

Introduced by

Education Committee

(At the request of the North Dakota University System)

1 A BILL for an Act to amend and reenact section 6-09-49 of the North Dakota Century Code,
2 relating to the infrastructure revolving loan fund.

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

4 **SECTION 1. AMENDMENT.** Section 6-09-49 of the North Dakota Century Code is amended
5 and reenacted as follows:

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

- 7 1. The infrastructure revolving loan fund is a special fund in the state treasury from which
8 the Bank of North Dakota shall provide loans to political subdivisions and institutions
9 under the control of the state board of higher education for essential infrastructure
10 projects. The Bank shall administer the infrastructure revolving loan fund. The
11 maximum term of a loan made under this section is thirty years. A loan made from the
12 fund under this section must have an interest rate that does not exceed two percent
13 per year.
- 14 2. For purposes of this section, "essential infrastructure projects" means capital
15 construction projects for the following:
- 16 a. New or replacement of existing water treatment plants;
 - 17 b. New or replacement of existing wastewater treatment plants;
 - 18 c. New or replacement of existing sewer lines and water lines; and
 - 19 d. New or replacement of existing storm water and transportation infrastructure,
20 including curb and gutter construction.
- 21 3. In processing ~~political subdivision~~ loan applications under this section, the Bank shall
22 calculate the maximum loan amount for which a qualified applicant may qualify, not to
23 exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to
24 repay the loan when processing the application and shall issue loans only to

- 1 applicants that provide reasonable assurance of sufficient future income to repay the
2 loan.
- 3 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest
4 and principal paid under loans made from the infrastructure revolving loan fund. The
5 Bank may use a portion of the interest paid on the outstanding loans as a servicing fee
6 to pay for administrative costs which may not exceed one-half of one percent of the
7 amount of the interest payment. All moneys transferred to the fund, interest upon
8 moneys in the fund, and payments to the fund of principal and interest are
9 appropriated to the Bank on a continuing basis for administrative costs and for loan
10 disbursement according to this section.
- 11 5. The Bank may adopt policies and establish guidelines to administer this loan program
12 in accordance with the provisions of this section and to supplement and leverage the
13 funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt
14 policies allowing participation by local financial institutions.