

**HOUSE BILL NO. 1186**

Introduced by

Representatives Louser, D. Anderson, Fisher, Koppelman, Nelson, Toman

Senator Burckhard

1 A BILL for an Act to amend and reenact section 15.1-36-08 of the North Dakota Century Code,  
2 relating to the school construction assistance revolving loan fund; and to declare an emergency.

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

4 **SECTION 1. AMENDMENT.** Section 15.1-36-08 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15.1-36-08. School construction assistance revolving loan fund - Bank of North**  
7 **Dakota - School construction projects - Continuing appropriation.**

8 1. The school construction assistance revolving loan fund is a special revolving loan fund  
9 administered by the Bank of North Dakota. The fund consists of all moneys  
10 appropriated or transferred to the fund by the legislative assembly, all interest or other  
11 earnings of the fund, and all repayments of loans made from the fund.

12 2. Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of  
13 principal and interest are appropriated to the Bank of North Dakota on a continuing  
14 basis for the purpose of providing low-interest school construction loans and for paying  
15 administrative costs, in accordance with this section.

16 3. To be eligible for a loan under this section, the board of a school district shall:

17 a. Propose a new construction or remodeling project with a cost of at least  
18 one million dollars and an expected utilization of at least thirty years;

19 b. Obtain the approval of the superintendent of public instruction for the project  
20 under section 15.1-36-01;

21 c. (1) Publish in the official newspaper of the district the information regarding the  
22 proposed estimated additional millage and the dollar increase per  
23 one thousand dollars of taxable valuation in accordance with section

- 1                   21-03-13 along with the notice of the election to authorize the school  
2                   construction bond issuance in accordance with section 21-03-12; and  
3                   (2) Post the information on the school district's website preceding the date of  
4                   the election to authorize the school construction bond issuance in  
5                   accordance with chapter 21-03;  
6                   d. Receive authorization for a bond issue in accordance with chapter 21-03; and  
7                   e. Submit a completed application to the Bank of North Dakota.  
8                   4. The superintendent of public instruction shall review loan applications based on a  
9                   prioritization system that includes a review of all applications filed during the  
10                  twelve-month period preceding April first and gives consideration to:  
11                  a. Student occupancy and academic needs in the district;  
12                  b. The age of existing structures to be replaced or remodeled;  
13                  c. Building design proposals that are based on safety and vulnerability  
14                  assessments;  
15                  d. Community support;  
16                  e. Cost; and  
17                  f. Any other criteria established by the superintendent of public instruction, after  
18                  consultation with an interim committee appointed by the legislative management.  
19                  5. If the superintendent of public instruction approves the loan, the Bank of North Dakota  
20                  shall issue a loan from the school construction assistance revolving loan fund. For a  
21                  loan made under this section:  
22                  a. The maximum loan amount for which a school district may qualify is  
23                  ~~tent~~twenty million dollars. However, if a school district's unobligated general fund  
24                  balance on the preceding June thirtieth exceeds the limitation under section  
25                  15.1-27-35.3, the loan amount under this section may not exceed eighty percent  
26                  of the project's cost up to a maximum loan amount of ~~eight~~sixteen million dollars;  
27                  b. The term of the loan is twenty years, unless the board of the school district  
28                  requests a shorter term in the written loan application; and  
29                  c. The interest rate of the loan may not exceed ~~two~~one percent per year.  
30                  6. The Bank may adopt policies and establish guidelines to administer this loan program  
31                  in accordance with this section. The Bank of North Dakota may use a portion of the

1 interest paid on the outstanding loans as a servicing fee to pay for administration costs  
2 which may not exceed one-half of one percent of the amount of the interest payment.  
3 The Bank of North Dakota shall deposit principal and interest payments made by  
4 school districts for loans under this section in the school construction assistance  
5 revolving loan fund. The Bank of North Dakota shall arrange for the conduct of an  
6 annual audit of the school construction assistance revolving loan fund, the cost of  
7 which must be paid from the fund and which must be conducted by an independent  
8 accounting firm.

9 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.