

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.

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 **North Dakota school district construction fund - Creation - Loans.**

- 8 1. In addition to any construction loans made available under section 15.1-36-02, the
9 Bank of North Dakota shall authorize the use of and administer moneys in the North
10 Dakota school district construction fund, which is a revolving fund. The fund consists
11 of:
- 12 a. Amounts transferred into the fund by legislative action; and
13 b. Repayments of loans from the fund.
- 14 2. To be eligible for a loan under this section, the board of a school district shall:
- 15 a. Propose a new construction or remodeling project with a cost of at least one
16 million dollars and an expected utilization of at least thirty years;
17 b. Obtain the approval of the superintendent of public instruction for the project
18 under section 15.1-36-01;
19 c. Receive authorization for a bond issue in accordance with chapter 21-03; and
20 d. Submit a completed application to the Bank of North Dakota.
- 21 3. With the advice and consent of the superintendent of public instruction, the Bank of
22 North Dakota shall prioritize the applications and award loans under this section to
23 eligible school districts during July of each year, beginning in 2015. The prioritization
24 must be based on a consideration of:

- 1 a. Student occupancy and academic needs in the district;
- 2 b. The age of existing structures to be replaced or remodeled;
- 3 c. Building design proposals that are based on safety and vulnerability
- 4 assessments;
- 5 e. Community support;
- 6 f. Cost; and
- 7 g. Any other criteria established in rule by the superintendent of public instruction,
- 8 after consultation with an interim committee appointed by the legislative
- 9 management.

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

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

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

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

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