

**2025 HOUSE HUMAN SERVICES**

**HB 1619**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Pioneer Room, State Capitol

HB 1619  
1/28/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

4:19 p.m. Chairman M. Ruby opened the hearing.

Members Present: Chairman M. Ruby, Vice-Chairman Frelich, Representatives Anderson, Beltz, Bolinske, Davis, Fegley, Hendrix, Holle, Kiefert, Rios, Rohr

Members Absent: Representative Dobervich

### **Discussion Topics:**

- Infrastructure projects

4:19 p.m. Representative O'Brien, District 19, testified in favor and submitted testimony, #32214.

4:21 p.m. Nikki Wegner, President of the ND Long Term Care Association, testified in favor and submitted testimony, #31498.

4:26 p.m. Trevor Tompkins, Administrator of the Lutheran Sunset Home, Grafton, ND, submitted testimony in favor, #32066.

4:31 p.m. Brad DeJong, Eide Bailly, testified in favor and submitted testimony, #32100.

### **Additional written testimony:**

Belinda Moen, Bethel Lutheran Nursing & Rehabilitation Center, submitted testimony in favor, #31957.

Doug Panchot, Administrator Souris Valley Care Center, testified in favor and submitted testimony, #32177.

4:34 p.m. Chairman M. Ruby adjourned the meeting.

*Jackson Toman, Committee Clerk*

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**House Human Services Committee**  
**January 28, 2025**  
**HB 1619**

Chairman Ruby and members of the House Human Services Committee. My name is Nikki Wegner, President of the North Dakota Long Term Care Association. We represent 182 assisted living, basic care, and skilled nursing facilities in North Dakota. Thank you for the opportunity to testify in support of HB 1619 on the critical need for infrastructure improvements in North Dakota's skilled nursing (SNFs) and basic care (BC) facilities. These facilities are essential to our communities, and investing in their future is crucial for ensuring high-quality, safe, and efficient care for residents.

**Aging Infrastructure and Modern Care Standards**

Many of North Dakota's long term care facilities are aging and in urgent need of renovations, updated equipment, and infrastructure improvements. These upgrades are necessary to meet modern care standards and provide:

- **Safe Environments:** Outdated infrastructure poses safety risks for residents and staff.
- **Efficient Operations:** Modern systems reduce energy and operational costs.
- **High-Quality Care:** Updated facilities enhance resident comfort and support better health outcomes.

Without these improvements, facilities risk falling behind, jeopardizing their ability to serve their communities effectively.

**Financial Barriers to Renovation**

Current market conditions make securing affordable loans particularly challenging for long term care facilities, especially those in rural areas.

Two key factors contribute to this issue:

1. **High-Interest Rates:** Rising interest rates increase borrowing costs, putting large-scale projects out of reach for many facilities.
2. **Perceived Lender Risks:** Financial institutions often view SNFs and BC facilities as higher-risk borrowers, further limiting access to financing.

These barriers leave facilities unable to pursue necessary upgrades, further exacerbating the challenges of providing quality care in aging buildings.

**Long-Term Care Facility Infrastructure Loan Fund: A Cost-Effective Solution**

HB 1619 proposes a new section to chapter 6-09 of the North Dakota Century Code to establish a long-term care facility infrastructure loan fund and details its structure, purpose, and operations.

In SECTION 1, starting on line 8, the Bank of North Dakota will oversee the loan program designed to support nursing and basic care facilities. Loans are intended to finance renovation projects or the construction of new facilities. Projects may also include land acquisition and improvements to physical structures, provided these activities align with the facility's governing body's authority.

In SECTION 1, line 13, the loan fund is proposed to be a special fund maintained in the state treasury from which the Bank shall provide loans under this section. Its funding will come from legislative transfers, interest earnings, and repayments on prior loans. All monies in the fund are appropriated on a continuing basis to the Bank for administering loans.

In SECTION 1, line 19, nursing and basic care facilities seeking loans must submit an application to the Bank of North Dakota. Applications must:

- Outline the specifics of the proposed construction project.
- Demonstrate the project's necessity and long-term viability.
- Provide sufficient financial documentation to verify eligibility.

In SECTION 1, line 24, loan approval proposed under this section are subject to specific terms:

- Loans cannot cover more than 50% of total project costs.
- A single project may not exceed \$10 million.
- Must have an interest rate that does not exceed 1%.
- Loan repayment terms cannot exceed 30 years.

On the second page, line 5, loan recipients must finish the funded construction project within 24 months of loan approval. Failure to meet this deadline may result in forfeiture of the entire loan. This provision ensures timely use of funds and accountability for completing projects.

Line 8, all repayments (principal and interest) return to the loan fund to sustain its operations. The Bank may deduct service fees from interest payments to cover administrative costs. Annual audits will ensure transparency and accountability, with audit expenses paid from the fund itself.

In SECTION 2, starting on line 13, the bill details the funding mechanism for launching the loan program:

- The Office of Management and Budget will transfer \$100 million from the state's Strategic Investment and Improvements Fund to the long-term care facility infrastructure loan fund.
- This transfer will occur beginning July 1, 2025, and ending June 30, 2027, establishing the initial pool of capital for loans.

Hospitals in North Dakota have benefitted from a similar infrastructure loan program established in 2013, and its success demonstrates the value of providing targeted financial support to essential healthcare facilities. The program has enabled hospitals to modernize their infrastructure, improve patient care, and meet regulatory standards while ensuring financial sustainability. By using this proven model as inspiration, we can extend these benefits to our state's nursing and basic care facilities, which are equally critical to the healthcare continuum.



The proposed \$100 million allocation for the long-term care facility infrastructure loan fund is a necessary starting point to address the pressing needs of these facilities. This amount has been carefully calculated based on the significant rise in construction costs over recent years. Cost per square foot for construction less than two years ago for one rural location was \$248.86 whereas a current project received a quote for \$740 a square foot. Inflation and increased demand for materials and labor have made it substantially more expensive to undertake renovation and construction projects. These challenges are especially acute in rural areas, where financial resources are often more constrained, and access to affordable financing can make the difference between success and closure.

Additionally, the scale of need in the long-term care sector far surpasses that of hospitals. While North Dakota's hospital loan fund, established 12 years ago, has been highly successful, our state has 56 total hospitals, compared to 74 nursing facilities and 65 basic care facilities. Each of these facilities faces unique infrastructure challenges that threaten their ability to provide safe, efficient, and high-quality care. Without comparable support, these facilities cannot modernize or meet the growing demands of the communities they serve.

