

Introduced by

Representatives Carlson, Belter, Delzer

Senators Cook, Schaible

1 A BILL for an Act to create and enact section 6-09.4-49 of the North Dakota Century Code,
2 relating to creation of the infrastructure revolving loan fund; to provide for transfers; and to
3 provide a continuing appropriation.

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

5 **SECTION 1.** Section 6-09-49 of the North Dakota Century Code is created and enacted as
6 follows:

7 **6-09-49. Infrastructure revolving loan fund - Continuing appropriation.**

- 8 1. The infrastructure revolving loan fund is a special fund in the state treasury from which
9 the Bank of North Dakota shall provide loans to political subdivisions for essential
10 infrastructure projects. The Bank shall administer the infrastructure revolving loan
11 fund. The maximum term of a loan made under this section is thirty years. A loan
12 made from the fund under this section must have an interest rate that does not exceed
13 two percent per year.
- 14 2. The Bank shall establish priorities for making loans from the infrastructure revolving
15 loan fund. Loan funds must be used to address the needs of the community by
16 providing critical infrastructure funding. Except as expressly provided under this
17 section, a political subdivision may not use infrastructure revolving loan funds for
18 capital construction. In addition to eligible infrastructure needs established by the
19 Bank, eligible infrastructure needs may include new water treatment plants; new
20 wastewater treatment plants; new sewer lines and water lines; and new storm water
21 and transportation infrastructure, including curb and gutter construction.
- 22 3. In processing political subdivision loan applications under this section, the Bank shall
23 calculate the maximum loan amount for which a qualified applicant may qualify. The
24 Bank may adopt rules establishing priorities for issuance of loans, setting additional

1 qualifications for applicants, and establishing timelines addressing when a
2 participating political subdivision may be required to make loan draws and the
3 consequences of not meeting these timelines, and setting other guidelines relating to
4 the loan program under this section.

5 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest
6 and principal paid under loans made from the infrastructure revolving loan fund. The
7 Bank may use a portion of the interest paid on the outstanding loans as a servicing fee
8 to pay for administrative costs which may not exceed one-half of one percent of the
9 amount of the interest payment. All moneys transferred to the fund, interest upon
10 moneys in the fund, and payments to the fund of principal and interest are
11 appropriated to the Bank on a continuing basis for administrative costs and for loan
12 disbursement according to this section.

13 5. The Bank may adopt rules and establish guidelines to supplement and leverage the
14 funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt rules
15 allowing participation by local financial institutions.

16 **SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - INFRASTRUCTURE**

17 **REVOLVING LOAN FUND.** During the biennium beginning July 1, 2015, and ending June 30,
18 2017, the Bank of North Dakota shall transfer the sum of \$100,000,000, or so much of the sum
19 as may be necessary, from the Bank's current earnings and undivided profits to the
20 infrastructure revolving loan fund.

21 **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**

22 **INFRASTRUCTURE REVOLVING LOAN FUND.** During the biennium beginning July 1, 2015,
23 and ending June 30, 2017, the office of management and budget shall transfer the sum of
24 \$300,000,000 from the strategic investment and improvements fund to the infrastructure
25 revolving loan fund. The office of management and budget shall transfer the funds provided
26 under this section to the infrastructure revolving loan fund as requested by the Bank of North
27 Dakota.