

HOUSE BILL NO. 1186

Introduced by

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

Senator Burckhard

Amendment to include Grant Program

A BILL for an Act to amend and reenact section 15.1-36-08 of the North Dakota Century Code, relating to the school construction assistance revolving loan fund; to provide an appropriation to the department of public instruction for the school construction grant program; to create the school construction grant program committee and to authorize a Bank of North Dakota line of credit; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

1. The school construction assistance revolving loan fund is a special revolving loan fund administered by the Bank of North Dakota. The fund consists of all moneys appropriated or transferred to the fund by the legislative assembly, all interest or other earnings of the fund, and all repayments of loans made from the fund.
2. Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank of North Dakota on a continuing basis for the purpose of providing low-interest school construction loans and for paying administrative costs, in accordance with this section.
3. To be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a new construction or remodeling project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - b. Obtain the approval of the superintendent of public instruction for the project under section 15.1-36-01;
 - c. (1) Publish in the official newspaper of the district the information regarding the proposed estimated additional millage and the dollar increase per

1 one thousand dollars of taxable valuation in accordance
2 with section 21-03-13 along with the notice of the election to authorize the
3 school construction bond issuance in accordance with section 21-03-12; and
4 (2) Post the information on the school district's website preceding the date of
5 the election to authorize the school construction bond issuance in
6 accordance with chapter 21-03;

7 d. Receive authorization for a bond issue in accordance with chapter 21-03; and

8 e. Submit a completed application to the Bank of North Dakota.

9 4. The superintendent of public instruction shall review loan applications based on a
10 prioritization system that includes a review of all applications filed during the
11 twelve-month period preceding April first and gives consideration to:

12 a. Student occupancy and academic needs in the district;

13 b. The age of existing structures to be replaced or remodeled;

14 c. Building design proposals that are based on safety and vulnerability
15 assessments;

16 d. Community support;

17 e. Cost; and

18 f. Any other criteria established by the superintendent of public instruction, after
19 consultation with an interim committee appointed by the legislative management.

20 5. If the superintendent of public instruction approves the loan, the Bank of North Dakota
21 shall issue a loan from the school construction assistance revolving loan fund. For a
22 loan made under this section:

23 a. The maximum loan amount for which a school district may qualify is
24 ~~ten~~ twenty million dollars. However, if a school district's unobligated general fund
25 balance on the preceding June thirtieth exceeds the limitation under section
26 15.1-27-35.3, the loan amount under this section may not exceed eighty percent
27 of the project's cost up to a maximum loan amount of ~~eight~~ sixteen million dollars;

28 b. The term of the loan is twenty years, unless the board of the school district
29 requests a shorter term in the written loan application; and
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31 c. The interest rate of the loan may not exceed ~~two~~ one percent per year.

32 d. A district with a current school construction loan secured on the open bond market
33 may refinance that loan when callable into the school construction assistance revolving
34 loan fund.
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36 6. The Bank may adopt policies and establish guidelines to administer this loan program
37 in accordance with this section. The Bank of North Dakota may use a portion of the
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2 interest paid on the outstanding loans as a servicing fee to pay for administration costs
3 which may not exceed one-half of one percent of the amount of the interest payment.
4 The Bank of North Dakota shall deposit principal and interest payments made by
5 school districts for loans under this section in the school construction assistance
6 revolving loan fund. The Bank of North Dakota shall arrange for the conduct of an
7 annual audit of the school construction assistance revolving loan fund, the cost of
8 which must be paid from the fund and which must be conducted by an independent
9 accounting firm.

10 **SECTION 2. APPROPRIATION – DEPARTMENT OF PUBLIC INSTRUCTION School**
11 **Construction Grant Program – ONE-TIME FUNDING**

12 There is appropriated out of any moneys in the general fund in the state
13 treasury, not otherwise appropriated, the sum of \$40,000,000, or so much of the sum as may be
14 necessary, to the department of public instruction for the purpose of deferring expenses for the
15 construction must have occurred for a voter approved bond issue public
16 school construction project bid after January 2021 and before January 2025; and for the period
17 beginning with the effective date of this Act, and ending June 30, 2025.

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19 **Section 3 – SCHOOL CONSTRUCTION GRANT PROGRAM COMMITTEE**
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- 21 1. A four-member committee consisting of the senate majority leader, senate minority leader,
22 house majority leader, and house minority leader shall appoint the members of the school
23 construction committee.
- 24 2. The school construction grant program committee to review grant applications consists of the
25 following five members. The North Dakota association of school administrators and North
26 Dakota school boards association shall provide to the appointment committee three names
27 of eligible candidates for each of the positions representing public schools.
- 28 a. The superintendent of public instruction or designee
- 29 b. The executive director of the department of career and technical education or
30 designee.
- 31 c. A member of the North Dakota association of school administrators representative of
32 a school district with more than five hundred enrolled students.
- 33 d. A representative of the North Dakota association of school administrators a school
34 district with less than five hundred enrolled students.
- 35 e. A representative of the North Dakota school boards association.

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- 2 f. Two members of the legislative assembly.
- 3 3 The school construction grant committee shall consider grant applications based on a
- 4 prioritization system that includes a review of all applications filed during the
- 5 period of January 2021 and before January 2025 and gives consideration to:
- 6 a. Student occupancy and academic needs in the district;
- 7 b. The age of existing structures to be replaced or remodeled;
- 8 c. Building design proposals that are based on safety and vulnerability
- 9 assessments;
- 10 d. Community support;
- 11 e. Cost; and
- 12 f. Any other criteria established by the committee after consultation with the
- 13 appointing committee
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SECTION 4. EMERGENCY. This act is declared to be an emergency
measure.