

**HOUSE BILL NO. 1485**

Introduced by

Representative Christensen

1 A BILL for an Act to amend and reenact sections 6-09.4-24 and 21-03-06.1, subsection 1 of  
2 section 48-12-01, and section 54-44.5-08 of the North Dakota Century Code, relating to building  
3 authorities; and to repeal chapter 54-17.2 of the North Dakota Century Code, relating to the  
4 North Dakota building authority.

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

6 **SECTION 1. AMENDMENT.** Section 6-09.4-24 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **6-09.4-24. Public finance authority - Issuance on behalf of other state agencies.**

9 The public finance authority may issue bonds or other evidences of indebtedness on behalf  
10 of other state agencies, instrumentalities, or officers, including the farm finance agency,  
11 industrial commission, ~~North Dakota building authority~~, student loan trust, and any other state  
12 agency, instrumentality, or officer authorized by law, except a building authority, to issue bonds  
13 or other evidences of indebtedness and which elects to enter into an administrative agreement  
14 with the public finance authority under this chapter. The public finance authority may be assisted  
15 by any other official appointed by the industrial commission to aid the executive director or to  
16 serve as an authorized officer of the public finance authority from time to time. Notwithstanding  
17 any other provision of law, in issuing bonds or other evidences of indebtedness and in  
18 administering or managing any bond issue postissuance on behalf of any other state agency,  
19 instrumentality, or officer, the public finance authority may exercise any of the powers and  
20 authority of that state agency, instrumentality, or officer which the industrial commission  
21 determines to be necessary or expedient in the issuance of bonds or other evidences of  
22 indebtedness or in the administration or management of the issue. Any bonds or other  
23 evidences of indebtedness issued by the public finance authority on behalf of any other state  
24 agency, instrumentality, or officer, if so determined by the industrial commission, continues to be

1 the obligation or liability of the state agency or instrumentality as otherwise provided by law and  
2 not an obligation or liability of the public finance authority.

3 **SECTION 2. AMENDMENT.** Section 21-03-06.1 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **21-03-06.1. School district voter approval of ~~building authority or other indirect~~**  
6 **funding methods - Building construction project approval.**

- 7 1. Notwithstanding any other provision of law, a school board may not enter an  
8 agreement pursuant to internal revenue service revenue ruling 63-20 under which  
9 payments of any kind would be required by the school district to any ~~building authority~~  
10 ~~or other~~ entity that incurs indebtedness or other obligation in connection with  
11 acquisition, improvements, or construction of any property or structure at a total cost of  
12 four million dollars or more to be used by the school district unless the agreement has  
13 been approved by a vote of a majority of the qualified electors of the school district  
14 voting on the question at a regular or special school district election if the agreement is  
15 for acquisition, improvements, or construction of any property or structure for which an  
16 election would be required if the school district undertook the acquisition,  
17 improvements, or construction project through issuance of bonds of the school district.
- 18 2. The school board of a school district may not enter an agreement pursuant to internal  
19 revenue service revenue ruling 63-20 under which payments of any kind would be  
20 required by the school district to any ~~building authority or other~~ entity that incurs  
21 indebtedness or other obligation regarding construction, purchase, repair,  
22 improvement, modernization, or renovation of any building or facility to be used by the  
23 school district without approval by the superintendent of public instruction in the  
24 manner provided in section 15.1-36-01, if the approval by the superintendent of public  
25 instruction would be required for the project under section 15.1-36-01 if the school  
26 district undertook the project itself.
- 27 3. A school board may not enter into an agreement pursuant to internal revenue service  
28 revenue ruling 63-20 under which payments of any kind would be required by the  
29 school district to a building authority.

30 **SECTION 3. AMENDMENT.** Subsection 1 of section 48-12-01 of the North Dakota Century  
31 Code is amended and reenacted as follows:

1           1. "Facility" means a physical improvement to real property owned or leased, ~~directly or~~  
2           ~~through a building authority,~~ by a governmental unit, including a road, bridge, runway,  
3           rails, or building or structure along with the building's or structure's grounds,  
4           approaches, services, and appurtenances.

5           **SECTION 4. AMENDMENT.** Section 54-44.5-08 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7           **54-44.5-08. State facility energy improvement program.**

8           By August fifteenth of each odd-numbered year, the office shall inform all state agencies  
9 and institutions of the state facility energy improvement program. The office shall work with  
10 interested agencies and institutions to identify potential state facility energy improvement  
11 programs and select facilities for indepth energy audits designed to provide information on  
12 project costs along with estimated energy savings from implementation of those projects. The  
13 office shall notify affected utilities to discuss the potential impact on the utility and its customers  
14 of the proposed energy savings or conservation project. Upon completion of the energy audit,  
15 the office, in consultation with the interested agencies or institutions, shall submit a list of  
16 proposed projects to the governor, accompanied with the estimated cost of each project and  
17 energy savings resulting from the projects. The office shall submit a report listing the proposed  
18 energy savings or conservation projects to the governor by September first of each  
19 even-numbered year. The governor shall include the proposed energy efficiency or conservation  
20 projects in the biennial budget. The governor shall make available to the legislative assembly a  
21 report prepared by the office on each energy efficiency or conservation project, a description of  
22 the improvements to be financed, the estimated cost of each project, the total cost of the  
23 program, and the proposed method of financing the program. If the office proposes that  
24 evidences of indebtedness be issued to finance the energy efficiency or conservation  
25 improvements, the office shall provide an assurance that energy savings resulting from the  
26 improvements will be sufficient to equal or exceed the annual debt service of the evidences of  
27 indebtedness. In determining whether the energy savings will be sufficient to equal or exceed  
28 the annual debt service, the office, in consultation with the interested agencies or institutions,  
29 may analyze state agency utility data to identify potential projects; perform detailed energy  
30 audits of state facilities, including contracting for audits if necessary; and provide training to  
31 facility maintenance staff to ensure that sufficient cost-savings are realized from projects to

1 cover the debt service. The governor shall include in the executive budget recommendation for  
2 each state agency or institution participating in the state facility energy improvement program  
3 an estimate of the annual energy cost-savings expected for that agency, and, if needed, a  
4 projection of the debt service on program bonds that is apportioned to that agency. The  
5 ~~executive budget recommendation must then reduce the current level of utility appropriations by~~  
6 ~~the amount needed for debt service retirement and recommend an appropriation of that amount~~  
7 ~~to the state building authority. Any appropriation of an amount needed for debt service~~  
8 ~~retirement to the state building authority is not subject to the limitation contained in section~~  
9 ~~54-17.2-23.~~

10 **SECTION 5. REPEAL.** Chapter 54-17.2 of the North Dakota Century Code is repealed.