

Introduced by

Senators Schaible, Cory, Meyer

Representatives Louser, Sanford

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.

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~~For a school construction project not located on an air force base, to be eligible for a
17 loan under this section, the board of a school district shall:

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

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

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

- 1 21-03-13 along with the notice of the election in accordance with section
2 21-03-12 or along with the initial resolution in accordance with subsection 7
3 of section 21-03-07; and
- 4 (2) Post the information on the school district's website before the date of the
5 election or during the protest period in 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. For a school construction project located on an air force base, to be eligible for a loan
9 under this section, the board of the school district shall:
- 10 a. Propose a new construction or remodeling project on an air force base which has
11 a cost of at least one million dollars and an expected utilization of at least thirty
12 years;
- 13 b. Obtain the approval of the superintendent of public instruction for the project
14 under section 15.1-36-01;
- 15 c. Obtain all necessary federal authorizations and funding commitments for the
16 project; and
- 17 d. Submit a completed application to the Bank.
- 18 5. The superintendent of public instruction shall designate, until June 30, 2027, or until a
19 loan is made as identified in this section, twenty million dollars of funds available for
20 loans in the school construction assistance revolving loan fund for a loan to provide
21 matching funds for the construction of facilities on an air force base.
- 22 6. The superintendent of public instruction shall review loan applications based on a
23 prioritization system that includes a review of all applications filed during the
24 twelve-month period preceding April first and gives consideration to:
- 25 a. Student occupancy and academic needs in the district;
26 b. The age of existing structures to be replaced or remodeled;
27 c. Building design proposals that are based on safety and vulnerability
28 assessments;
29 d. Community support;
30 e. Cost; and

- 1 f. Any other criteria established by the superintendent of public instruction, after
2 consultation with an interim committee appointed by the legislative management.
- 3 ~~5.7.~~ If the superintendent of public instruction approves the loan, the Bank of North Dakota
4 shall issue a loan from the school construction assistance revolving loan fund. For a
5 loan made under this section:
- 6 a. If the school construction project totals less than seventy-five million dollars, the
7 maximum loan amount for which a school district may qualify is fifteen million
8 dollars. However, if a school district's unobligated general fund balance on the
9 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
10 loan amount under this section may not exceed eighty percent of the project's
11 cost up to a maximum loan amount of twelve million dollars;
- 12 b. If the school construction project totals seventy-five million dollars or more, the
13 maximum loan amount for which a school district may qualify is thirty million
14 dollars. However, if a school district's unobligated general fund balance on the
15 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
16 loan amount under this section may not exceed eighty percent of the project's
17 cost up to a maximum loan amount of twenty-four million dollars;
- 18 c. If the school construction project is on an air force base, the maximum loan
19 amount for which the school district may qualify is the lesser of twenty percent of
20 the project cost or twenty million dollars.
- 21 d. The term of the loan is twenty years, unless the board of the school district
22 requests a shorter term in the written loan application; and
- 23 ~~d.e.~~ The interest rate of the loan may not exceed two percent per year.
- 24 ~~e.f.~~ A district with a school construction loan secured on the open bond market may
25 apply to refinance the loan when callable with the school construction assistance
26 revolving loan fund under this subsection.
- 27 f. ~~A district that qualifies for a loan under subdivision a, which was approved for a~~
28 ~~loan of up to ten million dollars for a construction project bid after January 1,~~
29 ~~2021, and before June 30, 2024, may apply for a loan in an amount equal to the~~
30 ~~difference between fifteen million dollars and the amount of the approved loan.~~

1 ~~Districts qualifying under this subdivision may submit an application for additional~~
2 ~~funding to the superintendent of public instruction before August 1, 2023.~~

3 g. ~~A district that qualifies for a loan under subdivision b, which was approved for a~~
4 ~~loan of up to ten million dollars for a construction project bid after January 1,~~
5 ~~2021, and before June 30, 2024, may apply for a loan in an amount equal to the~~
6 ~~difference between thirty million dollars and the amount of the approved loan.~~

7 ~~Districts qualifying under this subdivision may submit an application for additional~~
8 ~~funding to the superintendent of public instruction before August 1, 2023.~~

9 6-8. The Bank may adopt policies and establish guidelines to administer this loan program
10 in accordance with this section. The Bank of North Dakota may use a portion of the
11 interest paid on the outstanding loans as a servicing fee to pay for administration costs
12 which may not exceed one-half of one percent of the amount of the interest payment.
13 The Bank of North Dakota shall deposit principal and interest payments made by
14 school districts for loans under this section in the school construction assistance
15 revolving loan fund. The fund must be audited annually pursuant to section 6-09-29,
16 and the cost of the audit must be paid from the fund.