23.0873.03000

Sixty-eighth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2242

Introduced by

Senators Erbele, Wanzek

Representatives Brandenburg, Kempenich, Porter

A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to the Bank of North Dakota and the administration of the bulk propane storage tank revolving loan fund; to provide for a transfer; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

Bulk propane storage tank revolving loan fund - Continuing appropriation - Audit and costs of administration.

1. The bulk propane storage tank revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to propane retailers to purchase and install storage containers to be used for the bulk storage of propane. The Bank shall administer the propane storage tank revolving loan fund.
2. To be eligible for this loan program, the applicant must be a propane retailer conducting business in the state and submit an application to the Bank which must:
   a. Detail the proposed project, including the location of the storage container within the state;
   b. Demonstrate the need and viability of the project; and
   c. Include financial information as the Bank may determine appropriate.
3. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
4. A loan provided under this section:
   a. May not exceed the lesser of five hundred thousand dollars or eighty-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 fifteen years.

5. In processing loan applications under this section, the Bank shall calculate the maximum outstanding loan amount per qualified applicant. A qualified applicant under this section may have a maximum total of five hundred thousand dollars in outstanding loans under this section.

6. The Bank shall deposit in the bulk propane storage tank revolving loan fund all payments of interest and principal paid under loans made from the bulk propane storage tank revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent. All money transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

7. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with this section and to supplement and leverage funds in the bulk propane storage tank revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

8. The bulk propane storage tank revolving loan fund must be audited in accordance with section 6-09-29 or shall engage with an independent public auditor to perform the necessary procedure to ensure compliance 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.

SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO BULK PROPANE STORAGE TANK REVOLVING LOAN FUND - LOANS TO PROPANE RETAILERS. The office of management and budget shall transfer $5,000,000 from the strategic investment and improvements fund to the bulk propane storage tank revolving loan fund for use by the Bank of North Dakota to provide loans to propane retailers under section 1 of this Act, for the biennium beginning July 1, 2023, and ending June 30, 2025.