

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2031

Page 1, line 9, after the third semicolon, insert "to provide exemptions;"

Page 1, line 10, replace "appropriations" with "funding; to provide an expiration date"

Page 13, line 9, after "a." insert "1.40 if the students in average daily membership number fewer than 100;

b."

Page 13, line 11, replace "b." with "c."

Page 13, line 13, replace "c." with "d."

Page 13, line 15, replace "d." with "e."

Page 13, line 17, replace "e." with "f."

Page 13, line 19, replace "f." with "g."

Page 13, line 21, replace "g." with "h."

Page 13, line 23, replace "h." with "i."

Page 13, line 25, replace "i." with "j."

Page 13, line 27, replace "j." with "k."

Page 13, line 29, replace "k." with "l."

Page 14, line 1, replace "l." with "m."

Page 14, line 3, replace "m." with "n."

Page 14, line 5, replace "n." with "o."

Page 14, line 7, replace "o." with "p."

Page 14, line 9, replace "p." with "q."

Page 14, line 11, replace "q." with "r."

Page 14, line 13, replace "r." with "s."

Page 14, line 15, replace "s." with "t."

Page 14, line 17, replace "t." with "u."

Page 14, line 19, replace "u." with "v."

Page 14, line 21, replace "v." with "w."

Page 14, line 23, replace "w." with "x."

Page 14, line 25, replace "x." with "y."

Page 14, line 27, replace "y." with "z."

Page 14, line 29, replace "z." with "aa."

Page 15, line 1, replace "aa." with "bb."

Page 15, line 3, replace "bb." with "cc."

Page 15, line 5, replace "cc." with "dd."

Page 15, line 7, replace "dd." with "ee."

Page 15, line 9, replace "ee." with "ff."

Page 15, line 11, replace "ff." with "gg."

Page 15, line 13, replace "gg." with "hh."

Page 15, line 15, replace "hh." with "ii."

Page 15, line 17, replace "ii." with "jj."

Page 15, line 19, replace "jj." with "kk."

Page 15, line 21, replace "kk." with "ll."

Page 15, line 23, replace "ll." with "mm."

Page 15, line 25, replace "mm." with "nn."

Page 15, line 27, replace "nn." with "oo."

Page 22, line 5, after the "a." insert "(1)"

Page 22, line 5, overstrike "Subtract" and insert immediately thereafter "In 2015-16, subtract"

Page 22, line 5, overstrike "sixty" and insert immediately thereafter "fifty-seven"

Page 22, line 10, overstrike "b." and insert immediately thereafter "(2)"

Page 22, line 13, after "1" insert: "; and

b. (1) In 2016-17, subtract an amount equal to fifty-four mills multiplied by the taxable valuation of the school district, provided that the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent;
and

(2) Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1"

Page 22, line 23, after "utilize" insert: ";

1. In 2015-16"

Page 22, line 23, overstrike "sixty" and insert immediately thereafter "fifty-seven"

Page 22, line 25, after "district" insert: "; and

2. In 2016-17, an amount equal to fifty-four mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district"

Page 25, remove lines 3 through 31

Page 26, remove lines 1 through 31

Page 27, remove lines 1 through 30

Page 28, remove lines 1 through 30

Page 29, replace lines 1 through 18 with:

"SECTION 12. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. (~~Effective through June 30, 2015~~) School construction projects - Loans.

1. In order to provide school construction loans, the board of university and school lands may authorize the use of:
 - a. Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02; and
 - b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
 - a. Propose a construction 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 construction project under section 15.1-36-01; and
 - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. If an eligible school district's taxable valuation per student is less than eighty percent of the state average taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of twenty million dollars or ninety percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than four hundred basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.

4. If an eligible school district's taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of fifteen million dollars or eighty percent of the actual project cost;
 - b. An interest rate buydown equal to at least one hundred but not more than three hundred fifty basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's taxable valuation per student is equal to at least ninety percent of the state average taxable valuation per student, the district is entitled to receive:
 - a. A school construction loan equal to the lesser of ten million dollars or seventy percent of the actual project cost;
 - b. An interest rate discount equal to at least one hundred but not more than three hundred basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
6. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
7. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
8. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.
9.
 - a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
 - b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.

- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
 - d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
10. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

~~(Effective after June 30, 2015) School construction projects -- Loans.~~

- ~~1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.~~
- ~~2. In order to be eligible for a loan under this section, the board of a school district shall:~~
 - ~~a. Propose a construction 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 construction project under section 15.1-36-01; and~~
 - ~~c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.~~
- ~~3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
- ~~4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:~~
 - ~~a. A school construction loan equal to the lesser of twelve million dollars or eighty percent of the actual project cost;~~
 - ~~b. An interest rate discount equal to at least one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and~~

- e. ~~A term of repayment that may extend up to twenty years.~~
- 5. ~~If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:~~
 - a. ~~A school construction loan equal to the lesser of ten million dollars or seventy percent of the actual project cost;~~
 - b. ~~An interest rate buydown equal to at least one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and~~
 - e. ~~A term of repayment that may extend up to twenty years.~~
- 6. ~~If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:~~
 - a. ~~A school construction loan equal to the lesser of four million dollars or thirty percent of the actual project cost;~~
 - b. ~~An interest rate discount equal to at least one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and~~
 - e. ~~A term of repayment that may extend up to twenty years.~~
- 7. ~~The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.~~
- 8. ~~The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.~~
- 9. ~~If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.~~
- 10. ~~The superintendent of public instruction may adopt rules governing school construction loans.~~
- 11. ~~For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority."~~

Page 34, line 15, after "d." insert "(1)"

Page 34, line 15, overstrike "a"

Page 34, line 15, overstrike "before 2013" and insert immediately thereafter "2012"

Page 34, line 15, overstrike "by" and insert immediately thereafter "to reflect the increase in"

Page 34, line 16, after "15.1-27" insert "from the base year to the budget year"

Page 34, line 18, overstrike "(1)" and insert immediately thereafter "(a)"

Page 34, line 18, overstrike "sixty" and insert immediately thereafter "sixty-three"

Page 34, line 19, overstrike the "(2)" and insert immediately thereafter "(b)"

Page 34, line 19, overstrike "Fifty" and insert immediately thereafter "Fifty-three"

Page 34, line 19, after "mills" insert: ";

(2) If the base year is taxable year 2013 or 2014, reduced to reflect the increase in the amount of state aid under chapter 15.1-27 from the base year to the budget year, which is determined by multiplying the budget year taxable valuation of the school district by:

(a) The base year mill rate of the school district minus three mills if the budget year is taxable year 2015; or

(b) The base year mill rate of the school district minus six mills if the budget year is taxable year 2016 or 2017; and

(3) If the base year is taxable year 2015, reduced to reflect the increase in the amount of state aid under chapter 15.1-27 from the base year to the budget year, which is determined by multiplying the budget year taxable valuation of the school district by three mills"

Page 39, line 7, replace "years beginning after" with "year"

Page 39, line 8, replace "2016" with "2015"

Page 42, line 7, overstrike "after"

Page 42, line 7, after "2013" insert "and 2014"

Page 42, line 15, replace "2016" with "2015"

Page 53, Line 3, after the bold period insert "**EXEMPTION -**"

Page 53, Line 3, replace "**APPROPRIATION**" with "**FUNDING - 2013-15 BIENNIUM**"

Page 53, line 7, replace "reserve" with "use"

Page 53, line 9, replace "July 1, 2015," with "with the effective date of this Act"

Page 53, line 10, after the bold period insert "**EXEMPTION -**"

Page 53, line 10, replace "**APPROPRIATION**" with "**FUNDING - 2013-15 BIENNIUM**"

Page 53, line 11, replace "If" with "Notwithstanding section 54-44.1-11, if"

Page 53, line 13, replace "reserve" with "use"

Page 53, line 16, replace "July 1, 2015," with "with the effective date of this Act"

Page 53, after line 19, insert:

"SECTION 29. EXPIRATION DATE. Section 12 of this Act is effective through June 30, 2017, and after that date is ineffective."

Renumber accordingly