

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1459

Introduced by

Representatives Boehning, Dosch, Kasper, Thoreson

Senators Klein, Wardner

1 A BILL ~~for an Act to amend and reenact section 21-03-06.1 of the North Dakota Century Code,~~
2 ~~relating to voter approval of indirect funding methods for acquisition, improvements, or~~
3 ~~construction by or on behalf of a political subdivision of any property or structure and to require~~
4 ~~a school district to obtain approval of the superintendent of public instruction for acquisition,~~
5 ~~improvements, or construction of any property or structure financed through indirect funding~~
6 ~~methods; and to provide an effective date for an Act to provide for a legislative management~~
7 ~~study of use of a building authority or other methods to finance public building projects as an~~
8 ~~alternative to political subdivision bonding.~~

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

10 **~~SECTION 1. AMENDMENT.~~** ~~Section 21-03-06.1 of the North Dakota Century Code is~~
11 ~~amended and reenacted as follows:~~

12 ~~— 21-03-06.1. School district voter~~Voter ~~approval of building authority or other indirect~~
13 ~~funding methods for political subdivision acquisition, improvements, or construction of~~
14 ~~any property or structure – Building acquisition, improvements, or construction project~~
15 ~~approval.~~

16 ~~— 1. — Notwithstanding any other provision of law, a school board~~municipality or governing
17 ~~body of a municipality~~ may not enter an agreement pursuant to internal revenue
18 ~~service revenue ruling 63-20 or any other agreement~~ under which payments of any
19 ~~kind would be required by the school district~~municipality ~~to any building authority or~~
20 ~~other entity that incurs indebtedness or other obligation in connection with acquisition,~~
21 ~~improvements, or construction of any property or structure at a total cost of four million~~
22 ~~dollars or more that is not owned by the municipality and is to be used by the school~~
23 ~~district~~municipality ~~unless the agreement has been approved by a vote of a majority of~~
24 ~~the qualified electors of the school district~~municipality ~~voting on the question at a~~

1 regular or special school district election if the agreement is for acquisition,
2 improvements, or construction of any property or structure for which an election would
3 be required if the school districtmunicipality undertook the acquisition, improvements,
4 or construction project through issuance of bonds of the school districtmunicipality.

5 ~~2.~~ The school board of a school district may not enter an agreement pursuant to internal
6 revenue service revenue ruling 63-20 or any other agreement under which payments
7 of any kind would be required by the school district to any building authority or other
8 entity that incurs indebtedness or other obligation regarding construction, purchase,
9 repair, improvement, modernization, or renovation of any building or facility to be used
10 by the school district without approval by the superintendent of public instruction in the
11 manner provided in section 15.1-36-01, if the approval by the superintendent of public
12 instruction would be required for the project under section 15.1-36-01 if the school
13 district undertook the project itself.

14 ~~SECTION 3. EFFECTIVE DATE.~~ This Act is effective for agreements to be entered after
15 July 31, 2015.

16 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - BUILDING AUTHORITIES AND**
17 **OTHER FINANCING METHODS.** During the 2015-16 interim, the legislative management shall
18 consider studying use of a building authority or other methods to finance public building projects
19 as an alternative to political subdivision bonding. The legislative management shall report its
20 findings and recommendations, together with any legislation necessary to implement the
21 recommendations, to the sixty-fifth legislative assembly.