

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1619

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

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 long-term care facility infrastructure loan fund; to provide for a transfer; and
3 to provide for a continuing appropriation.

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 **Long-term care facility infrastructure loan fund - Continuing appropriation.**

8 1. The Bank of North Dakota shall administer a loan program to provide loans to nursing
9 and basic care facilities for renovation projects or the construction of new facilities. A
10 construction project may include a land purchase and the purchase, lease, erection, or
11 improvement of any structure or facility to the extent the governing body of the nursing
12 or basic care facility has the authority to authorize such activity.

13 2. The long-term care facility infrastructure loan fund is a special fund maintained in the
14 state treasury from which the Bank shall provide loans under this section. The fund
15 consists of revenues transferred under legislative authorization, interest upon moneys
16 in the fund, and collections of interest and principal on loans made from the fund. All
17 moneys in the fund are appropriated on a continuing basis to the Bank for the purpose
18 of providing loans under this section.

19 3. The governing body of a nursing or basic care facility may submit an application to the
20 Bank for a loan. The application must:

21 a. Detail the proposed construction project;

22 b. Demonstrate the need and long-term viability of the project; and

- 1 c. Include financial information the Bank determines appropriate to verify eligibility.
- 2 4. A loan approved under this section:
- 3 a. May not exceed fifty percent of project costs;
- 4 b. May not exceed ten million dollars for a project;
- 5 c. Must have an interest rate that does not exceed two percent; and
- 6 d. Must have a repayment schedule of no longer than thirty years.
- 7 5. A recipient of a loan under this section shall complete the financed construction project
- 8 within twenty-four months of the approval of the loan. Failure to comply with this
- 9 subsection may result in forfeiture of the entire loan received under this section.
- 10 6. The Bank shall deposit in the fund all principal and interest paid on the loans made
- 11 from the fund. The Bank may deduct from interest payments a service fee for costs of
- 12 administering the loan program. The fund must be audited annually pursuant to
- 13 section 6-09-29, and the cost of the audit and any other actual costs incurred by the
- 14 Bank on behalf of the fund must be paid from the fund.

15 **SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
16 **LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management
17 and budget shall transfer the sum of \$50,000,000 from the strategic investment and
18 improvements fund to the long-term care facility infrastructure loan fund during the biennium
19 beginning July 1, 2025, and ending June 30, 2027.