Based on current estimates, this initial \$100 million investment could support projects of more than 10 facilities this biennium, addressing critical infrastructure needs like renovations, new construction, and equipment upgrades. The revolving structure of the fund adds to its sustainability. As facilities repay their loans with interest, these payments will replenish the fund, creating a continuous revenue stream. Over time, the Bank of North Dakota can extend additional loans, ensuring the long-term viability and ongoing impact of the program.

This program is more than a one-time infusion of resources, it is a forward-thinking solution tailored to meet the immediate and long-term infrastructure needs of North Dakota's long term care facilities. By investing in this fund, you are not only enabling critical upgrades today but also laying the groundwork for a sustainable and thriving long term care system that benefits residents, staff, and communities for decades to come.

### **Economic and Community Benefits**

Investing in facility improvements extends benefits beyond the care sector, positively impacting local economies and communities:

- **Economic Growth:** Renovation projects create construction jobs, stimulate equipment purchases, and generate demand for local goods and services.
- **Improved Resident Experience:** Upgraded facilities offer a more comfortable and welcoming environment for residents.
- **Enhanced Workforce Appeal:** Modern facilities attract and retain staff, addressing workforce challenges by creating a more appealing place to work.

These investments strengthen not only the facilities but also the communities they serve, ensuring long-term viability and quality of life for residents and staff alike.

### **Closing**

Chairman Ruby, members of the committee, the proposed long-term care facility infrastructure loan fund is a thoughtful and necessary solution to address the financial barriers faced by our long-term care facilities. By supporting this initiative, you can help ensure that North Dakota's SNFs and BC facilities have the resources to modernize, meet today's care standards, and continue to serve their communities effectively.

I urge your support for this program to invest in the future of long-term care in North Dakota. Thank you for your time and consideration, and I am happy to answer any questions.

Nikki Wegner MS, OTR/L, President  
North Dakota Long Term Care Association  
1900 North 11<sup>th</sup> Street  
Bismarck, ND 58501  
(701) 222-0660  
[nikki@ndltca.org](mailto:nikki@ndltca.org)

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**House Human Services Committee**  
**January 28, 2025**  
**HB 1619**

Chairman Ruby and members of the House Human Services Committee. My name is Belinda Moen, Administrator & CEO at Bethel Lutheran Nursing & Rehabilitation Center in Williston, ND. Thank you for the opportunity to testify in support of HB 1619 on the critical need for infrastructure improvements in North Dakota's skilled nursing (SNFs) and basic care (BC) facilities.

We have been a staple in the community and the western region of North Dakota as well as the eastern part of Montana for decades. We are currently licensed for 100 skilled and 19 basic care beds and as such are one of the larger nursing facilities within our state. Our building was built in 1949 (*celebrating 76 years this May*) and is showing its age. There has been talk for years about the need for a new facility, and that talk gained speed with the purchase of our new property in 2022. We are currently finalizing plans for that new nursing facility here in Williston.

As I'm sure you are aware, construction costs are extremely high, not only in ND, but nationwide. Those costs are compounded for us here in the Bakken as we see an approximate 15% increase in pricing simply due to location and availability of supplies. Those costs and how they affect funding can make or break a project, especially one of our size and scale. Our projected funding need is \$70 million dollars. We can only bond \$30 million of that total cost and a 1% loan for the initial \$10 million would be a huge help in getting us closer to that goal and getting our project started.

Chairman Ruby, members of the committee, and all involved with this Bill, I urge your support for this program with a **Do Pass** to invest in the future of long-term care in North Dakota. Thank you for your time and consideration, and I am happy to answer any questions.

**Belinda Moen, RN, BSN, MBA, LNHA**

Administrator/CEO

*Bethel Lutheran Nursing & Rehabilitation Center*

701-572-6766 X101

bmoen1@blnrc.com

**Testimony in support of Long-Term Care Facility Infrastructure  
Loan Fund**

**House Human Services Committee**

**January 28, 2025**

**HB 1619**

Chairman Ruby and members of the House Human Services committee, thank you for taking the time to listen to my testimony in support of House Bill 1619. My name is Trevor Tompkins and I'm the administrator of the Lutheran Sunset Home, an 87-bed skilled nursing facility with an attached 26-bed assisted living complex located in Grafton, North Dakota. Our facility began operation in 1962 and has been serving the needs of the elderly in our community for over sixty years.

This facility was started by local churches as a 42-bed nursing home and has grown and evolved throughout the years to what it is today. While the building has been maintained well over the years, the multiple expansions have resulted in an inefficient building design. This means increased steps for staff, small and often shared bathrooms, and little personal space for residents. Much of the facility infrastructure is original to the building which means that we are one collapsed pipe away from \$100,000 plumbing bills.

When our facility began considering the future of our physical plant, the feasibility studies have shown that renovation would likely be just as costly as a replacement building and would likely result in a similarly unsatisfying building design due to our land locked status. Our census remains strong, averaging 93% over the past three years and a recent Demand Analysis projects that there is need in our community for housing for the elderly with skilled nursing, assisted living, and independent senior housing.

We have purchased land for a replacement building and I have started the loan application process with the USDA Rural Development. Our architects

project building costs in North Dakota for our project to come in at \$625 per square foot, which exceeds projected building costs in some states by over \$150 to \$200 per square foot. If those construction numbers hold true, then our financial projections put us upwards of \$20 million short of where we would need to be to service the debt with only a USDA loan. Because the current RS Means system caps our reimbursement for construction and renovation, we need to find another way to service the debt.

A low interest loan from the Bank of North Dakota would be a game changer for our facility and would help bridge the gap in funding so that I might come back to my community and finish the job. Many facilities in rural communities were built around the same time frame and many of my colleagues understand that if this problem is not impacting them now, then it will be in the near future. I know of long term care facilities that are hoping to build in the near future but they feel like their project is dead in the water. Please support House Bill 1619 so that facilities like ours can build toward the future!

Trevor Tompkins

Administrator/CEO

Lutheran Sunset Home/Leisure Estates

333 Eastern Avenue

Grafton, ND 58237

Phone: (701) 352-1901

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**House Human Services Committee**  
**January 28, 2025**  
**HB 1619**

Chairman Ruby and members of the House Human Services Committee. My name is Brad DeJong, CPA, Partner, with Eide Bailly, LLP. Thank you for the opportunity to testify in support of HB 1619, the proposed \$100 million low interest loan program, and the critical need for infrastructure improvements in North Dakota's skilled nursing (SNFs) and basic care (BC) facilities.

