

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED HOUSE BILL NO. 1443**

Introduced by

Representatives Carlson, Belter, Delzer

Senators Cook, Schaible

1 A BILL for an Act to create and enact section 6-09-49 of the North Dakota Century Code,  
2 relating to creation of the infrastructure revolving loan fund; to provide a statement of legislative  
3 intent; to provide for transfers; and to 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, not to  
24 exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to

1           repay the loan when processing the application and shall issue loans only to  
2           applicants that provide reasonable assurance of sufficient future income to repay the  
3           loan. The Bank may adopt policies establishing priorities for issuance of loans, setting  
4           additional qualifications for applicants, and establishing timelines addressing when a  
5           participating political subdivision may be required to make loan draws and the  
6           consequences of not meeting these timelines, and setting other guidelines relating to  
7           the loan program under this section.

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

16           5. The Bank may adopt policies and establish guidelines to supplement and leverage the  
17           funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies  
18           allowing participation by local financial institutions.

19           **SECTION 2. LEGISLATIVE INTENT - ELIGIBLE BORROWERS UNDER**  
20 **INFRASTRUCTURE REVOLVING LOAN FUND.** If a political subdivision receives funds  
21 distributed by the state treasurer under subsection 1 or 4 of section 1 or by the department of  
22 transportation under subsection 1 of section 2 of Senate Bill No. 2103, as approved by the  
23 sixty-fourth legislative assembly, it is the intent of the sixty-fourth legislative assembly that  
24 political subdivision be ineligible to receive a loan under the infrastructure revolving loan fund  
25 until July 1, 2017.

26           **SECTION 3. TRANSFER - BANK OF NORTH DAKOTA - INFRASTRUCTURE**  
27 **REVOLVING LOAN FUND.** During the biennium beginning July 1, 2015, and ending June 30,  
28 2017, the Bank of North Dakota shall transfer the sum of \$100,000,000, or so much of the sum  
29 as may be necessary, from the Bank's current earnings and undivided profits to the  
30 infrastructure revolving loan fund.

1       **SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
2 **INFRASTRUCTURE REVOLVING LOAN FUND.** During the biennium beginning July 1, 2015,  
3 and ending June 30, 2017, the office of management and budget shall transfer the sum of  
4 \$50,000,000 from the strategic investment and improvements fund to the infrastructure  
5 revolving loan fund. The office of management and budget shall transfer the funds provided  
6 under this section to the infrastructure revolving loan fund as requested by the Bank of North  
7 Dakota.