

ARTICLE 67-10
SCHOOL CONSTRUCTION LOAN APPLICATION AND LOAN APPROVAL

Chapter

~~67-10-01 School Construction Loan Application and Loan Approval [Repealed]~~

~~67-10-02 School Construction Loan Application and Loan Approval – Coal Development Trust Fund~~

~~67-10-03 School Construction Loan Application and Loan Approval – School Construction Assistance Revolving Loan Fund~~

~~**CHAPTER 67-10-01**~~
~~**SCHOOL CONSTRUCTION LOAN APPLICATION AND LOAN APPROVAL**~~

Section

~~67-10-01-01 Definitions [Repealed]~~

~~67-10-01-02 Loan Eligibility [Repealed]~~

~~67-10-01-03 Application Form [Repealed]~~

~~67-10-01-04 Order of Approval – Priority – Times Loan Applications Considered [Repealed]~~

~~67-10-01-05 Loan Approval – Demonstration of Fiscal Need and Capacity to Repay [Repealed]~~

~~67-10-01-06 Loan Approval – Order – Determination of Loan Amount and Percent of Interest [Repealed]~~

~~67-10-01-07 Board Approval [Repealed]~~

67-10-01-01. Definitions. [Repealed]

For purposes of this article:

- ~~1. "Board" means the board of university and school lands.~~
- ~~2. "Department" means the North Dakota department of public instruction.~~
- ~~3. "District" means a North Dakota public school district.~~
- ~~4. "Fund" means the coal development trust fund controlled by the board of university and school lands.~~
- ~~5. "Loan application" means the construction loan application provided by the department of public instruction.~~
- ~~6. "Project" means a building or facility that a school district is authorized to construct, purchase, repair, improve, renovate, or modernize under North Dakota Century Code section 15.1-36-01.~~
- ~~7. "Superintendent" means the North Dakota superintendent of public instruction.~~

History: Effective April 1, 1994; amended effective January 1, 2010; Repealed: ??????, 2017

General Authority: NDCC 15.1-36-01, 15.1-36-02

Law Implemented: NDCC 15-60, 15.1-36-01, 15.1-36-02

67-10-01-02. Loan eligibility. [Repealed]

~~A district may apply for a loan from the fund if the following are met:~~

- ~~1. The project has been approved by the superintendent or the state board of public school education pursuant to North Dakota Century Code section 15.1-36-01, is estimated to cost in excess of one million dollars, and has an expected utilization of thirty years;~~
- ~~2. The district has an existing indebtedness equal to at least fifteen percent of the district's taxable valuation; and~~
- ~~3. The principal amount of the loan requested does not exceed the lesser of thirty percent of the taxable valuation of the district or five million dollars.~~

History: Effective April 1, 1994; amended effective January 1, 2010; **Repealed: ?????, 2017**

General Authority: NDCC 15.1-36-01, 15.1-36-02(2)(a), 15.1-36-04

Law Implemented: NDCC 15.1-36-02, 15.1-36-04

67-10-01-03. Application form. [Repealed]

~~The district shall acquire a loan application from the department and submit it to the superintendent. The district shall provide the following in the loan application:~~

- ~~1. Verification of existing indebtedness of at least fifteen percent of the district's taxable valuation;~~
- ~~2. A discussion of alternative sources or methods for financing the construction or improvement program;~~
- ~~3. Verification that the school board of the district intends to issue and sell evidences of indebtedness to finance the construction or improvement;~~
- ~~4. Past, current, and projected enrollment data;~~
- ~~5. Current bonded indebtedness, debt retirement schedules, and total capital expenditures of the district;~~
- ~~6. Current taxable valuation of the district;~~
- ~~7. Trend data of per-pupil taxable valuation of the district;~~
- ~~8. Current and projected operating expenses of the district;~~
- ~~9. Data on tax levies of the district; and~~
- ~~10. Other data as deemed advisable by the superintendent.~~

History: Effective April 1, 1994; **Repealed: ?????, 2017**

General Authority: NDCC 15-35-01.1

Law Implemented: NDCC 15-35-01.1, 15-6

67-10-01-04. Order of approval - Priority - Times loan applications considered. [Repealed]

~~Loan applications will be considered in the order of approval of construction under article 67-09 but priority will be given to any district meeting the requirements for receipt of an equity payment under North Dakota Century Code section 15.1-27-11. Applications will be considered for approval two times each year, in the months of March and September. For consideration in March, the loan application must be received no later than February first. For consideration in September, the loan application must be received no later than August first.~~