I have worked in the healthcare industry for 31 years with a concentration in senior living and rural healthcare facilities. As a financial business advisor to the healthcare industry, I have worked with multiple facilities in the State assisting them with developing strategic plans to complete needed capital projects and related financial forecasts required to obtain debt funding to build replacement facilities and renovate existing facilities.

Several long-term care facilities in our State are no longer able to efficiently provide services to today's residents due to design and age and are in critical need for infrastructure updates to avoid failures that could lead to a closure of the facility. The infrastructure at these facilities is often located within areas of the buildings that make it impossible to update while continuing to provide care or are simply improperly designed to be retrofitted to allow for modern care delivery and needs. The cost of renovation as a result, is often more costly than building a replacement facility specifically designed to meet today's resident needs and allow for efficient staffing to deal with the shortage of care related employees in the State.

Over the last 5 years, we have seen an unprecedented increase in the cost of construction that has led to the doubling of the cost to complete major renovations or replacements based on current estimates. Interest rates are also significantly higher today than they were 5 years ago. Our rate setting system is a set calculation that uses a construction benchmark in setting base value that has not doubled over

the same period causing a deficiency in the payments provided to cover the costs incurred.

HB 1619 will provide facilities access to funding at rates significantly lower than what can be accessed through traditional debt financing options. This reduced interest rate will lower interest rates on related debt by an estimated 3.25% to 5.25% as compared to other options. The reduced rate will increase access to as much as \$2.9 to \$3.4 million in additional debt financing on large projects.

HB 1619 will also reduce the annual interest expense a facility will recognize in setting rates that will lead to reductions in rates to both private pay residents and Medicaid covered residents. These reductions will also benefit the State by reducing its share of the Medicaid payments. On a \$10 million loan, interest expense recognized annually will decrease by an estimated \$524,000 annually as compared to traditional debt at current rates.

Chairman Ruby, members of the committee, I urge your support for this program with a Do Pass to invest in the future of long-term care in North Dakota. Thank you for your time and consideration, and I am happy to answer any questions.

Bradley DeJong, CPA  
Partner, Eide Bailly LLP  
[bdejong@eidebailly.com](mailto:bdejong@eidebailly.com)  
701.239.8630



**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**House Human Services Committee**  
**January 28, 2025**  
**HB 1619**

Chairman Ruby and members of the House Human Services Committee, thank you for the opportunity to testify in support of HB 1550. My name is Doug Panchot, Administrator, Souris Valley Care Center located in Velva. We are a 46-bed skilled nursing facility with an attached 16 unit assisted living facility. Our facility has been in operation since 1979. We have served the great community and many surrounding rural communities for over 45 years.

As with most rural senior living facilities in our great state of ND we were started by local visionaries in the Velva community seeing a need to serve our older population who can't care for or be cared for at home. Over the years our facility has had a few different additions with the most notable being the addition of the 16-unit, 2-bedroom 1 bath assisted living apartments in 1999. In the past the facility has had the ability to upgrade the skilled nursing facility with HVAC equipment and interior finishes. These items are helpful, but we still have the challenges of many semi-private (shared) rooms, which means that there are small, shared bathrooms and very little personal space for our residents. Most of our infrastructure throughout the 46-bed skilled nursing facility is original which has the potential for costly repairs if there is a catastrophic failure. Not only is there the cost of repairs but also the challenges with relocating or placing residents in a different area or facility to complete the work needed to get the systems back on-line.

It has been almost two years since our local Board of Directors, at a strategic planning meeting, had charged me with looking into alternatives to have better and more options to provide senior care to the community of Velva. The market study that was completed identified two main areas. One of those being the need for private rooms to provide skilled nursing services and second, the need for basic care beds in our community.

We have the land on our campus to replace our 46 skilled nursing beds with new attached skilled nursing facility with mainly private rooms. This will give our residents more personal space than our current semi-private rooms along with more efficiency for our employees to care for those we serve. The plan would be for us to convert the current twenty-five semi-private rooms in our skilled nursing facility into twenty-five private basic care beds. We would have to do some minor remodeling in these rooms, but it is something that is very realistic.

We have recently started the process with USDA to apply for Rural Development dollars. Over the last months we have worked with architects on this potential project. In discussions with the architect firms and hearing from some of my colleagues, building costs are coming in at well over \$600 per square foot. This cost is well above the building costs that are seen across the country. If those costs are accurate, we would be looking at a shortfall of over \$24 million that we would need to service the debt beyond a USDA loan. Because the current RS Means system caps our reimbursement for construction and renovation, we need to find another way to service the remaining debt.

Our facility in Velva has really worked hard over the last number of years to be financially strong and debt free. We have been able to build up

reserves and now have the ability to tap into if needed. Having a low interest loan option from the Bank of North Dakota would help bridge the gap from USDA funding so we can better care for our community members that need our services.

This type of loan program will give the assurance needed to help provide dollars for the required financing package to complete these types of necessary projects throughout the state of ND.

Our facility and our community is eager to see our facility transformed so we can meet the demands and needs of future generations. Many senior care providers are experiencing the same needs we have in Velva and the assistance of this low interest loan option goes a long way in getting these projects financed.

Chairman Ruby, members of the committee, I urge your support with a Do Pass for this important initiative to strengthen the future of long-term care in North Dakota.

Thank you for your time and consideration, and I am happy to answer any questions by way of communication below.

Doug Panchot  
Souris Valley Care Center, Inc.  
300 South Main  
Velva, ND 58790  
[douglas.panchot@good-sam.com](mailto:douglas.panchot@good-sam.com)  
Phone: 701.261.4132



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## **Representative Emily O'Brien**

District 42  
2029 Second Avenue North  
Grand Forks, ND 58203-3311  
[eobrien@ndlegis.gov](mailto:eobrien@ndlegis.gov)

## **COMMITTEES:**

Appropriations  
Appropriations - Human Resources Division

01/28/2025

## **House Bill 1619**

### **House Human Services Committee**

Chairman Ruby and members of the House Human Services Committee,

I am Representative Emily O'Brien, representing District 42 in Grand Forks.

House Bill 1619 is the sister bill to House Bill 1550, which was just heard by this committee. The difference between the two bills is that House Bill 1550 would provide a nursing and basic care facility loan guarantee program. House Bill 1619 establishes a \$100 million loan fund to support long term care facilities in North Dakota with financing for critical infrastructure projects, including renovations, new construction, and equipment upgrades. This bill is the other critical companion to the Long-Term Care Loan Guarantee Program.

