20 and 5 of this Act take effect, the sections become effective on July 1, 2016.