

Williams County Township Loan Program for Improvement Projects to be Financed by Special Assessments

Program Summary

Loan Amounts- Terms- Limitations on Applications

Upon approval of the Township Loan Program by Williams County Board of County Commissioners each year, up to \$1 million in loans may be awarded to Townships in a fiscal year for improvement projects to be financed through special assessments subject to the following terms and conditions:

1. This loan program is for Township improvement projects that do not exceed \$250,000 in estimated construction and engineering costs, based on the estimate of the probable costs of the project by the Township engineer
2. The maximum loan award per improvement project is \$250,000
3. One (1) loan application is permitted per project and only one (1) loan application is permitted per Township per year
4. The number of loans and the amount of each loan awarded will be at the sole discretion of the Williams County Board of County Commissioners. The total amount of all loans awarded in a fiscal year will not exceed \$1 million
5. The term of any loan or the collection of special assessments for a project must not exceed 15 years
6. Williams County will charge an administration fee of \$1,000 plus three percent (3%) of the loan award for the services related to making the loan to the Township and administering the retained special assessments collected for the project
7. Improvement projects must be completed, and loan awards fully expended, within two (2) years from the loan award
8. Township projects already constructed, or being constructed at the time of the loan application, are not eligible for the Township Loan Program

Loan applications are available from the Williams County Finance Department: by email at Finance@co.williams.nd.us or in person in the Williams County Administration Building, 206 East Broadway, 3rd Floor, Williston, ND. Loan applications are also available on the Williams County website at www.williamsnd.com/departments/finance/.

Township Qualifications:

1. Must be a Township within Williams County
2. **Organized Township must have been levying at least nine (9) mills for a minimum of three (3) consecutive years in property taxes for Township's general fund prior to loan application;** this requirement does not apply to Unorganized Townships

Township Preliminary Requirements: Prior to submitting a loan application, Township shall have completed the following in compliance with North Dakota Century Code (NDCC) Chapter 58-18:

1. Received a petition(s) signed by 60% of the landowners in the proposed improvement district area for the improvement project as required by North Dakota Century Code (NDCC) Section 58-18-02
2. Created an Improvement District by name and in a size and form required by NDCC Sections 58-18-02 and 58-18-03
3. Obtained an engineer's report and the estimate of the probable cost of the project as required by NDCC Section 58-18-04
4. Gave public notice and held a special meeting to consider the engineer's report and findings and vote on whether to proceed with the project as required by NDCC Sections 58-18-04 and 58-18-05
5. Received 60 percent (60%) or more approval from landowners within the proposed Improvement District to proceed with the project as required by NDCC Section 58-18-05

Township Responsibilities: To be considered for the Township Loan Program and, in the event, Township is awarded a loan under this program, Township shall:

1. Complete a loan application and submit the completed application and all supplementary materials required by the application to Williams County Finance Department by January 15th of the year in which the Township is seeking a loan
2. Before disbursement of any funds related to the approved Township loan, enter into a written agreement with Williams County, on terms acceptable to the County, related to the loan, the project and costs, the improvement district, and financing of the loan through special assessments
3. Pay Williams County, out of the Township's own fund, \$1,000 administration fee prior to the disbursement of loan proceeds
4. Pay Williams County an administration fee of three percent (3%) of the loan award, which must be included in the engineer's estimate of the cost of the work and in the Township's certification of the costs of the project; the three percent (3%) administration fee will be paid to Williams County through the retained special assessments collected for the project over the term of the loan
5. In the event any project costs are incurred that exceed the loan from Williams County, pay these costs directly from Township funds or other funds available to the Township, and provide Williams County with a copy of the invoice and proof of payment by the Township
6. Designate a Township officer to review and approve vendor invoices for the improvement district project and submit invoices to Williams County Finance Department for payment, up to the total loan award
7. Provide Williams County with a copy of the project schedule, and all updates and amendments to the project schedule
8. Provide Williams County with monthly progress reports regarding the status of the project on a form approved by Williams County
9. Appoint a Township Special Assessment Commission or request permission to use the Williams County Special Assessment Commission to certify the list of benefits and assessments (request to use the Williams County Special Assessment Commission is to be made in the loan application)