The fund will be managed by the Bank of North Dakota and will support up to \$10 million per project with low-interest loans and favorable terms. It will enable facilities to secure loans at a 1% interest rate, significantly lower than the typical 5-7% they would otherwise face.

This is modeled after the successful hospital loan program, this fund is structured as a revolving resource, ensuring long-term sustainability through repayments. Serving on the Human Resources Section of Appropriations - we have heard how important it is to invest in these facilities - improving our local economies, improving resident care, and attracting and retaining much-needed staff.

I know there are several behind me to provide testimony and would defer technical questions to them.

Thank you, Mr. Chairman and members of the committee.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Pioneer Room, State Capitol

HB 1619  
2/10/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

Chairman M. Ruby opened the meeting.

Members Present: Chairman M. Ruby, Vice-Chairman Frelich, Representatives Beltz, Bolinske, Davis, Dobervich, Fegley, Hendrix, Holle, Kiefert, Rios, Rohr  
Members Absent: Representative K. Anderson

### Discussion Topics:

- Committee action
- Sum of loan
- Interest rates

9:41 a.m. Representative Rohr moved to amend the bill relating to the sum of the loan from 100,000,000 to 50,000,000 and interest rates.

9:41 a.m. Vice-chairman Frelich seconded the motion.

9:41 a.m. Voice vote passed.

9:41 a.m. Representative Rohr moved a Do Pass as amended and rerefer to appropriations.

9:42 a.m. Vice-chairman Frelich seconded the motion.

Representatives	Vote
Representative Matthew Ruby	Y
Representative Kathy Frelich	Y
Representative Karen Anderson	AB
Representative Mike Beltz	Y
Representative Macy Bolinske	Y
Representative Jayme Davis	Y
Representative Gretchen Dobervich	Y
Representative Cleyton Fegley	Y
Representative Jared Hendrix	Y
Representative Dawson Holle	Y
Representative Dwight Kiefert	Y
Representative Nico Rios	Y
Representative Karen Rohr	Y

9:42 a.m. Motion passed 12-0-1.

Representative Fegley will carry the bill.

9:43 a.m. Chairman M. Ruby closed the meeting.

*Jackson Toman, Committee Clerk*

February 10, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**HOUSE BILL NO. 1619**

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

2-10-25  
JB 1082

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 provide for a transfer; and  
3 to provide for a continuing appropriation.

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

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

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

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

John 20f 2

- 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 ~~one~~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. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
18       **LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management  
19       and budget shall transfer the sum of ~~\$100,000,000~~\$50,000,000 from the strategic investment  
20       and improvements fund to the long-term care facility infrastructure loan fund during the  
21       biennium beginning July 1, 2025, and ending June 30, 2027.



**REPORT OF STANDING COMMITTEE  
HB 1619**

**Human Services Committee (Rep. M. Ruby, Chairman)** recommends **AMENDMENTS** ([25.1332.01001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1619 was placed on the Sixth order on the calendar.

**2025 HOUSE APPROPRIATIONS**

**HB 1619**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

HB 1619  
2/18/2025

A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

4:21 p.m. Chairman Vigesaa opened the hearing.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Bosch, Fisher, Hanson, Louser, Martinson, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner  
Members absent: Representatives Berg, Brandenburg, Meier

### **Discussion Topics:**

- Future projects
- Facility funding

4:21 p.m. Representative M. Ruby introduced the bill.

4:23 p.m. Chairman Vigesaa closed the hearing.

*Mary Brucker, Committee Clerk, for Sierra Schartz, Committee Clerk*

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1619  
2/21/2025

A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

5:44 p.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Representatives: Anderson, Berg, Brandenburg, Bosch, Fisher, Hanson, Louser, Martinson, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Stemen, Swiontek, Wagner

Members absent: Vice Chairman Kempenich, Representatives: Mitskog, Meier, Sanford.

### Discussion Topics:

- Committee Action

5:51 p.m. Nikki Wegner, President, ND Long Term Care Association, answered questions.

5:52 p.m. Representative J. Nelson moved a Do Pass.

5:52 p.m. Representative Stemen seconded the motion.

5:52 p.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	N
Representative Keith Kempenich	AB
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	N
Representative Bob Martinson	Y
Representative Lisa Meier	AB
Representative Alisa Mitskog	AB
Representative David Monson	Y
Representative Eric J. Murphy	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	AB
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

5:55 p.m. Motion passed 16-3-4. Representative Fegley will carry.

5:56 p.m. Chairman Vigesaa closed the meeting.

*Krystal Eberle for Sierra Schartz, Committee Clerk*

**REPORT OF STANDING COMMITTEE  
ENGROSSED HB 1619 ([25.1332.02000](#))**

**Appropriations Committee (Rep. Vigesaa, Chairman)** recommends **DO PASS** (16 YEAS, 3 NAYS, 4 ABSENT OR EXCUSED AND NOT VOTING). HB 1619 was placed on the Eleventh order on the calendar.

**2025 SENATE HUMAN SERVICES**

**HB 1619**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

HB 1619  
3/19/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

9:04 a.m. Chairman Lee called the meeting to order.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### **Discussion Topics:**

- Cash Management Process
- Care Services Available in Grafton
- Construction Costs Above Average
- State Reimbursement Formula
- Loan Application Process

9:04 a.m. Representative Emily O'Brien testified in favor and submitted testimony #42974.

9:06 a.m. Nikki Wegner, President, ND Long Term Care Association, testified in favor and submitted testimony #41751.

9:18 a.m. Kylee Merkel, Bank of ND, testified as neutral.

9:21 a.m. Trevor Tompkins, Administrator for Lutheran Sunset Home, testified in favor and submitted testimony #41543.

9:27 a.m. Doug Panchot, Administrator for Souris Valley Care Center, testified in favor and submitted testimony #42932.

9:35 a.m. Brad DeJong, Eide Bailly, testified in favor and submitted testimony #42441.

### **Additional written testimony:**

Belinda Moen, Bethel Lutheran Nursing and Rehab CEO, submitted testimony in favor #42845.

9:49 a.m. Chairman Lee closed the hearing.

