

SECTION 1. AMENDMENT. Section 6-09-47 of the North Dakota Century Code is amended and reenacted as follows:

6-09-47. Medical facility infrastructure loan fund – Medical facility infrastructure loan program – Rural health financing program – Continuing appropriation – Audit and costs of administration.

1. The Bank of North Dakota shall administer a medical facility infrastructure loan program to provide loans to medical facilities to conduct construction that improves the health care infrastructure in the state or improves access to existing nonprofit health care providers in the state. The construction project may include land purchases and may include purchase, lease, erection, or improvement of any structure or facility to the extent the governing board of the health care facility has the authority to authorize such activity.
2. In order to be eligible under ~~this~~ the medical facility infrastructure loan program, the applicant must be the governing board of the health care facility which shall submit an application to the Bank. The application must:
 - a. Detail the proposed construction project, which must be a project of at least one million dollars and which are expected to be utilized for at least thirty years;
 - b. Demonstrate the need and long-term viability of the construction project; and
 - c. Include financial information as the Bank may determine appropriate to determine eligibility, such as whether there are alternative financing methods.
3. A medical facility infrastructure loan provided under this section:
 - a. May not exceed the lesser of fifteen million dollars or seventy-five percent of the actual cost of the project;
 - b. Must have an interest rate equal to two percent; and
 - c. Must provide a repayment schedule of no longer than twenty-five years.
4. A recipient of a medical facility infrastructure loan under this section shall complete the financed construction project within twenty-four months of approval of the loan. Failure to comply with this subsection may result in forfeiture of the entire loan received under this section.
5. The Bank shall administer a rural health financing program to provide interim financing to recipients with approved projects and demonstrated financial need, through the federal rural health transformation program grant funds.
 - a. To be eligible for a loan from the rural health financing program under this subsection, the applicant shall:

- i. Submit an application to the department of health and human services. An application for a loan under this section shall be reviewed and approved by the department of health and human services. The department of health and human services shall develop policies for reviewing and approving projects under this section.
 - ii. Provide additional information as the Bank may determine appropriate; and
 - iii. Provide evidence of project approval from the department of health and human services for federal rural health transformation program grant funds.
- b. An loan under this subsection:
 - i. Must have an annual interest rate that does not exceed two percent; and
 - ii. Must have a term that complies with the criteria established by the department of health and human services, in accordance with the rural health transformation program, and does not exceed three years.

6. The medical infrastructure loan fund is a special fund in the state treasury. This fund is a revolving fund. All moneys transferred into the ~~medical facility infrastructure~~ fund, interest on moneys in the fund, and collections of principal and interest on loans from the fund are appropriated to the Bank on a continuing basis for the purpose of providing loans under this section.
7. ~~Funds in the medical facility infrastructure~~ Moneys in the fund may be used for loans as provided under this section and to pay the costs of administration of the fund. Annually, the Bank may deduct a service fee for administering the ~~medical facility infrastructure~~ fund maintained under this section.
8. The ~~medical facility infrastructure~~ fund must be audited in accordance with section 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on behalf of the fund must be paid from the fund.
9. The Bank shall deposit loan ~~repayment funds~~ ~~repayments~~ in the ~~medical facility infrastructure~~ fund.

SECTION 2. APPROPRIATION – BANK OF NORTH DAKOTA – FULL-TIME EQUIVALENT POSITION. There is appropriated out of Bank of North Dakota profits, the sum of \$600,000, or so much as may be necessary, to the Bank of North Dakota, for the purpose of administering the rural health financing program. The Bank of North Dakota is authorized four full-time equivalent positions to administer the program.

SECTION 3. APPROPRIATION – TRANSFER – BANK OF NORTH DAKOTA PROFITS TO MEDICAL FACILITY INFRASTRUCTURE LOAN FUND – RURAL HEALTH FINANCING

PROGRAM. The Bank of North Dakota shall transfer up to \$40,000,000, from the Bank's current and undivided profits to the medical facility infrastructure loan fund – rural health financing program, beginning from the effective date of this act and ending June 30, 2029. Funding transferred under this section must be used to provide loans under the rural health financing program. Repayments to the rural health financing program shall be transferred to replenish the \$40,000,000 of the Bank of North Dakota's undivided profits which was transferred under this section.