

HOUSE BILL NO. 1215

Introduced by

Representatives M. Ruby, Dockter, Headland, Lefor, Louser, Paulson, Porter

Senators Bekkedahl, Burckhard, Krebsbach

1 A BILL for an Act to create and enact ~~section 40-49-26~~ a new section to chapter 54-17.8 of the
2 North Dakota Century Code, relating to ~~a low-interest park district loan program~~ an outdoor
3 heritage revolving loan fund; to amend and reenact section 54-17.8-02 of the North Dakota
4 Century Code, relating to a transfer of funds to the ~~park district loan~~ outdoor heritage revolving
5 loan fund; to provide a continuing appropriation; ~~and~~ to provide a transfer; and to provide an
6 effective date.

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

8 ~~**SECTION 1.** Section 40-49-26 of the North Dakota Century Code is created and enacted as~~
9 ~~follows:~~

10 ~~**40-49-26. Park district loan program - Continuing appropriation.**~~

11 ~~1. A park district loan fund is established. The moneys transferred to the park district loan~~
12 ~~fund under subsection 2 of section 54-17.8-02 are made available to the Bank of North~~
13 ~~Dakota on a continuing basis for making loans in accordance with this section.~~

14 ~~2. The industrial commission shall approve projects and loans under this section, and the~~
15 ~~Bank of North Dakota shall manage and administer the loans. Loans made under this~~
16 ~~section must be made at the same interest rate as loans made from the revolving loan~~
17 ~~fund established under chapters 61-28.1 and 61-28.2.~~

18 ~~3. The industrial commission shall consider the following information when evaluating~~
19 ~~proposed projects and may adopt policies for review and approval of loans for~~
20 ~~proposed projects:~~

21 ~~a. The nature and purposes of the proposed project, including an explanation of the~~
22 ~~need for the project, the reasons why the project is in the public interest, and the~~
23 ~~overall economic impact of the project;~~

- 1 ~~b. The estimated cost of the project, the amount of the loan sought, and other~~
2 ~~proposed sources of funding; and~~
3 ~~c. The extent to which completion of the project will provide a benefit to the state or~~
4 ~~park district.~~
5 ~~4. Park district projects not eligible for other state funding must be given priority for loans~~
6 ~~under this section.~~

7 **SECTION 1. AMENDMENT.** Section 54-17.8-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **54-17.8-02. North Dakota outdoor heritage fund - Continuing appropriation.**

- 10 1. There is created a North Dakota outdoor heritage fund that is governed by the
11 commission. ~~Any~~Except as provided in subsection 2, money deposited in the fund is
12 appropriated on a continuing basis to the commission for the purposes of this chapter.
13 Interest earned by the fund must be credited to the fund. The commission shall keep
14 accurate records of all financial transactions performed under this chapter.
- 15 2. ~~Ten percent of the oil extraction moneys deposited in oil and gas gross production tax~~
16 ~~collections allocated to the North Dakota outdoor heritage fund under section~~
17 ~~57-51-15, not to exceed a cumulative total deposit from the oil extraction moneys of~~
18 ~~twenty-five million dollars, are~~must be transferred by the state treasurer to the ~~park-~~
19 ~~district loan fund established under section 40-49-26~~outdoor heritage revolving loan
20 ~~fund under section 2 of this Act.~~

21 **SECTION 2.** A new section to chapter 54-17.8 of the North Dakota Century Code is created
22 and enacted as follows:

23 **Outdoor heritage revolving loan fund - Continuing appropriation.**

- 24 1. ~~There is created in the state treasury the outdoor heritage revolving loan fund. The~~
25 ~~fund consists of all oil and gas gross production tax revenue transferred under section~~
26 ~~54-17.8-02, interest upon moneys in the fund, and principal and interest payments to~~
27 ~~the fund. All moneys in the fund are appropriated to the Bank of North Dakota on a~~
28 ~~continuing basis to provide loans based on recommendations from the North Dakota~~
29 ~~outdoor heritage advisory board and for administrative costs pursuant to this section.~~
- 30 2. ~~The advisory board shall make recommendations for loans under this section. To be~~
31 ~~eligible for a loan under this section, a project must meet the criteria under section~~

1 54-17.8-03. Projects not eligible for other state funding must be given priority for loans
2 under this section. Loans may not be issued from the fund until after July 31, 2025.

3 3. The Bank of North Dakota shall develop policies for the loans in consultation with the
4 advisory board, and the policies may include provisions for loan participation with local
5 financial institutions. To be eligible for a loan under this section, the entity shall agree
6 to provide the Bank with information as requested. The Bank shall review loan
7 applications. For a loan under this section, the term may not exceed twenty years and
8 the interest rate must be the prevailing interest rate charged to North Dakota
9 governmental entities. The Bank shall deposit in the fund all principal and interest paid
10 on the loans made from the fund. The Bank may use a portion of the interest paid on
11 the outstanding loans as a servicing fee to pay for administrative costs, not to exceed
12 one-half of one percent of the amount of the interest payment. The Bank shall contract
13 with a certified public accounting firm to audit the fund if the fund has any outstanding
14 loans. The cost of the audit must be paid from the fund.

15 **SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective for oil and gas
16 gross production tax revenue allocations after July 31, 2021.