*Elizabeth Reiten for Andrew Ficek, Committee Clerk*



**Testimony in support of Long-Term Care Facility Infrastructure  
Loan Fund**

**Senate Human Services Committee**

**March 19, 2025**

**HB 1619**

Chairman Lee and members of the Senate Human Services committee, thank you for taking the time to listen to my testimony in support of House Bill 1619

My name is Trevor Tompkins and I'm administrator of the Lutheran Sunset Home, an eighty-seven bed skilled nursing facility with an attached twenty-six bed assisted living complex located in Grafton, North Dakota. Our facility began operation in 1962 and has been serving the needs of the elderly in our community for over sixty years.

This facility was started by local churches as a 42-bed nursing home and has grown and evolved throughout the years to what it is today. While the building has been maintained well over the years, the multiple expansions have resulted in an inefficient building design. This means increased steps for staff, small and often shared bathrooms, and little personal space for residents. Much of the facility infrastructure is original to the building which means that we are one collapsed pipe away from \$100,000 plumbing bills.

When our facility began considering the future of our physical plant, the feasibility studies have shown that renovation would likely be just as costly as a replacement building and would likely result in a similarly unsatisfying building design due to our land locked status. Our census remains strong, averaging 93% over the past three years and a recent Demand Analysis projects that there is need in our community for housing for the elderly with skilled nursing, assisted living, and independent senior housing.

We have purchased land for a replacement building and I am currently in the process of loan application with the USDA Rural Development. Our architects project building costs in North Dakota for our project to come in at \$625 per square foot, which exceeds projected building costs in some states by over \$150 to \$200 per square foot. If those construction numbers hold true, then our financial projections put us upwards of \$20 million short of where we would need to be to service the debt with only a USDA loan. Because the current RS Means system caps our reimbursement for construction and renovation, we need to find another way to service the debt.

A low interest loan from the Bank of North Dakota would be a game changer for our facility and would help bridge the gap in funding so that I might come back to my community and finish the job. Many facilities in rural communities were built around the same time frame and many of my colleagues understand that if this problem is not impacting them now, then it will be in the near future. I know of long-term care facilities that are hoping to build in the soon but they feel like their project is dead in the water. I ask that the \$50 million be restored to \$100 million to accommodate the demand that is here now and will be coming. I also ask that you amend the 2% interest rate to 1% to be in line with the hospital loan program. Please support House Bill 1619 so that facilities like ours can build toward the future!

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**Senate Human Services Committee**  
**March 19, 2025**  
**HB 1619**

Chair Lee and members of the Senate Human Services Committee. My name is Nikki Wegner, President of the North Dakota Long Term Care Association. We represent 182 assisted living, basic care, and skilled nursing facilities in North Dakota. Thank you for the opportunity to testify in support of HB 1619 on the critical need for infrastructure improvements in North Dakota's skilled nursing (SNFs) and basic care (BC) facilities. These facilities are essential to our communities, and investing in their future is crucial for ensuring high-quality, safe, and efficient care for residents.

**Aging Infrastructure and Modern Care Standards**

Many of North Dakota's long term care facilities are aging and in urgent need of renovations, updated equipment, and infrastructure improvements. These upgrades are necessary to meet modern care standards and provide:

- **Safe Environments:** Outdated infrastructure poses safety risks for residents and staff.
- **Efficient Operations:** Modern systems reduce energy and operational costs.
- **High-Quality Care:** Updated facilities enhance resident comfort and support better health outcomes.

Without these improvements, facilities risk falling behind, jeopardizing their ability to serve their communities effectively.

**Financial Barriers to Renovation**

Current market conditions make securing affordable loans particularly challenging for long term care facilities, especially those in rural areas.

Two key factors contribute to this issue:

1. **High-Interest Rates:** Rising interest rates increase borrowing costs, putting large-scale projects out of reach for many facilities.
2. **Perceived Lender Risks:** Financial institutions often view SNFs and BC facilities as higher-risk borrowers, further limiting access to financing.

These barriers leave facilities unable to pursue necessary upgrades, further exacerbating the challenges of providing quality care in aging buildings.

**Long-Term Care Facility Infrastructure Loan Fund: A Cost-Effective Solution**

HB 1619 proposes a new section to chapter 6-09 of the North Dakota Century Code to establish a long-term care facility infrastructure loan fund and details its structure, purpose, and operations.

In SECTION 1, starting on line 8, the Bank of North Dakota will oversee the loan program designed to support nursing and basic care facilities. Loans are intended to finance renovation projects or the construction of new facilities. Projects may also include land acquisition and improvements to physical structures, provided these activities align with the facility's governing body's authority.

In SECTION 1, line 13, the loan fund is proposed to be a special fund maintained in the state treasury from which the Bank shall provide loans under this section. Its funding will come from legislative transfers, interest earnings, and repayments on prior loans. All monies in the fund are appropriated on a continuing basis to the Bank for administering loans.

In SECTION 1, line 19, nursing and basic care facilities seeking loans must submit an application to the Bank of North Dakota. Applications must:

- Outline the specifics of the proposed construction project.
- Demonstrate the project's necessity and long-term viability.
- Provide sufficient financial documentation to verify eligibility.

In SECTION 1, line 24, loan approval proposed under this section are subject to specific terms:

- Loans cannot cover more than 50% of total project costs.
- A single project may not exceed \$10 million.
- Must have an interest rate that does not exceed 1%.
- Loan repayment terms cannot exceed 30 years.

On the second page, line 5, loan recipients must finish the funded construction project within 24 months of loan approval. Failure to meet this deadline may result in forfeiture of the entire loan. This provision ensures timely use of funds and accountability for completing projects.

Line 8, all repayments (principal and interest) return to the loan fund to sustain its operations. The Bank may deduct service fees from interest payments to cover administrative costs. Annual audits will ensure transparency and accountability, with audit expenses paid from the fund itself.

In SECTION 2, starting on line 13, the bill details the funding mechanism for launching the loan program:

- The Office of Management and Budget will transfer \$50 million from the state's Strategic Investment and Improvements Fund to the long-term care facility infrastructure loan fund.
- This transfer will occur beginning July 1, 2025, and ending June 30, 2027, establishing the initial pool of capital for loans.

Hospitals in North Dakota have benefitted from a similar infrastructure loan program established in 2013, and its success demonstrates the value of providing targeted financial support to essential healthcare facilities. The program has enabled hospitals to modernize their infrastructure, improve patient care, and meet regulatory standards while ensuring financial sustainability. By using this proven model as inspiration, we can extend these benefits to our state's nursing and basic care facilities, which are equally critical to the healthcare continuum.

