

CHAPTER 57-19

SCHOOL DISTRICT SPECIAL RESERVE FUND

57-19-01. School district may establish special reserve fund. Each school district in this state may establish and maintain a special reserve fund which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum which could be produced by a levy of the maximum mill levy allowed by law in that district for that year.

57-19-02. Special reserve fund - Separate trust fund. The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter. Moneys in the fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.

57-19-03. Transfer of other funds to special reserve fund. Any school district having on hand funds, other than sinking or building funds, which are not otherwise encumbered, and which are not required for the payment of the items contained in the current operating budget, by a resolution of the governing board of the school district, may set aside a part or all of such surplus funds in such a special reserve fund, subject to the limitation contained in section 57-19-01 on the size of such fund.

57-19-04. May levy tax beyond levy limitations. In each year each school district may levy a tax sufficient in amount to establish, maintain, or replenish such special reserve fund, but the levy may not exceed the amount produced by a levy of three mills on the taxable valuation of property in the school district. The levy is in addition to tax levy limitations otherwise specified by law.

57-19-05. Fund not considered in fixing budget. Such special reserve fund and the funds therein may not be considered in determining the budget or the amount to be levied for each school fiscal year, for normal tax purposes, but must be shown in such budget as a special trust fund, and may not be deducted therefrom as otherwise provided by law.

57-19-06. Special reserve fund - How and when used. Repealed by S.L. 1997, ch. 489, § 4.

57-19-07. Limitation on amount drawn from fund - Tax collections used to restore fund. Repealed by S.L. 1997, ch. 489, § 4.

57-19-08. When officers personally liable. Repealed by S.L. 1997, ch. 489, § 4.

57-19-09. When fund may be transferred. Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.

57-19-10. Special reserve funds - Transfer of control. Each county treasurer shall transfer control over school district reserve funds to local school boards and their business managers on March 24, 1997, or as soon thereafter as practical.

57-19-11. Special reserve fund - Use. If collections from taxes levied for the current budget are insufficient to meet the requirements of the budget for teacher salaries, heat, light, and fuel, a majority of the school board may direct the school district business manager to draw on funds in the special reserve fund of the district. The school board, by resolution, may withdraw without repayment fifty percent of the funds from the special reserve fund of the school district.