

Sixty-fourth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1286

Introduced by

Representatives J. Nelson, Holman, Pollert, Seibel

Senators Bowman, Robinson

1 A BILL for an Act to amend and reenact section 6-09-47 of the North Dakota Century Code,  
2 relating to the medical facility infrastructure loan program; to provide for a contingent transfer; to  
3 provide a continuing appropriation; to provide an effective date; and to provide an expiration  
4 date.

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

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

8 **6-09-47. (Effective through July 31, 20172019) Medical facility infrastructure loan**  
9 **program - Continuing appropriation - Audit and costs of administration.**

- 10 1. The Bank of North Dakota shall administer a loan program to provide loans to medical  
11 facilities to conduct construction that improves the health care infrastructure in the  
12 state or improves access to existing nonprofit health care providers in the state. The  
13 construction project may include land purchases and may include the purchase, lease,  
14 erection, or improvement of any structure or facility, to the extent the governing board  
15 of the health care facility has the authority to authorize ~~such~~the activity.
- 16 2. In order to be eligible under this loan program, the applicant must be the governing  
17 board of the health care facility which shall submit an application to the Bank. The  
18 application must:
- 19 a. Detail the proposed construction project, which must be a project of at least one  
20 million dollars and which is expected to be utilized for at least thirty years;
- 21 b. Demonstrate the need and long-term viability of the construction project; and
- 22 c. Include any financial information ~~asthat~~ the Bank may ~~determine-~~  
23 ~~appropriate~~require to determine eligibility, such as whether there are alternative  
24 financing methods.

- 1           3. The governor shall establish a task force to review loan applications under this section  
2           and to make recommendations to the Bank ~~on~~regarding the loan applications. The  
3           task force must include representation of medical providers and medical facilities from  
4           the oil-producing counties in the state. The task force shall work with the Bank to  
5           establish eligibility criteria for ~~eligibility~~ for a loan under the program. The criteria  
6           established by the task force and the Bank must give priority to applicants that are  
7           located in oil-producing counties.
- 8           4. A loan provided under this section:
- 9           a. May not exceed the lesser of fifteen million dollars or seventy-five percent of the  
10           actual cost of the project;
- 11           b. Must have an interest rate equal to one percent; and
- 12           c. Must provide for a repayment schedule of no longer than twenty-five years.
- 13           5. A medical facility may qualify for more than one loan under this section. However, the  
14           total of all loans provided to a single medical facility under this section may not exceed  
15           fifteen million dollars.
- 16           6. The recipient of a loan under this section shall complete the financed construction  
17           project within twenty-four months of ~~approval~~ of the loan approval. Failure to comply  
18           with this subsection may result in forfeiture of the entire loan received under this  
19           section.
- 20           ~~6-7.~~ The medical facility infrastructure fund is a special fund in the state treasury. All  
21           moneys in the medical facility infrastructure fund are appropriated to the Bank on a  
22           continuing basis for the purpose of providing loans under this section.
- 23           ~~7-8.~~ Funds in the medical facility infrastructure fund may be used for loans as provided  
24           under this section and to pay the costs of administration of the fund. Annually, the  
25           Bank may deduct a service fee for administering the medical facility infrastructure fund  
26           maintained under this section.
- 27           ~~8-9.~~ The medical facility infrastructure fund must be audited in accordance with section  
28           6-09-29. The cost of the audit and any other actual costs incurred by the Bank on  
29           behalf of the fund must be paid from the fund.

1     ~~9-10.~~   The Bank shall deposit loan repayment funds in the medical facility infrastructure fund.  
2             After ~~deduction of~~deducting fees and costs as ~~provided in~~ accordance with this  
3             section, the Bank shall ~~make an annual~~annually transfer of:

4             a.   Fifty percent of the repayment funds deposited in the medical facility  
5             infrastructure fund to the state treasurer for deposit in the strategic investment  
6             and improvements fund, in order to replenish fifty million dollars of the strategic  
7             investment and improvements fund; and

8             b.   Fifty percent of the repayment funds deposited in the medical facility  
9             infrastructure fund to the Bank, in order to replenish fifty million dollars of the  
10            Bank's undivided profits.

11            **(Effective August 1, ~~2017~~2019, through July 31, ~~2043~~2045) Medical facility**  
12 **infrastructure loan program - Continuing appropriation - Audit and costs of**  
13 **administration.**

14            1.   The Bank of North Dakota shall service loans made under the medical facility  
15            infrastructure loan program. The repayment schedule of these loans may not exceed  
16            twenty-five years.

17            2.   Funds in the medical facility infrastructure fund may be used for loans as provided  
18            under this section and to pay the costs of ~~administration of~~administering the fund.  
19            Annually, the Bank may deduct a service fee for administering the medical facility  
20            infrastructure fund maintained under this section.

21            3.   The medical facility infrastructure fund must be audited in accordance with section  
22            6-09-29. The cost of the audit and any other actual costs incurred by the Bank on  
23            behalf of the fund must be paid from the fund.

24            4.   The Bank shall deposit loan repayment funds in the medical facility infrastructure fund.  
25            After ~~deduction of~~deducting fees and costs as ~~provided in~~ accordance with this  
26            section, the Bank shall make an annual transfer of:

27            a.   Fifty percent of the repayment funds deposited in the medical facility  
28            infrastructure fund to the state treasurer for deposit in the strategic investment  
29            and improvements fund, in order to replenish fifty million dollars of the strategic  
30            investment and improvements fund; and

1           b. Fifty percent of the repayment funds deposited in the medical facility  
2           infrastructure fund to the Bank, in order to replenish fifty million dollars of the  
3           Bank's undivided profits.

4           **SECTION 2. CONTINGENT TRANSFER - STRATEGIC INVESTMENT AND**

5           **IMPROVEMENTS FUND - MEDICAL FACILITY INFRASTRUCTURE LOAN PROGRAM.** The  
6 office of management and budget shall transfer the sum of \$50,000,000, or so much of the sum  
7 as may be necessary, from the strategic investment and improvements fund to the medical  
8 facility infrastructure fund during the period beginning July 1, 2015, and ending June 30, 2017.  
9 The office of management and budget may transfer the funds under this section if the average  
10 price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the  
11 Wall Street Journal, during the period beginning July 1, 2015, and ending December 31, 2016,  
12 is at least \$75.