The originally proposed \$100 million allocation for the long-term care facility infrastructure loan fund is a necessary starting point to address the pressing needs of these facilities. This amount has been carefully calculated based on the significant rise in construction costs over recent years. Cost per square foot for construction less than two years ago for one rural location was \$248.86 whereas a current project received a quote for \$740 a square foot. Inflation and increased demand for materials and labor have made it substantially more expensive to undertake renovation and construction projects. These challenges are especially acute in rural areas, where financial resources are often more constrained, and access to affordable financing can make the difference between success and closure.

Additionally, the scale of need in the long-term care sector far surpasses that of hospitals. While North Dakota's hospital loan fund, established 12 years ago, has been highly successful, our state has 56 total hospitals, compared to 74 nursing facilities and 65 basic care facilities. Each of these facilities faces unique infrastructure challenges that threaten their ability to provide safe, efficient, and high-quality care. Without comparable support, these facilities cannot modernize or meet the growing demands of the communities they serve.

Based on current estimates, this originally proposed \$100 million investment could support projects of more than 10 facilities this biennium, addressing critical infrastructure needs like renovations, new construction, and equipment upgrades. The revolving structure of the fund adds to its sustainability. As facilities repay their loans with interest, these payments will replenish the fund, creating a continuous revenue stream. Over time, the Bank of North Dakota can extend additional loans, ensuring the long-term viability and ongoing impact of the program.

This program is more than a one-time infusion of resources, it is a forward-thinking solution tailored to meet the immediate and long-term infrastructure needs of North Dakota's long term care facilities. By investing in this fund, you are not only enabling critical upgrades today but also laying the groundwork for a sustainable and thriving long term care system that benefits residents, staff, and communities for decades to come.

### **Economic and Community Benefits**

Investing in facility improvements extends benefits beyond the care sector, positively impacting local economies and communities:

- **Economic Growth:** Renovation projects create construction jobs, stimulate equipment purchases, and generate demand for local goods and services.
- **Improved Resident Experience:** Upgraded facilities offer a more comfortable and welcoming environment for residents.
- **Enhanced Workforce Appeal:** Modern facilities attract and retain staff, addressing workforce challenges by creating a more appealing place to work.

These investments strengthen not only the facilities but also the communities they serve, ensuring long-term viability and quality of life for residents and staff alike.

**Closing**

Chair Lee, members of the committee, the proposed long-term care facility infrastructure loan fund is a thoughtful and necessary solution to address the financial barriers faced by our long term care facilities. For this reason, we ask that the \$50 million be restored to \$100 million and amend the 2% back to a 1% interest same as the hospital loan program. By supporting this initiative, you can help ensure that North Dakota's SNFs and BC facilities have the resources to modernize, meet today's care standards, and continue to serve their communities effectively.

I urge your support for this program to invest in the future of long-term care in North Dakota. Thank you for your time and consideration, and I am happy to answer any questions.

Nikki Wegner MS, OTR/L, President  
North Dakota Long Term Care Association  
1900 North 11<sup>th</sup> Street  
Bismarck, ND 58501  
(701) 222-0660  
[nikki@ndltca.org](mailto:nikki@ndltca.org)

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**Senate Human Services Committee**  
**March 19, 2025**  
**HB 1619**

Chair Lee and members of the Senate Human Services Committee. My name is Brad DeJong, CPA, Partner, with Eide Bailly, LLP. Thank you for the opportunity to testify in support of HB 1619, the proposed low interest loan program, and the critical need for infrastructure improvements in North Dakota's skilled nursing (SNFs) and basic care (BC) facilities.

I have worked in the healthcare industry for 32 years with a concentration in senior living and rural healthcare facilities and serve as Eide Bailly's Senior Living Service Director. As a financial advisor to the healthcare industry, I have worked with multiple facilities in the State assisting them with developing strategic plans to complete needed capital projects and related financial feasibility studies required to obtain needed debt funding to build replacement facilities and renovate existing facilities.

Several long-term care facilities in our State are no longer able to efficiently provide services to today's residents due to design and age and are in critical need for infrastructure updates to avoid failures that could lead to a closure of the facility. The infrastructure at these facilities is often located within areas of the buildings that make it impossible to update while continuing to provide care or are simply improperly designed to be retrofitted to allow for modern care delivery and resident comfort. The cost of renovation as a result, is often more costly than building a replacement facility specifically designed to meet today's

resident needs and allow for efficient staffing to deal with the shortage of care related employees in the State.

Over the last 5 years, we have seen an unprecedented increase in the cost of construction that has led to the doubling of the cost to complete major renovations or replacements based on current estimates provided from architects and contractors. Interest rates are also significantly higher today than they were 5 years ago. Also, the rate setting system for property related costs uses a set calculation based on a construction benchmark that has not doubled over the same period causing a deficiency in the payments provided to cover the costs incurred.

HB 1619 will provide facilities access to funding at rates significantly lower than what can be accessed through traditional debt financing options. This reduced interest rate will lower interest rates on related debt by an estimated 3.25% to 5.25% as compared to other options if it were at 1%.

HB 1619 will also reduce the annual interest expense a facility will recognize in setting rates that will lead to reductions in rates to both private pay residents and Medicaid covered residents. These reductions will also benefit the State by reducing its share of the Medicaid payments. On a \$10 million loan, interest expense recognized annually will decrease by an estimated \$524,000 as compared to traditional debt at current rates.



HB 1619 was originally introduced to provide \$100 million at 1% interest. With over 125 nursing homes and basic care facilities in the State, the need to restore this bill to \$100 million is requested to ensure multiple providers have access to the funds needed. With several facilities facing major projects and high costs of construction, the \$50 million would be depleted quickly. The State supported the hospital industry with a \$50 million 1% loan program previously and it has been very successful in supporting the upgrading of our State healthcare system. That program provided more than \$1 million per eligible facility, the \$100 million would still be short of that funding level, and one has to consider the cost to complete a project now are significantly higher than when that program was established.

Chairman Lee, members of the committee,

I urge your support for this program with a Do Pass to invest in the future of long-term care in North Dakota. Thank you for your time and consideration, and I am happy to answer any questions.

