

January 22, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1128

Introduced by

Representatives Richter, Sanford, Swiontek

Senators Sickler, Sorvaag

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century
2 Code, relating to a higher education infrastructure revolving loan fund; to provide an
3 appropriation; ~~and~~ to provide a transfer; and to provide for a legislative management report.

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

5 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Higher education infrastructure revolving loan fund - Continuing appropriation.**

- 8 1. The higher education infrastructure revolving loan fund is a special fund in the state
9 treasury from which the Bank of North Dakota shall provide loans to institutions under
10 the control of the state board of higher education for auxiliary enterprise infrastructure
11 projects. The Bank shall administer the higher education infrastructure revolving loan
12 fund. The maximum term of a loan made under this section is the lesser of twenty
13 years or the useful life of the project. A loan made from the fund under this section
14 must have an interest rate that does not exceed three and one-half percent per year.
- 15 2. For purposes of this section, "auxiliary enterprise infrastructure projects" means capital
16 construction projects to construct new infrastructure or replace or renovate existing
17 infrastructure, for student housing, student dining, and centralized campus heating.
- 18 3. In processing institution loan applications under this section, the Bank shall calculate
19 the maximum outstanding loan amount per qualified applicant. A qualified applicant
20 under this section may have no more than a maximum combined total of ten million

1 dollars in outstanding loans under this section. The Bank shall consider the applicant's
2 ability to repay the loan when processing the application and shall issue loans only to
3 applicants that provide reasonable assurance of sufficient future income to repay the
4 loan.

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

13 5. The Bank may adopt policies and establish guidelines to administer this loan program
14 in accordance with the provisions of this section and to supplement and leverage the
15 funds in the higher education infrastructure revolving loan fund. Additionally, the Bank
16 may adopt policies allowing participation by local financial institutions.

17 **SECTION 2. APPROPRIATION - TRANSFER - HIGHER EDUCATION**
18 **INFRASTRUCTURE REVOLVING LOAN FUND - LEGISLATIVE MANAGEMENT REPORT -**
19 **ONE-TIME FUNDING.**

20 1. There is appropriated out of any moneys in the general fund in the state treasury, not
21 otherwise appropriated, the sum of \$25,000,000, which the office of management and
22 budget shall transfer to the higher education infrastructure revolving loan fund during
23 the biennium beginning July 1, 2025, and ending June 30, 2027. This appropriation is
24 considered a one-time funding item.

25 2. The North Dakota university system shall provide a report to the legislative
26 management by September 1, 2026, regarding the status of the loan fund and any
27 financial benefits realized by students attending institutions of higher learning utilizing
28 the higher education infrastructure revolving loan fund.