

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

Rail revolving loan fund - Continuing appropriation.

1. The rail revolving loan fund is a special fund in the state treasury from which the Bank shall provide loans to cities, counties, railroads, and other potential users of freight railroad service to upgrade and enhance rail infrastructure that improves service. Class I railroads are not eligible applicants.
2. The Bank may adopt policies and establish guidelines to administer the rail revolving loan fund in accordance with this section. The Bank shall consider the applicant's ability to repay the loan when processing the application.
3. The department of transportation shall:
 - a. Develop policies for reviewing, approving and prioritizing projects;
 - b. Establish guidelines for issuance of loans from the fund; and
 - c. Review and approve the project before the Bank may issue a loan.
4. A loan provided under this section shall meet the guidelines established by the department of transportation.
5. The Bank shall deposit in the rail revolving loan fund all payments of principal and interest paid on loans made from the rail 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 outstanding loans.
6. 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 disbursements according to this section. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.

SECTION 2. TRANSFER – RAIL LOAN FUNDS. The department of transportation shall transfer all outstanding loans and moneys in the rail loan fund within the department of transportation to the rail revolving loan fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. AMENDMENT. Section 49-17.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

49-17.1-02.1. Department may authorize local rail projects. For the purpose of promoting the public interest and local economic development, the department ~~may utilize revenue generated under this chapter~~ shall coordinate with the Bank of North Dakota for the construction or improvement of ~~railway freight transportation projects~~ under the rail revolving loan fund under 6-09 (the new section 6-09 that will be created under Section 1 of this act) ~~not otherwise eligible for assistance under the Railroad Revitalization and Regulatory Reform Act of 1976 [Pub. L. 94-210; 90 Stat. 149; 49 U.S.C. 1651 et seq.] and~~ which meet standards and specifications developed by the department.