Bradley DeJong, CPA  
Partner, Eide Bailly LLP  
[bdejong@eidebailly.com](mailto:bdejong@eidebailly.com)  
701.239.8630

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**Senate Human Services Committee**  
**March 19, 2025**  
**HB 1619**

Chair Lee and Members of the Senate Human Services Committee. My name is Belinda Moen, Administrator & CEO at Bethel Lutheran Nursing & Rehabilitation Center in Williston, ND. Thank you for the opportunity to testify in support of HB 1619 on the critical need for infrastructure improvements in North Dakota's skilled nursing (SNFs) and basic care (BC) facilities.

We have been a staple in the community and the western region of North Dakota as well as the eastern part of Montana for decades. We are currently licensed for 100 skilled and 19 basic care beds and as such are one of the larger nursing facilities within our state. Our building was built in 1949 (*celebrating 76 years this May*) and it is showing its age. There has been talk for years about the need for a new facility, and that talk gained speed with the purchase of our new property in 2022. We are currently finalizing plans for that new nursing facility here in Williston.

As I'm sure you are aware, construction costs are extremely high, not only in ND, but nationwide. Those costs are compounded for us here in the Bakken as we see an approximate 15% increase in pricing simply due to location and availability of supplies. Those costs and how they affect funding can make or break a project, especially one of our size and scale. Our projected funding need is \$70 million dollars.

We are asking that the \$50 million be restored to \$100 million and amend the 2% interest rate back to the 1% rate, to mirror the hospital loan

program. Currently there are several facilities who are looking to build new or update their aging buildings around the state. By increasing the total available funds to \$100 million it will allow those organizations to make the needed updates. By leaving the total funds at \$50 million some of those organizations will lose out on that funding. Costs have risen for everything, and LTC is no different. The 1% interest rate is a huge benefit to making sure we are able to continue caring for the aging population in our state in a new modern facility.

Members of the committee, and all involved with this Bill,  
I urge your support for this program with a **Do Pass** to invest in the future of long-term care in North Dakota. Thank you for your time and consideration, and I am happy to answer any questions.

**Belinda Moen, RN, BSN, MBA, LNHA**  
Administrator/CEO  
*Bethel Lutheran Nursing & Rehabilitation Center*  
701-572-6766 X101  
bmoen1@blnrc.com

**Testimony on Long-Term Care Facility Infrastructure Loan Fund**  
**Senate Human Services Committee**  
**March 19<sup>th</sup>, 2025**  
**HB 1619**

Chair Lee and members of the Senate Human Services Committee, thank you for the opportunity to testify in support of HB 1619. My name is Doug Panchot, Administrator, Souris Valley Care Center located in Velva. We are a 46-bed skilled nursing facility with an attached 16 unit assisted living facility. Our facility has been in operation since 1979. We have served the great community and many surrounding rural communities for over 45 years.

As with most rural senior living facilities in our great state of ND we were started by local visionaries in the Velva community seeing a need to serve our older population who can't care for or be cared for at home. Over the years our facility has had a few different additions with the most notable being the addition of the 16-unit, 2-bedroom 1 bath assisted living apartments in 1999. In the past the facility had the ability to upgrade the skilled nursing facility with HVAC equipment and interior finishes. These items are helpful, but we still have the challenges of many semi-private (shared) rooms, which means that there are small, shared bathrooms and very little personal space for our residents. Most of our infrastructure throughout the 46-bed skilled nursing facility is original which has the potential for costly repairs if there is a catastrophic failure. Not only is there the cost of repairs but also the challenges with relocating or placing residents in a different area or facility to complete the work needed to get the systems back on-line.

It has been almost two years since our local Board of Directors, at a strategic planning meeting, had charged me with looking into alternatives to have better and more options to provide senior care to the community of Velva. The market study that was completed identified two main areas. One of those being the need for private rooms to provide skilled nursing services and second, the need for basic care beds in our community.

We have the land on our campus to replace our 46 skilled nursing beds with new attached skilled nursing facility with mainly private rooms. This will give our residents more personal space than our current semi-private rooms along with more efficiency for our employees to care for those we serve. The plan would be for us to convert the current twenty-five semi-private rooms in our skilled nursing facility into twenty-five private basic care beds. We would have to do some minor remodeling in these rooms, but it is something that is very realistic.

We have recently started the process with USDA to apply for Rural Development dollars. Over the last months we have worked with architects on this potential project. In discussions with the architect firms and hearing from some of my colleagues, building costs are coming in at well over \$600 per square foot. This cost is well above the building costs that are seen across the country. If those costs are accurate, we would be looking at a shortfall of over \$24 million that we would need to service the debt beyond a USDA loan. Because the current RS Means system caps our reimbursement for construction and renovation, we need to find another way to service the remaining debt.

Our facility in Velva has really worked hard over the last number of years to be financially strong and debt free. Over the last years we have been

able to increase our reserves and now can utilize these if needed. Having a low interest loan option from the Bank of North Dakota would help bridge the gap from USDA funding so we can better care for our community members that need our services.

We are asking that the \$50 million dollar be restored to the original \$100 million and amend the 2% interest rate to a 1% interest rate. The facilities within our profession are in dire need of upgraded facilities to meet the demands of our consumers. Our providers need the dollars to best take care of the people of North Dakota as most facilities are aging. We are requesting an interest rate decrease to 1% from the initial 2% rate. It is our understanding that a 1% interest rate is currently what the hospital loan program has as their rate. This approach would be the best, considering that the hospital loan program has set this standard. As you can imagine the 1% decrease would really help facilities financially as we support our vulnerable senior population in the state of ND.

This type of loan program will give the assurance needed to help provide dollars for the required financing package to complete these types of necessary projects throughout the state of ND.

Our facility and our community is eager to see our facility transformed so we can meet the demands and needs of future generations. Many senior care providers are experiencing the same needs we have in Velva and the assistance of this low interest loan option goes a long way in getting these projects financed.

Chair Lee and members of the committee, I urge your support with a Do Pass for this important initiative with the requested changes to strengthen the future of long-term care in North Dakota.

Thank you for your time and consideration, and I am happy to answer any questions.

Doug Panchot

Souris Valley Care Center, Inc.

300 South Main

Velva, ND 58790

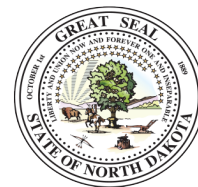
[douglas.panchot@good-sam.com](mailto:douglas.panchot@good-sam.com)

Phone: 701.261.4132



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## **Representative Emily O'Brien**

District 42  
2029 Second Avenue North  
Grand Forks, ND 58203-3311  
[eobrien@ndlegis.gov](mailto:eobrien@ndlegis.gov)

## **COMMITTEES:**

Appropriations  
Appropriations - Human Resources Division

03/19/2025

### **House Bill 1619**

### **Senate Human Services Committee**

Madame Chair Lee and members of the Senate Human Services Committee,

I am Representative Emily O'Brien, representing District 42 in Grand Forks.

