

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

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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 section 15.1-36-01.
6. "Superintendent" means the North Dakota superintendent of public instruction.

History: Effective January 1, 2018.

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

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 section 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 January 1, 2018.

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

Law Implemented: NDCC 15.1-36-02

67-10-02-03. Application form.

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 January 1, 2018.

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

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 section 15.1-36-01.

History: Effective January 1, 2018.

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

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.

History: Effective January 1, 2018.

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

Law Implemented: NDCC 15.1-36-02

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 subsection 4 of North Dakota Century Code section 15.1-36-02.

1. Minimum loan is two hundred fifty thousand dollars; maximum loan is ~~two~~ five 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 January 1, 2018; Amended effective July 1, 2024.

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

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 January 1, 2018.

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

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 or along with the initial resolution in accordance with subsection 7 of NDCC 21-03-07.
4. Post notice of the information on the district website.
5. Receive authorization for a bond issue under North Dakota Century Code chapter 21-03.
6. The board must submit a completed application to the Bank of North Dakota.

7. A district with a school construction loan secured on the open bond market may apply to refinance the loan when callable with the school construction assistance revolving loan fund.

History: Effective January 1, 2018; Amended effective July 1, 2024.

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

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 the legislative management.

History: Effective January 1, 2018.

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

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~~ fifteen million dollars if the project is less than seventy-five million dollars. The maximum loan is thirty million dollars if the project is seventy-five million dollars or more.

2. If the school district's unobligated general fund balance on the preceding June thirtieth exceeds limitations set in North Dakota Century Code section 15.1-27-35.3, the maximum loan may not exceed eighty percent of the project cost up to a maximum loan of ~~eight~~ twelve million dollars if the project is less than seventy-five million dollars. If the project exceeds seventy-five million dollars the maximum loan may not exceed eighty percent of the project cost up to a maximum loan of twenty-four 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 January 1, 2018; Amended effective July 1, 2024.

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

Law Implemented: NDCC 15.1-36-08

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