

SENATE BILL NO. 2178

Introduced by

Senators Schaible, Heckaman, G. Lee, Rust

Representatives Kempenich, Rohr

1 A BILL ~~for an Act to create and enact a new section to chapter 15.1-36 of the North Dakota~~
2 ~~Century Code, relating to the North Dakota school district construction fund; to provide for a~~
3 ~~transfer; and to declare an emergency.~~for an Act to create and enact a new section to chapter
4 15.1-36 of the North Dakota Century Code, relating to the school district construction fund; to
5 provide an appropriation; and to declare an emergency.

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

7 ~~— **SECTION 1.** A new section to chapter 15.1-36 of the North Dakota Century Code is created~~
8 ~~and enacted as follows:~~

9 ~~— **North Dakota school district construction fund - Creation - Loans.**~~

10 ~~— 1. In addition to any construction loans made available under section 15.1-36-02, the~~
11 ~~Bank of North Dakota shall authorize the use of and administer moneys in the North~~
12 ~~Dakota school district construction fund, which is a revolving fund. The fund consists~~
13 ~~of:~~

14 ~~— a. Amounts transferred into the fund by legislative action; and~~

15 ~~— b. Repayments of loans from the fund.~~

16 ~~— 2. 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 one~~
18 ~~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. Receive authorization for a bond issue in accordance with chapter 21-03; and~~

22 ~~— d. Submit a completed application to the Bank of North Dakota.~~

23 ~~— 3. With the advice and consent of the superintendent of public instruction, the Bank of~~
24 ~~North Dakota shall prioritize the applications and award loans under this section to~~

~~eligible school districts during July of each year, beginning in 2015. The prioritization must be based on a consideration of:~~

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

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

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

~~e. Community support;~~

~~f. Cost; and~~

~~g. Any other criteria established in rule by the superintendent of public instruction, after consultation with an interim committee appointed by the legislative management.~~

~~4. The term of a loan under this section is twenty years, unless a shorter term is requested by the board of a school district in its application.~~

~~5. The interest rate on a loan under this section may not exceed one percent.~~

~~**SECTION 2. TRANSFER -- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**~~

~~The office of management and budget shall transfer, during the 2013-15 biennium, the sum of \$125,000,000, or so much of the sum as may be necessary, from the strategic investment and improvements fund to the North Dakota school district construction fund, for the purpose of providing school construction loans in accordance with section 1 of this Act.~~

~~**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.~~

SECTION 1. A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

School construction loans - Bank of North Dakota.

1. In addition to any construction loans made available under section 15.1-36-02, the Bank of North Dakota may provide up to two hundred fifty million dollars to eligible school districts for school construction loans.

2. 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;

- 1 c. Receive authorization for a bond issue in accordance with chapter 21-03; and
- 2 d. Submit a completed application to the Bank of North Dakota.
- 3 3. With the advice and consent of the superintendent of public instruction, the Bank of
- 4 North Dakota shall award the loans in accordance with a prioritization system that
- 5 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 in rule by the superintendent of public instruction,
- 13 after consultation with an interim committee appointed by the legislative
- 14 management.
- 15 4. The term of a loan under this section is twenty years, unless a shorter term is
- 16 requested by the board of a school district in its application.
- 17 5. The interest rate on a loan under this section may not exceed one percent, until July 1,
- 18 2025.
- 19 6. If a school district's unobligated general fund balance on the preceding June thirtieth
- 20 exceeds the limitation set forth under section 15.1-27-35.3, the loan amount to which
- 21 that district is entitled under this section may not exceed eighty percent of the project's
- 22 cost.
- 23 7. The maximum loan amount to which a school district is entitled under this section is
- 24 thirty million dollars.

25 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the general
26 fund in the state treasury, not otherwise appropriated, the sum of \$19,697,572, or so much of
27 the sum as may be necessary, to the Bank of North Dakota for the purpose of providing a
28 school construction interest rate buydown program, for the biennium beginning July 1, 2015,
29 and ending June 30, 2017.

30 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.