

Sixtieth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1273

Introduced by

Representatives Porter, Price, Svedjan

Senators Klein, Krebsbach, Lyson

1 A BILL for an Act to create and enact a new chapter to title 6 of the North Dakota Century
2 Code, relating to the creation of a medical provider partnership in assisting community
3 expansion fund loan program; to provide a transfer; and to provide an appropriation.

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

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

7 **Definitions.** In this chapter, unless the context otherwise requires:

8 1. "Community" means the city or county in which an eligible medical provider is
9 located, or a local development corporation, community organization, or any other
10 group whose interest is in the economic growth of the area.

11 2. "Medical provider partnership in assisting community expansion fund" or "fund"
12 means a fund established to buy down the interest rate on loans to medical
13 providers as provided under this chapter.

14 **Medical provider partnership in assisting community expansion fund - Continuing**
15 **appropriation - Administration.** A medical provider partnership in assisting community
16 expansion fund is established. All moneys transferred into the fund, interest on fund moneys,
17 and payments to the fund are appropriated for the purposes of this chapter. This fund is subject
18 to section 54-44.1-11 and any unexpended and unobligated balance in the fund at the end of
19 the biennium must be transferred to the state general fund. The Bank of North Dakota shall
20 administer the fund.

21 **Fund - Purpose - Interest rate buydown.** Moneys in the medical provider partnership
22 in assisting community expansion fund must be used for the purpose of buying down the
23 interest rate on loans made by a lead financial institution in participation with the Bank of North
24 Dakota. The Bank of North Dakota's participation may not exceed eighty percent nor be less

1 than fifty percent of the total loans. If the loan is approved by the lenders and there is evidence
2 of the community's commitment and ability to fund its portion of the buydown, the fund's
3 participation in the buydown must automatically be approved.

4 **Fund moneys use.**

- 5 1. The fund moneys may be used to participate in an interest rate buydown on a loan
6 to a medical provider for the purchase of equipment.
- 7 2. The community shall determine the amount of the interest rate buydown and apply
8 to the Bank of North Dakota for participation from the medical provider partnership
9 in assisting community expansion fund. The funds for the community's portion of
10 the buydown may come from a local development corporation, contributions,
11 community funds, future dedicated tax programs, or any other community source.
- 12 3. The fund participation portion in the buydown must be determined by the Bank of
13 North Dakota based on economic conditions in the city or county in which the
14 medical provider is located.
- 15 4. The maximum amount from the fund in the interest rate buydown may not exceed
16 four hundred thousand dollars per loan and not more than one loan may be
17 provided to any single medical provider under this chapter. The community funds
18 required for participation in the interest rate buydown are limited to the amount
19 required when the fund provides two hundred fifty thousand dollars per loan. The
20 fund participation must be limited to the amount required to buy down the interest
21 to five hundred basis points below the national prime interest rate.
- 22 5. The Bank of North Dakota shall adopt rules to implement this chapter.

23 **SECTION 2. TRANSFER.** The Bank of North Dakota shall transfer the funds
24 appropriated by section 3 of this Act to the medical provider partnership in assisting community
25 expansion fund. The Bank of North Dakota may not be construed to be a general fund agency
26 because of the appropriation made by section 3 of this Act.

27 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the
28 general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so
29 much of the sum as may be necessary, to the Bank of North Dakota for the purposes of
30 section 1 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.