History: Effective April 1, 1994; amended effective January 1, 2010; **Repealed:** ?????, 2017
General Authority: NDCC 15-35-01.1, 15.1-36-02
Law Implemented: NDCC 15-35-01.1, 15-60, 15.1-36-02

67-10-01-05. Loan approval - Demonstration of fiscal need and capacity to repay. [Repealed]

- ~~1. Before the superintendent may approve a loan, the district must demonstrate to the superintendent's satisfaction fiscal need for the loan and capacity to repay the loan. To determine fiscal need and capacity to repay, the following factors will be considered:~~
- ~~2. The ratio between the district's total capital debt and taxable valuation (a 1:1 ratio indicates the highest level of need);~~
- ~~3. The ratio between the district's tax levies and the average district tax levies for the state of North Dakota (the higher the total tax levies in relationship to the average district tax levies, the greater the need);~~
- ~~4. The ratio between the district's total capital debt and the district's annual total expenditures (the higher the total capital debt in relationship to the total annual expenditures, the greater the need);~~
- ~~5. The ratio of the district's per-pupil taxable valuation to the average per-pupil taxable valuation for the state of North Dakota (the lower the per-pupil taxable valuation in relationship to the state average, the greater the need); and~~
- ~~6. A student population base that assures a reasonable level of cost-effectiveness of the facility.~~

History: Effective April 1, 1994; **Repealed:** ?????, 2017
General Authority: NDCC 15-35-01.1
Law Implemented: NDCC 15-35-01.1, 15-60

67-10-01-06. Loan approval - Order - Determination of loan amount and percent of interest.

Repealed effective January 1, 2010.

67-10-01-07. Board approval. [Repealed]

~~The superintendent shall submit any approved loan applications to the board for final approval with recommendations regarding the loan amounts, the rates of interest to be paid on the loans, and the terms of the loans. The board shall consider the loan applications in the order in which they were approved by the superintendent. The board shall consider the superintendent's recommendation in determining whether to approve the loan. A loan may not be approved if approval would increase the outstanding principal balance of loans made from the fund to more than fifty million dollars. The superintendent shall notify each applicant of the action taken by the board.~~

History: Effective April 1, 1994; amended effective January 1, 2010; **Repealed: ?????, 2017**

General Authority: NDCC 15.1-36-02

Law Implemented: NDCC 15.1-36-02

CHAPTER 67-10-02
SCHOOL CONSTRUCTION LOAN APPLICATION AND LOAN APPROVAL
COAL DEVELOPMENT TRUST FUND

Section

67-10-02-01 Definitions

67-10-02-02 Loan Eligibility

67-10-02-03 Application Form

67-10-02-04 Order of Approval

67-10-02-05 Loan Approval - Demonstration of Need

67-10-02-06 Board Approval

67-10-02-01. Definitions.

For purposes of this chapter:

1. "Board" means the Board of University and School Lands.
2. "Department" means the North Dakota Department of Public Instruction.
3. "District" means a North Dakota public school district.
4. "Loan application" means the construction loan application provided by the department.
5. "Project" means a building or facility that a school district is authorized to construct under North Dakota Century Code 15.1-36-01.
6. "Superintendent" means the North Dakota Superintendent of Public Instruction.

History: Effective ?????, 2017

General Authority: NDCC 28-32-02, 15.1-36-01, 15.1-36-02

Law Implemented: NDCC 15.1-36-01, 15.1-36-02

67-10-02-02. Loan eligibility.

To be eligible for a loan :

1. The project is approved by the superintendent under North Dakota Century Code 15.1-36-01.
2. The district has submitted a complete application as required by the superintendent.
3. The district must demonstrate a need based on:
 - a. An unanticipated construction project;
 - b. An unanticipated replacement project; or
 - c. An emergency repair.

History: Effective ?????, 2017;

General Authority: NDCC 28-32-02, 15.1-36-01, 15.1-36-02

Law Implemented: NDCC 15.1-36-02

67-10-02-03. Application.

The district shall provide the following information to the superintendent on a form provided by the department:

1. Verification of existing indebtedness;
2. A discussion of alternative sources or methods for financing the unanticipated construction, unanticipated replacement or emergency repair;
3. Past, current, and projected enrollment data;
4. Current bonded indebtedness, debt retirement schedules, and total capital expenditures of the district;
5. Current taxable valuation of the district;
6. Trend data of per-pupil taxable valuation of the district;
7. Current and projected operating expenses of the district;
8. Data on tax levies of the district; and
9. Other data as deemed necessary by the superintendent.

