

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1286

Introduced by

Representatives J. Nelson, Holman, Pollert, Seibel

Senators Bowman, Robinson

1 A BILL for an Act to amend and reenact section 6-09-47 of the North Dakota Century Code,
2 relating to the medical facility infrastructure loan program; to provide for a contingent transfer; to
3 provide a continuing appropriation; to provide an effective date; and to provide an expiration
4 date.

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

6 **SECTION 1. AMENDMENT.** Section 6-09-47 of the North Dakota Century Code is amended
7 and reenacted as follows:

8 **6-09-47. (Effective through July 31, 20172019) Medical facility infrastructure loan**
9 **program - Continuing appropriation - Audit and costs of administration.**

10 1. The Bank of North Dakota shall administer a loan program to provide loans to medical
11 facilities to conduct construction that improves the health care infrastructure in the
12 state or improves access to existing nonprofit health care providers in the state. The
13 construction project may include land purchases and may include the purchase, lease,
14 erection, or improvement of any structure or facility, to the extent the governing board
15 of the health care facility has the authority to authorize ~~such~~the activity.

16 2. In order to be eligible under this loan program, the applicant must be the governing
17 board of the health care facility which shall submit an application to the Bank. The
18 application must:

- 19 a. Detail the proposed construction project, which must be a project of at least one
20 million dollars and which is expected to be utilized for at least thirty years;
21 b. Demonstrate the need and long-term viability of the construction project; and
22 c. Include any financial information ~~as that~~ the Bank may ~~determine~~
23 ~~appropriate~~require to determine eligibility, such as whether there are alternative
24 financing methods.

- 1 3. The governor shall establish a task force to review loan applications under this section
2 and to make recommendations to the Bank ~~on~~regarding the loan applications. The
3 task force must include representation of medical providers and medical facilities from
4 the oil-producing counties in the state. The task force shall work with the Bank to
5 establish eligibility criteria for ~~eligibility~~ for a loan under the program. The criteria
6 established by the task force and the Bank must give priority to applicants that are
7 located in oil-producing counties.
- 8 4. A loan provided under this section:
- 9 a. May not exceed the lesser of fifteen million dollars or seventy-five percent of the
10 actual cost of the project;
- 11 b. Must have an interest rate equal to one percent; and
- 12 c. Must provide for a repayment schedule of no longer than twenty-five years.
- 13 5. A medical facility may qualify for more than one loan under this section. However, the
14 total of all loans provided to a single medical facility under this section may not exceed
15 fifteen million dollars.
- 16 6. The recipient of a loan under this section shall complete the financed construction
17 project within twenty-four months of ~~approval of the loan~~ approval. Failure to comply
18 with this subsection may result in forfeiture of the entire loan received under this
19 section.
- 20 ~~6-7.~~ The medical facility infrastructure fund is a special fund in the state treasury. All
21 moneys in the medical facility infrastructure fund are appropriated to the Bank on a
22 continuing basis for the purpose of providing loans under this section.
- 23 ~~7-8.~~ Funds in the medical facility infrastructure fund may be used for loans as provided
24 under this section and to pay the costs of administration of the fund. Annually, the
25 Bank may deduct a service fee for administering the medical facility infrastructure fund
26 maintained under this section.
- 27 ~~8-9.~~ The medical facility infrastructure fund must be audited in accordance with section
28 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on
29 behalf of the fund must be paid from the fund.

1 ~~9-10.~~ The Bank shall deposit loan repayment funds in the medical facility infrastructure fund.
2 After ~~deduction of~~deducting fees and costs as ~~provided in~~ accordance with this
3 section, the Bank shall ~~make an annual~~annually transfer of:

4 a. Fifty percent of the repayment funds deposited in the medical facility
5 infrastructure fund to the state treasurer for deposit in the strategic investment
6 and improvements fund, in order to replenish fifty million dollars of the strategic
7 investment and improvements fund; and

8 b. Fifty percent of the repayment funds deposited in the medical facility
9 infrastructure fund to the Bank, in order to replenish fifty million dollars of the
10 Bank's undivided profits.

11 **(Effective August 1, ~~2017~~2019, through July 31, ~~2043~~2045) Medical facility**
12 **infrastructure loan program - Continuing appropriation - Audit and costs of**
13 **administration.**

- 14 1. The Bank of North Dakota shall service loans made under the medical facility
15 infrastructure loan program. The repayment schedule of these loans may not exceed
16 twenty-five years.
- 17 2. Funds in the medical facility infrastructure fund may be used for loans as provided
18 under this section and to pay the costs of ~~administration of~~administering the fund.
19 Annually, the Bank may deduct a service fee for administering the medical facility
20 infrastructure fund maintained under this section.
- 21 3. The medical facility infrastructure fund must be audited in accordance with section
22 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on
23 behalf of the fund must be paid from the fund.
- 24 4. The Bank shall deposit loan repayment funds in the medical facility infrastructure fund.
25 After ~~deduction of~~deducting fees and costs as ~~provided in~~ accordance with this
26 section, the Bank shall make an annual transfer of:
- 27 a. Fifty percent of the repayment funds deposited in the medical facility
28 infrastructure fund to the state treasurer for deposit in the strategic investment
29 and improvements fund, in order to replenish fifty million dollars of the strategic
30 investment and improvements fund; and

- b. Fifty percent of the repayment funds deposited in the medical facility infrastructure fund to the Bank, in order to replenish fifty million dollars of the Bank's undivided profits.

SECTION 2. CONTINGENT TRANSFER - BANK OF NORTH DAKOTA STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MEDICAL FACILITY INFRASTRUCTURE

LOAN PROGRAM. The ~~Bank of North Dakota~~office of management and budget shall transfer the sum of \$50,000,000, or so much of the sum as may be necessary, from the ~~Bank's current earnings and undivided profits~~strategic investment and improvements fund to the medical facility infrastructure fund during the period beginning July 1, 2015, and ending June 30, 2017. ~~As provided under section 6-09-47, after June 30, 2015, fifty percent of the repayments to the medical facility infrastructure fund must be transferred to replenish \$50,000,000 of the Bank of North Dakota's undivided profits, which were transferred to the medical facility infrastructure fund under this section.~~The office of management and budget may transfer the funds under this section if the average price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the Wall Street Journal, during the period beginning July 1, 2015, and ending December 31, 2016, is at least \$75.