

**HOUSE BILL NO. 1213**

Introduced by

Representatives Frelich, K. Anderson, Heinert, Mitskog, Schreiber-Beck, Stemen

Senators Myrdal, Barta, Luick

1 A BILL for an Act to create and enact two new sections to chapter 12-44.1 of the North Dakota  
2 Century Code, relating to a jail improvement revolving loan fund; and to provide for a transfer.

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

4 **SECTION 1.** A new section to chapter 12-44.1 of the North Dakota Century Code is created  
5 and enacted as follows:

6 **Jail facilities improvement committee - Members and duties.**

7 1. The jail facilities improvement committee consists of:

8 a. Three members of the house of representatives selected by the majority leader of  
9 the house of representatives, two of whom must represent the majority faction of  
10 the house of representatives and one of whom must represent the minority  
11 faction of the house of representatives;

12 b. Three members of the senate selected by the majority leader of the senate, two  
13 of whom must represent the majority faction of the senate and one of whom must  
14 represent the minority faction of the senate;

15 c. One member appointed by the North Dakota association of counties to represent  
16 counties with a population fewer than seven thousand five hundred;

17 d. One member appointed by the North Dakota association of counties to represent  
18 counties with a population of seven thousand five hundred or more;

19 e. One member appointed by the North Dakota sheriffs and deputies association;

20 f. One member appointed by the chiefs of police association of North Dakota; and

21 g. The director of the department of corrections and rehabilitation.

22 2. The term of each legislative member is two years at the discretion of the appointing  
23 authority. A vacancy must be filled by the appointing authority for the remainder of the  
24 term.

- 1       3. The term of each nonlegislative member is three years at the discretion of the  
2       appointing authority. Initially, as determined by lot, one nonlegislative member shall  
3       serve for one year, two nonlegislative members shall serve for two years, and two  
4       nonlegislative members shall serve for three years. At the end of the nonlegislative  
5       member's term, the appointing authority shall appoint a successor for a full three-year  
6       term. Except for the director of the department of corrections and rehabilitation, a  
7       nonlegislative member may not serve more than two three-year terms. A vacancy must  
8       be filled by the appointing authority for the remainder of the term.
- 9       4. At the initial meeting of the committee, the committee shall adopt rules of operation  
10      and procedure for the committee.
- 11      5. The nonlegislative members of the committee are entitled to reimbursement for travel  
12      and expenses as provided by law for other state officers. Travel and expense costs  
13      must be paid from the jail improvement revolving loan fund.
- 14      6. Legislative members of the committee are entitled to compensation pursuant to  
15      section 54-35-10 and reimbursement of necessary expenses incurred in performing  
16      their duties at the rates provided in sections 44-08-04 and 54-06-09. Compensation,  
17      travel, and expense costs must be paid from the jail improvement revolving loan fund.
- 18      7. The legislative management chairman shall designate the committee chairman and  
19      vice chairman and the department of corrections and rehabilitation shall provide staff  
20      services for the committee.

21       **SECTION 2.** A new section to chapter 12-44.1 of the North Dakota Century Code is created  
22 and enacted as follows:

23       **Jail improvement revolving loan fund - Bank of North Dakota - Continuing**  
24 **appropriation.**

- 25      1. The jail improvement revolving loan fund is a special revolving loan fund in the state  
26      treasury from which the Bank of North Dakota shall provide loans to political  
27      subdivisions for the renovation, expansion, or replacement of jail facilities. The Bank  
28      shall administer the jail improvement revolving loan fund.
- 29      2. Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of  
30      principal and interest are appropriated to the Bank on a continuing basis for the

1 purpose of providing low-interest jail construction loans and for paying administrative  
2 costs, in accordance with this section.

3 3. To be eligible for a loan under this section, a county or regional correctional facility  
4 authority shall:

5 a. Propose a new construction, expansion, or remodeling project with a cost of at  
6 least one million dollars and an expected utilization of at least thirty years;

7 b. Receive authorization for a bond issue in accordance with chapter 21-03; and

8 c. Submit a completed application to the Bank.

9 4. The jail facilities improvement committee shall review loan applications based on a  
10 prioritization system that includes a review of all applications filed and gives  
11 consideration to:

12 a. Inmate occupancy and capacity in the political subdivision or region;

13 b. The age of existing structures to be replaced, remodeled, or expanded;

14 c. Community support;

15 d. Cost; and

16 e. Any other criteria established by the jail facilities improvement committee.

17 5. If the jail facilities improvement committee approves the loan, the Bank shall issue a  
18 loan from the jail improvement revolving loan fund. For a loan made under this section:

19 a. The maximum loan amount for which a jail facility may qualify is forty million  
20 dollars;

21 b. The term of the loan is thirty years, unless the county or regional correctional  
22 facility authority requests a shorter term in the written loan application;

23 c. The interest rate of the loan may not exceed two percent per year; and

24 d. A county or regional correctional facility authority with a jail construction loan  
25 secured on the open bond market may apply to refinance the loan when callable  
26 with the jail improvement revolving loan fund under this subsection.

27 6. The Bank may adopt policies and establish guidelines to administer the loan program  
28 in accordance with this section. The Bank may use a portion of the interest paid on the  
29 outstanding loans as a servicing fee to pay for administration costs which may not  
30 exceed one-half of one percent of the amount of the outstanding loans. The Bank shall  
31 deposit principal and interest payments made by counties and regional correctional

1           facility authorities for loans under this section in the jail improvement revolving loan  
2           fund. The fund must be audited annually pursuant to section 6-09-29, and the cost of  
3           the audit must be paid from the fund.

4           **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
5           **JAIL IMPROVEMENT REVOLVING LOAN FUND.** The office of management and budget shall  
6           transfer \$200,000,000 from the strategic investment and improvements fund to the jail  
7           improvement revolving loan fund during the biennium beginning July 1, 2025, and ending  
8           June 30, 2027.