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Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1292

Introduced by

Representatives Porter, Bosch, Toman

Senators Cleary, Larsen

A BILL for an Act to amend and reenact section 6-09-49 of the North Dakota Century Code, relating to capital construction projects.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is the lesser of thirty years or the useful life of the project. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.
2. For purposes of this section, "essential infrastructure projects" means capital construction projects to construct new infrastructure or replace existing infrastructure, which provide the fixed installations necessary for the function of a political subdivision. Capital construction projects exclude routine maintenance and repair projects, but include the following:
   a. The Red River valley water supply project;
   b. Water treatment plants;
   c. Wastewater treatment plants;
   d. Sewerlines and waterlines, including lift stations and pumping systems;
   e. Storm water infrastructure, including curb and gutter construction;
   f. Water storage systems, including dams, water tanks, and water towers;

g. Road and bridge infrastructure, including paved and unpaved roads and bridges;

h. Airport infrastructure;

i. Electricity transmission infrastructure;

j. Natural gas transmission infrastructure;

k. Communications infrastructure;

l. Emergency services facilities, excluding hospitals; ~~and~~

m. Critical political subdivision buildings and infrastructure; and

n. Infrastructure required to service recreation and community facilities, not including the construction of a building or recreational amenity.

3. In processing political subdivision 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 combined total of forty million dollars in outstanding loans under this section and section 6-09-49.1. 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. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure 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 of the amount of the interest payment. All moneys 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.

5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

6. If a political subdivision applies for a loan under this section for a county road or bridge project, the department of transportation shall review and approve the project before the Bank may issue a loan. If a political subdivision applies for a loan under this

section for a water-related project, the state water commission shall review and approve the project before the Bank may issue a loan. The department of transportation and state water commission may develop policies for reviewing and approving projects under this section.