

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1443

Page 1, line 1, replace "6-09.4-49" with "6-09-49"

Page 1, line 2, after the first semicolon insert "to provide a statement of legislative intent;"

Page 1, line 2, remove "and"

Page 1, line 3, after "appropriation" insert "; to provide an effective date; and to provide an expiration date"

Page 1, line 7, after the bold period insert "**(Effective through June 30, 2017)**"

Page 1, line 13, replace "two" with "one and one-half"

Page 1, line 20, after the second semicolon insert "new construction and renovation of critical access hospitals;"

Page 1, line 23, after "qualify" insert ", not to exceed seven million dollars for an eligible critical access hospital loan and not to exceed fifteen million dollars each for all other eligible loans. The total amount of loans issued for critical access hospitals may not exceed thirty-five million dollars. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan"

Page 1, line 24, replace "rules" with "policies"

Page 2, line 13, replace "rules" with "policies"

Page 2, line 14, replace "rules" with "policies"

Page 2, after line 15, insert:

"(Effective after June 30, 2017) Infrastructure revolving loan fund - Continuing appropriation.

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed one and one-half percent per year.
2. The Bank shall establish priorities for making loans from the infrastructure revolving loan fund. Loan funds must be used to address the needs of the community by providing critical infrastructure funding. Except as expressly provided under this section, a political subdivision may not use infrastructure revolving loan funds for capital construction. In addition to eligible infrastructure needs established by the Bank, eligible infrastructure needs may include new water treatment plants; new wastewater treatment plants; new sewer lines and water lines; new conduit for telecommunications infrastructure; new construction and renovation of

critical access hospitals; and new storm water and transportation infrastructure, including curb and gutter construction.

3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed seven million dollars for an eligible critical access hospital loan and not to exceed fifteen million dollars each for all other eligible loans. The total amount of loans issued for critical access hospitals may not exceed thirty-five million dollars. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan. The Bank may adopt policies establishing priorities for issuance of loans, setting additional qualifications for applicants, and establishing timelines addressing when a participating political subdivision may be required to make loan draws and the consequences of not meeting these timelines, and setting other guidelines relating to the loan program under this section.
4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
5. The Bank may adopt policies and establish guidelines to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

SECTION 2. LEGISLATIVE INTENT - ELIGIBLE BORROWERS UNDER INFRASTRUCTURE REVOLVING LOAN FUND. If a political subdivision receives funds distributed by the state treasurer under subsection 1 or 4 of section 1 or by the department of transportation under subsection 1 of section 2 of Senate Bill No. 2103, as approved by the sixty-fourth legislative assembly, it is the intent of the sixty-fourth legislative assembly that political subdivision be ineligible to receive a loan under the infrastructure revolving loan fund until July 1, 2017. However, this section does not apply to loans for critical access hospitals.

SECTION 3. LEGISLATIVE INTENT - CRITICAL ACCESS HOSPITAL LOAN LIMITATION. It is the intent of the sixty-fourth legislative assembly that the total amount of loans associated with a critical access hospital issued from the medical facility infrastructure fund and the infrastructure revolving loan fund for the period beginning July 1, 2013, and ending June 30, 2017, not exceed fifteen million dollars."

Page 2, line 24, replace "\$300,000,000" with "\$50,000,000"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides \$150 million for the infrastructure revolving loan fund, of which \$100 million is from Bank of North Dakota profits and \$50 million is from the strategic investment and improvements fund. This amendment also includes the following:

- Limits the interest rate to 1.5 percent for loans issued from the fund.
- Adds critical access hospitals to the list of eligible loans, limits critical access hospital loans to \$7 million per loan, and limits total critical access hospital loans issued to \$35 million.
- Limits all other eligible loans to \$15 million per loan.
- Allows new telecommunications conduit infrastructure to be eligible for loans after June 30, 2017.
- Provides legislative intent for eligible borrowers.
- Provides legislative intent to limit the total amount of loans associated with a critical access hospital issued from the medical facility infrastructure fund and the infrastructure revolving loan fund to \$15 million.