- a) If the County's Special Assessment Commission is used, designate a Township officer or designee to attend the meetings of the County Special Assessment Commission related to the Township improvement project (to provide information or answer questions)
 - b) For Townships using the County's Special Assessment Commission, pay Williams County the expenses related to the use of the County Special Assessment Commission for the amount over and above the \$1,000 administration fee (expenses include the costs of publication of certified list of assessments in the County's official newspaper; compensation to Commission members to attend meetings to determine assessments; and mileage, if any, to Commission members to attend meetings to determine assessments)
10. After the project is completed, notify Williams County Finance Department of intent to certify special assessments for the project by August 20th of each year as required by law
 11. In the event Township does not notify Williams County Finance Department of intent to certify special assessments by August 20th of each year after the project is completed and/or does not certify special assessments by November 1st of each year after the project is completed, no special assessments shall be levied for the project for the ensuing year and Township shall pay Williams County the amount of the loan and a pro-rata share of the 3% administration fee owed for the year in which Township fails to notify of intent to certify and/or fails to certify as stated in this Section and as required by law. The principal of the loan, along with a pro-rata share of the 3% administration costs, must be paid by Township within 90 days of the missed certification deadline
 12. After the project is completed, certify the special assessments for the project to Williams County Finance Department by November 1st of each year as required by state law
 13. Pledge other revenue funds collected by Williams County to be disbursed to the Township per state law toward payment of the loan and the 3% administration fee to cover instances when the Township does not certify special assessments for the project by November 1st of each year the loan and 3% administration fee remain outstanding; revenue funds to be pledged include, but are not limited to, general fund, oil and gas gross production taxes, township highway aid fund, electric generation, transmission, and distribution tax fund, telecommunications carrier tax fund, and the state aid distribution fund
 14. Keep and maintain all original documents and records created, generated, received, obtained, or related to the Improvement District and the project

County Responsibilities: In administering the Township Loan Program:

1. Williams County Board of County Commissioners ("Board") shall:
 - a. Each year during budget meetings, review and determine whether to continue the Township Loan Program for new applicants and amount of funds, if any, to be allocated to the program
 - b. Approve all transfers into a special Township Loan Program fund (Fund 424) to fund the Township Loan Program
 - c. Review and approve Township loan applications at Board's sole discretion, with the Board giving consideration and weight to any factors Board deems relevant
 - d. In its sole discretion, discontinue the Township Loan Program at any time, except that awards made prior to discontinuation of the program shall continue to be administered as set forth in this Program Summary, the approved loan application, and the written agreement between Williams County and Township

2. Williams County Finance Department shall:

- a.** Receive and review Township Loan Program loan applications to ensure that loan application and loan information is complete, and all required supplementary materials required by the application are provided
- b.** Present loan applications to the Board for consideration in February of each year during a Board meeting
- c.** Once the loan is approved by the Board, and a written agreement has been executed by the County and the Township, process invoices approved by the designated Township officer for the improvement district project and pay vendors directly, up to the total loan award
- d.** Segregate the Township's project funds (loan), and collected special assessments, from the project funds (loan) awarded to, and collected special assessments from, other Townships, and from County funds
- e.** Provide the Township with any information needed, and otherwise assist Township, to certify special assessments each year
- f.** Collect certified special assessments, retain those moneys in the special Township Loan Program fund, and credit those moneys against the Township's loan and 3% administration fee.
- g.** Provide to the Township year-end accounting of retained special assessments and credits against the Township loan and the 3% administration fee
- h.** Transfer pro-rata portion of 3% Township loan administration fee from Fund 424 to General Fund at year end upon Board approval.

Timeline:

- 1.** January 15: Deadline for submitting Township loan applications to Williams County Finance Department
- 2.** February: Williams County Board of County Commissioners loan application review and approval
- 3.** Each year per NDCC 40-24-12:
 - a.** Not later than August 20: The Township notifies County Finance Department of intent to certify special assessments for the project
 - b.** On or before September 20: If the Township has notified County Finance Department of the Township's intent to certify special assessments for the project by August 20, County Finance Department provides the Township with list of parcels for certifying special assessments for the project
 - c.** By November 1: The Township certifies special assessments for the project to County Finance Department

Uses of Loan Funds:

Township loans awarded are contingent upon the ability to repay with special assessments. Projects financed by the Township Loan Program must meet the criteria outlined in applicable sections of NDCC Chapter 40-22 through Chapter 40-27, and NDCC Chapter 58-18.

1. *Categories of Acceptable Uses of Loan Funds*

Any Township may defray the expense of any or all of the following types of improvements by special assessments per NDCC 40-22-01:

- a. Construction of a water supply system, or a sewerage system, or both, or any part thereof, including the construction and erection of any improvements set forth in NDCC Section 40-22-01(1)
- b. The improvement of the Township street system and any part thereof, including any one or more of the processes related to any street, highway, avenue, alley, or public place within the Township, the construction and reconstruction of improvements, and the installation operation, and maintenance of any streetlighting as set forth in NDCC Section 40-22-01(2)
- c. The improvement of boulevards and other public places by the planting of trees, the construction of grass plots and the sowing of grass seed therein, and the maintenance and preservation of such improvements as set forth in NDCC Section 40-22-01(3)
- d. The acquiring of the necessary land and easements and the construction of the necessary works, within and without the Township, for flood protection of properties within the Township as set forth in NDCC Section 40-22-01(4)
- e. The acquiring or leasing of the necessary property and easements and the construction of parking lots, ramps, garages, and other facilities for motor vehicles as set forth in NDCC Section 40-22-01(5)

2. *Categories of Unacceptable Uses of Loan Funds*

- a. Expenses related to Township Improvement Districts or Township projects that the Township, in whole or in part, is already incurring or has already incurred
- b. Expenses that are not directly related to the improvement district project listed on the Township loan application and approved by the Board
- c. Expenses that are not allowed by NDCC Chapter 40-22 through Chapter 40-27, and NDCC Chapter 58-18