

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1014

Page 1, line 2, after the first semicolon insert "to amend and reenact sections 6-09.7-05 and 54-17.7-01, and subsections 3 and 4 of section 54-17.7-04 of the North Dakota Century Code, relating to fuel production facility loan guarantee reserve funding and the powers of the North Dakota pipeline authority;"

Page 6, after line 5, insert:

**"SECTION 12. AMENDMENT.** Section 6-09.7-05 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.7-05. Establishment and maintenance of adequate guarantee funds - Use of strategic investment and improvements fund.**

The Bank of North Dakota shall establish and at all times maintain an adequate guarantee reserve fund in a special account in the Bank. The Bank may request the director of the office of management and budget to transfer funds from the strategic investment and improvements fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve fund balance. Transfers from the strategic investment and improvements fund may not exceed a total of eightyone hundred forty million dollars. Moneys in the guarantee reserve fund are available to reimburse lenders, including the Bank, for guaranteed loans in default. The securities in which the moneys in the reserve fund may be invested must meet the same requirements as those authorized for investment under the state investment board. The income from such investments must be made available for the costs of administering the state guarantee loan program and income in excess of that required to pay the cost of administering the program must be deposited in the reserve fund. The amount of reserves for all guaranteed loans must be determined by a formula that will assure, as determined by the Bank, an adequate amount of reserve.

**SECTION 13. AMENDMENT.** Section 54-17.7-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.7-01. North Dakota pipeline authority - Legislative intent.**

There is created the North Dakota pipeline authority, which shall be governed by the industrial commission. It is the intent of the legislative assembly that the pipeline authority consider the operations, finances, and market positions of private entities engaged in pipeline activities while carrying out the purposes of this chapter to avoid competing with private entities to the extent possible.

**SECTION 14. AMENDMENT.** Subsection 3 of section 54-17.7-04 of the North Dakota Century Code is amended and reenacted as follows:

3. Acquire, purchase, hold, use, lease, license, sell, transfer, and dispose of an undivided or other interest in or the right to capacity in any pipeline system or systems, including interconnection of pipeline systems, within or without the state of North Dakota in order to facilitate the production, transportation, distribution, or delivery of energy-related commodities produced in North Dakota ~~as a purchaser of last resort. The obligation of~~

~~the state may not exceed ten percent of the pipeline authority's acquisition or purchase of a right to capacity in any pipeline system or systems, or interconnection of pipeline systems, and the state's obligation is limited to the funding available from the oil and gas research fund. If the authority acquires, purchases, holds, uses, or leases capacity positions, the authority shall sell, transfer, release, or dispose of the capacity positions at intervals that are no more frequent than monthly and in an amount that is equal to or greater than the market rate, but only if the sale, transfer, release, or disposal of the capacity positions is sufficient to cover the expenses and obligations incurred. The authority's contract obligations for the capacity positions are limited to the capacity rates, charges, and terms.~~

**SECTION 15. AMENDMENT.** Subsection 4 of section 54-17.7-04 of the North Dakota Century Code is amended and reenacted as follows:

4. Borrow money and issue evidences of indebtedness as provided in this chapter, ~~including borrowing from the Bank of North Dakota.~~
  - a. The authority may borrow up to sixty million dollars through a line of credit from the Bank. The interest rate on the line of credit must be the prevailing interest rate charged to North Dakota governmental entities.
  - b. The line of credit must be guaranteed by reserves under section 6-09.7-05.
  - c. The line of credit may be used to support activities under subsection 3.
  - d. The authority shall repay the line of credit from amounts available. If the amounts available on June 30, 2025, are not sufficient to repay the line of credit, the authority shall notify the director of the office of management and budget, and the director of the office of management and budget shall transfer funds from the strategic investment and improvements fund to the Bank for the repayment pursuant to section 6-09.7-05 based on the amount certified by the Bank."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment authorizes the North Dakota Pipeline Authority to borrow up to \$60 million through a line of credit from the Bank of North Dakota to purchase capacity positions on a pipeline and requires the line of credit to be guaranteed under the fuel production facility loan guarantee program.