

**FIRST ENGROSSMENT
with Senate Amendments**

ENGROSSED HOUSE BILL NO. 1619

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century
2 Code, relating to a long-term care facility infrastructure loan fund; to amend and reenact
3 subsection 3 of section 6-09-47 of the North Dakota Century Code, relating to the medical
4 facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing
5 appropriation.

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

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

9 **Long-term care facility infrastructure loan fund - Continuing appropriation.**

- 10 1. The Bank of North Dakota shall administer a loan program to provide loans to nursing
11 and basic care facilities for renovation projects or the construction of new facilities. A
12 construction project may include a land purchase and the purchase, lease, erection, or
13 improvement of any structure or facility to the extent the governing body of the nursing
14 or basic care facility has the authority to authorize such activity.
- 15 2. The long-term care facility infrastructure loan fund is a special fund maintained in the
16 state treasury from which the Bank shall provide loans under this section. The fund
17 consists of revenues transferred under legislative authorization, interest upon moneys
18 in the fund, and collections of interest and principal on loans made from the fund. All
19 moneys in the fund are appropriated on a continuing basis to the Bank for the purpose
20 of providing loans under this section.
- 21 3. The governing body of a nursing or basic care facility may submit an application to the
22 Bank for a loan. The application must:

- 1 a. Detail the proposed construction project;
- 2 b. Demonstrate the need and long-term viability of the project; and
- 3 c. Include financial information the Bank determines appropriate to verify eligibility.
- 4 4. A loan approved under this section:
 - 5 a. May not exceed fifty percent of project costs;
 - 6 b. May not exceed ten million dollars for a project;
 - 7 c. Must have an interest rate that does not exceed two percent; and
 - 8 d. Must have a repayment schedule of no longer than thirty years.
- 9 5. A recipient of a loan under this section shall complete the financed construction project
10 within twenty-four months of the approval of the loan. Failure to comply with this
11 subsection may result in forfeiture of the entire loan received under this section.
- 12 6. The Bank shall deposit in the fund all principal and interest paid on the loans made
13 from the fund. The Bank may deduct from interest payments a service fee for costs of
14 administering the loan program. The fund must be audited annually pursuant to
15 section 6-09-29, and the cost of the audit and any other actual costs incurred by the
16 Bank on behalf of the fund must be paid from the fund.

17 **SECTION 2. AMENDMENT.** Subsection 3 of section 6-09-47 of the North Dakota Century
18 Code is amended and reenacted as follows:

- 19 3. A loan provided under this section:
 - 20 a. May not exceed the lesser of ~~fifteen~~ten million dollars or seventy-five percent of
 - 21 the actual cost of the project;
 - 22 b. Must have an interest rate equal to ~~one~~two percent; and
 - 23 c. Must provide a repayment schedule of no longer than ~~twenty-five~~thirty years.

24 **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**
25 **LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management
26 and budget shall transfer the sum of \$35,000,000 from the strategic investment and
27 improvements fund to the long-term care facility infrastructure loan fund during the biennium
28 beginning July 1, 2025, and ending June 30, 2027.