

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1443**

Introduced by

Representatives Carlson, Belter, Delzer

Senators Cook, Schaible

1 A BILL for an Act to create and enact section 6-09-49 of the North Dakota Century Code,
2 relating to creation of the infrastructure revolving loan fund; to provide a statement of legislative
3 intent; to provide for transfers; and to provide a continuing appropriation.

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

5 **SECTION 1.** Section 6-09-49 of the North Dakota Century Code is created and enacted as
6 follows:

7 **6-09-49. Infrastructure revolving loan fund - Continuing appropriation.**

- 8 1. The infrastructure revolving loan fund is a special fund in the state treasury from which
9 the Bank of North Dakota shall provide loans to political subdivisions for essential
10 infrastructure projects. The Bank shall administer the infrastructure revolving loan
11 fund. The maximum term of a loan made under this section is thirty years. A loan
12 made from the fund under this section must have an interest rate that does not exceed
13 two percent per year.
- 14 2. The Bank shall establish priorities for making loans from the infrastructure revolving
15 loan fund. Loan funds must be used to address the needs of the community by
16 providing critical infrastructure funding. Except as expressly provided under this
17 section, a political subdivision may not use infrastructure revolving loan funds for
18 capital construction. In addition to eligible infrastructure needs established by the
19 Bank, eligible infrastructure needs may include new water treatment plants; new
20 wastewater treatment plants; new sewer lines and water lines; and new storm water
21 and transportation infrastructure, including curb and gutter construction.
- 22 3. In processing political subdivision loan applications under this section, the Bank shall
23 calculate the maximum loan amount for which a qualified applicant may qualify. The
24 Bank shall consider the applicant's ability to repay the loan when processing the

1 application and shall issue loans only to applicants that provide reasonable assurance
2 of sufficient future income to repay the loan. The Bank may adopt policies establishing
3 priorities for issuance of loans, setting additional qualifications for applicants, and
4 establishing timelines addressing when a participating political subdivision may be
5 required to make loan draws and the consequences of not meeting these timelines,
6 and setting other guidelines relating to the loan program under this section.

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

15 5. The Bank may adopt policies and establish guidelines to supplement and leverage the
16 funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies
17 allowing participation by local financial institutions.

18 **SECTION 2. LEGISLATIVE INTENT - ELIGIBLE BORROWERS UNDER**
19 **INFRASTRUCTURE REVOLVING LOAN FUND.** If a political subdivision receives funds
20 distributed under Senate Bill No. 2103, as approved by the sixty-fourth legislative assembly, or
21 is anticipated to receive funds distributed from the oil and gas impact grant fund or under
22 section 57-51-15, it is the intent of the sixty-fourth legislative assembly that political subdivision
23 be ineligible to receive a loan under the infrastructure revolving loan fund until July 1, 2017.

24 **SECTION 3. TRANSFER - BANK OF NORTH DAKOTA - INFRASTRUCTURE**
25 **REVOLVING LOAN FUND.** During the biennium beginning July 1, 2015, and ending June 30,
26 2017, the Bank of North Dakota shall transfer the sum of \$100,000,000, or so much of the sum
27 as may be necessary, from the Bank's current earnings and undivided profits to the
28 infrastructure revolving loan fund.

29 **SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
30 **INFRASTRUCTURE REVOLVING LOAN FUND.** During the biennium beginning July 1, 2015,
31 and ending June 30, 2017, the office of management and budget shall transfer the sum of

Sixty-fourth
Legislative Assembly

- 1 \$50,000,000 from the strategic investment and improvements fund to the infrastructure
- 2 revolving loan fund. The office of management and budget shall transfer the funds provided
- 3 under this section to the infrastructure revolving loan fund as requested by the Bank of North
- 4 Dakota.