

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

Section

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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:
 - a. Notice of election to authorize the school construction bond issuance; or
 - b. Initial resolution in accordance with subsection 7 of North Dakota Century Code section 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 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 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