

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED 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 school district construction fund; to provide an appropriation; and
3 to declare an emergency.

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

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

7 **School construction loans - Bank of North Dakota.**

- 8 1. In addition to any construction loans made available under section 15.1-36-02, the
9 Bank of North Dakota may provide up to two hundred fifty million dollars to eligible
10 school districts for school construction loans.
- 11 2. To be eligible for a loan under this section, the board of a school district shall:
- 12 a. Propose a new construction or remodeling project with a cost of at least
13 one million dollars and an expected utilization of at least thirty years;
- 14 b. Obtain the approval of the superintendent of public instruction for the project
15 under section 15.1-36-01;
- 16 c. Receive authorization for a bond issue in accordance with chapter 21-03; and
17 d. Submit a completed application to the Bank of North Dakota.
- 18 3. With the advice and consent of the superintendent of public instruction, the Bank of
19 North Dakota shall award the loans in accordance with a prioritization system that
20 gives consideration to:
- 21 a. Student occupancy and academic needs in the district;
- 22 b. The age of existing structures to be replaced or remodeled;
- 23 c. Building design proposals that are based on safety and vulnerability
24 assessments;

- 1 d. Community support;
2 e. Cost; and
3 f. Any other criteria established in rule by the superintendent of public instruction,
4 after consultation with an interim committee appointed by the legislative
5 management.
- 6 4. The term of a loan under this section is twenty years, unless a shorter term is
7 requested by the board of a school district in its application.
- 8 5. The interest rate on a loan under this section may not exceed one percent, until July 1,
9 2025.
- 10 6. If a school district's unobligated general fund balance on the preceding June thirtieth
11 exceeds the limitation set forth under section 15.1-27-35.3, the loan amount to which
12 that district is entitled under this section may not exceed eighty percent of the project's
13 cost.
- 14 7. The maximum loan amount to which a school district is entitled under this section is
15 thirty million dollars.

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

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