History: Effective ????, ??, 2017.

General Authority: NDCC 28-32-02, 15.1-36-02

Law Implemented: NDCC 15.1-36-02

67-10-02-04. Order of approval.

Loan applications will be considered in the order of approval of construction projects under North Dakota Century Code 15.1-36-01.

History: Effective ?????, 2017

General Authority: NDCC 28-32-02, 15.1-36-02

Law Implemented: NDCC 15.1-36-02

67-10-02-05. Loan Approval. Demonstration of need.

To be approved for a loan under this chapter, the district must submit all information requested by the superintendent and submit the application provided by the superintendent.

In order to be approved for a loan under this section, the district must clearly demonstrate and provide narrative, documents, and/or other written evidence that the loan application is necessary to fund:

1. An unanticipated construction project;

2. An unanticipated replacement project; or
3. An emergency repair.

67-10-02-06. Loan issuance.

The superintendent shall submit approved loan applications to the board and the board shall issue a loan from the coal development trust fund in the order submitted by the superintendent and terms as provided in North Dakota Century Code 15.1-36-02(4).

1. Minimum loan is two hundred fifty thousand dollars; maximum loan is two million dollars.
2. Term of the loan is twenty years, or less if requested by the district.
3. Interest rate may not exceed two percent per year.

History: Effective ?????, 2017.

General Authority: NDCC 28-32-02, 15.1-36-02

Law Implemented: NDCC 15.1-36-02

CHAPTER 67-10-03
SCHOOL CONSTRUCTION LOAN APPLICATION AND LOAN APPROVAL
SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND

Section

67-10-03-01 Definitions

67-10-03-02 Loan Eligibility

67-10-03-03 Loan Application and Approval

67-10-03-04 Loan Issuance

67-10-03-01. Definitions.

For purposes of this chapter:

1. "Board" means the board of a North Dakota public school district.
2. "District" means a North Dakota public school district.
3. "Project" means a building or facility that a school district is authorized to construct under North Dakota Century Code section 15.1-36-01.
4. "Superintendent" means the North Dakota superintendent of public instruction.

History: Effective ?????, 2017.

General Authority: NDCC 28-32-02, 15.1-36-08

Law Implemented: NDCC 15.1-36-08

67-10-03-02. Loan eligibility.

To be eligible for a loan a district must:

1. Obtain project approval from the superintendent pursuant to North Dakota Century Code section 15.1-36-01.
2. Propose a project for new construction or remodel with a cost of at least one million dollars and expected utilization of at least thirty years.
3. Publish information in the official newspaper regarding additional millage and dollar increase per one thousand dollars of taxable valuation along with the notice of election to authorize the school construction bond issuance.
4. Post notice of the information on the district website.
5. Receive authorization for a bond issue under 21-03.
6. The board must submit a completed application to the bank of North Dakota.

History: Effective ?????, 2017;

General Authority: NDCC 28-32-02, 15.1-36-01, 15.1-36-08, 21-03

Law Implemented: NDCC 15.1-36-08

67-10-03-03 Loan Application and Approval.

The superintendent shall review loan applications on a prioritization system to include a review of all applications filed during the twelve month period preceding April first.

For prioritization, consideration must be given to:

1. Student occupancy and academic needs.
2. Ages of existing structures to be replaced or remodeled.
3. Building design based on safety and vulnerability assessments.
 - a. A district must provide evidence of safety and vulnerability assessments conducted by the district.
 - b. Any other evidence provided by the district.
4. Community Support.
5. Project Cost.
6. Any other criteria required by the superintendent after consultation with an interim committee appointed by legislative management.

History: Effective ?????, 2017;

General Authority: NDCC 28-32-02, 15.1-36-01, 15.1-36-08

Law Implemented: NDCC 15.1-36-08

67-10-03-04 Loan Issuance

Upon approval of the superintendent, the bank of North Dakota shall issue a loan from the school construction assistance revolving loan fund.

1. The maximum loan is ten million dollars.
2. If the school district's unobligated general fund balance on the preceding June 30th exceeds limitations set in North Dakota Century Code 15.1-27-35.3, the maximum loan may not exceed eighty percent of the project cost up to a maximum loan of eight million dollars.
3. The term of the loan is twenty years, or less at the request of the board.
4. The interest rate may not exceed two percent per year.

History: Effective ?????, 2017;

General Authority: NDCC 28-32-02, 15.1-36-01, 15.1-36-08, 15.1-27-35.3

Law Implemented: NDCC 15.1-36-08