

Introduced by

Industry, Business and Labor Committee

(At the request of the Bank of North Dakota)

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 fund; and to declare an emergency.

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

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

6 **6-09-47. Medical facility infrastructure loan fund - Continuing appropriation - Audit**
7 **and costs of administration.**

8 1. The Bank of North Dakota shall administer a loan program to provide loans to medical
9 facilities to conduct construction that improves the health care infrastructure in the
10 state or improves access to existing nonprofit health care providers in the state. The
11 construction project may include land purchases and may include purchase, lease,
12 erection, or improvement of any structure or facility to the extent the governing board
13 of the health care facility has the authority to authorize such activity.

14 2. In order to be eligible under this loan program, the applicant must be the governing
15 board of the health care facility which shall submit an application to the Bank. The
16 application must:

- 17 a. Detail the proposed construction project, which must be a project of at least one
18 million dollars and which is expected to be utilized for at least thirty years;
19 b. Demonstrate the need and long-term viability of the construction project; and
20 c. Include financial information as the Bank may determine appropriate to determine
21 eligibility, such as whether there are alternative financing methods.

22 ~~3. The governor shall establish a task force to review loan applications under this section~~
23 ~~and to make recommendations to the Bank on the loan applications. The task force~~
24 ~~must include representation of medical providers and medical facilities from the~~

1 ~~oil-producing counties in the state. The task force shall work with the Bank to establish~~
2 ~~criteria for eligibility for a loan under the program. The criteria established by the task~~
3 ~~force and the Bank must give priority to applicants that are located in oil-producing~~
4 ~~counties.~~

- 5 4. A loan provided under this section:
- 6 a. May not exceed the lesser of fifteen million dollars or seventy-five percent of the
 - 7 actual cost of the project;
 - 8 b. Must have an interest rate equal to one percent; and
 - 9 c. Must provide a repayment schedule of no longer than twenty-five years.

10 ~~5.4.~~ A recipient of a loan under this section shall complete the financed construction project
11 within twenty-four months of approval of the loan. Failure to comply with this
12 subsection may result in forfeiture of the entire loan received under this section.

13 ~~6.5.~~ The medical facility infrastructure fund is a special fund in the state treasury. This fund
14 is a revolving fund. All moneys transferred into the medical facility infrastructure fund,
15 interest on moneys in the fund, and collections of principal and interest on loans from
16 the fund are appropriated to the Bank on a continuing basis for the purpose of
17 providing loans under this section.

18 ~~7.6.~~ Funds in the medical facility infrastructure fund may be used for loans as provided
19 under this section and to pay the costs of administration of the fund. Annually, the
20 Bank may deduct a service fee for administering the medical facility infrastructure fund
21 maintained under this section.

22 ~~8.7.~~ The medical facility infrastructure fund must be audited in accordance with section
23 6-09-29. The cost of the audit and any other actual costs incurred by the Bank on
24 behalf of the fund must be paid from the fund.

25 ~~9.8.~~ The Bank shall deposit loan repayment funds in the medical facility infrastructure fund.

26 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.