House Bill 1619 establishes a \$50 million loan fund to support long term care facilities in North Dakota with financing for critical infrastructure projects, including renovations, new construction, and equipment upgrades. This bill is the other critical companion to the Long-Term Care Loan Guarantee Program.

The fund will be managed by the Bank of North Dakota and will support up to \$10 million per project with low-interest loans and favorable terms. It will enable facilities to secure loans at a 2% interest rate, significantly lower than the typical 5-7% they would otherwise face.

This is modeled after the successful hospital loan program, this fund is structured as a revolving resource, ensuring long-term sustainability through repayments. Serving on the Human Resources Section of Appropriations - we have heard how important it is to invest in these facilities - improving our local economies, improving resident care, and attracting and retaining much-needed staff.

I know there are several behind me to provide testimony and would defer technical questions to them.

Thank you, Mr. Chairman and members of the committee.



# 2025 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Lincoln Room, State Capitol

HB 1619  
3/24/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

9:26 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

### Discussion Topics:

- Appropriation Value
- State Revenue Loss

9:32 a.m. Chairman Lee opened discussion on budget appropriations.

9:32 a.m. Senator Roers moved amendment LC#25.1332.02001.

9:32 a.m. Senator Weston seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	N
Senator Kathy Hogan	N
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion passed 4-2-0.

9:34 a.m. Senator Roers moved Do Pass as amended and Rerefer to Appropriations.

9:34 a.m. Senator Weston seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion passed 6-0-0.

Senate Human Services Committee

HB 1619

03/24/2025

Page 2

Senator Van Oosting will carry the bill.

9:35 a.m. Chairman Lee closed the hearing.

*Andrew Ficek, Committee Clerk*

March 24, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**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 provide for a transfer; and  
3 to provide for a continuing appropriation.

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

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

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

8 1. The Bank of North Dakota shall administer a loan program to provide loans to nursing  
9 and basic care facilities for renovation projects or the construction of new facilities. A  
10 construction project may include a land purchase and the purchase, lease, erection, or  
11 improvement of any structure or facility to the extent the governing body of the nursing  
12 or basic care facility has the authority to authorize such activity.

13 2. The long-term care facility infrastructure loan fund is a special fund maintained in the  
14 state treasury from which the Bank shall provide loans under this section. The fund  
15 consists of revenues transferred under legislative authorization, interest upon moneys  
16 in the fund, and collections of interest and principal on loans made from the fund. All  
17 moneys in the fund are appropriated on a continuing basis to the Bank for the purpose  
18 of providing loans under this section.

19 3. The governing body of a nursing or basic care facility may submit an application to the  
20 Bank for a loan. The application must:

CO  
3/24/25  
10FZ

Sixty-ninth  
Legislative Assembly

- 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. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
18 **LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management  
19 and budget shall transfer the sum of ~~\$50,000,000~~ \$100,000,000 from the strategic investment  
20 and improvements fund to the long-term care facility infrastructure loan fund during the  
21 biennium beginning July 1, 2025, and ending June 30, 2027.

**REPORT OF STANDING COMMITTEE  
ENGROSSED HB 1619**

**Human Services Committee (Sen. Lee, Chairman)** recommends **AMENDMENTS** ([25.1332.02001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1619 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

**2025 SENATE APPROPRIATIONS**

**HB 1619**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1619  
4/7/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

3:14 p.m. Chairman Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

### **Discussion Topics:**

- Bank of North Dakota Loan
- Safe Environments and Efficient Operation

3:14 p.m. Representative Emily O'Brien, District 42, testified in favor and submitted testimony. #44743.

3:17 p.m. Nikki Wegner, President, ND Long Term Care, testified in favor and submitted testimony #44747.

3:20 p.m. Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, testified neutral and answered committee questions.

3:30 p.m. Brad DeJong, CPA Partner, Eide Bailly, testified neutral and answered committee questions.

3:40 p.m. Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, testified neutral and answered committee questions.

3:43 p.m. Nikki Wegner, President, ND Long Term Care, testified in favor and answered committee questions.

3:43 p.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*



# North Dakota House of Representatives

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Representative Emily O'Brien

District 42  
2029 Second Avenue North  
Grand Forks, ND 58203-3311  
[eobrien@ndlegis.gov](mailto:eobrien@ndlegis.gov)

## COMMITTEES:

Appropriations  
Appropriations - Human Resources Division

04/7/2025

## House Bill 1619

### Senate Appropriations - Human Resources Committee

Chair Dever and members of the Senate Appropriations - Human Resources Committee,

I am Representative Emily O'Brien, representing District 42 in Grand Forks.

House Bill 1619 establishes a \$100 million loan fund to support long term care facilities in North Dakota with financing for critical infrastructure projects, including renovations, new construction, and equipment upgrades. This bill is the other critical companion to the Long-Term Care Loan Guarantee Program.

The fund will be managed by the Bank of North Dakota and will support up to \$10 million per project with low-interest loans and favorable terms. It will enable facilities to secure loans at a 2% interest rate, significantly lower than the typical 5-7% they would otherwise face.

This is modeled after the successful hospital loan program, this fund is structured as a revolving resource, ensuring long-term sustainability through repayments. Serving on the Human Resources Section of Appropriations - we have heard how important it is to invest in these facilities - improving our local economies, improving resident care, and attracting and retaining much-needed staff.

Thank you, Mr. Chairman and members of the committee.



# LONG TERM CARE INFRASTRUCTURE LOAN FUND

## HB 1619 Sponsors

Introduced by Rep. O'Brien, Rep. Mitskog,  
Rep. Nelson, Rep. Stemen, Sen. Dever, Sen. Klein



## PROBLEM

Current market conditions make securing affordable loans particularly challenging for long term care (LTC), especially those in rural areas.

1. **High-Interest Rates:** Rising interest rates increase borrowing costs, putting large-scale projects out of reach for many facilities.
2. **Perceived Lender Risks:** Financial institutions often view LTC as higher-risk borrowers, further limiting access to financing.

## WHY IT MATTERS

Many of North Dakota's LTC facilities are over 50 years old and in urgent need of renovations, updated equipment, and infrastructure improvements. These upgrades are necessary to meet modern care standards and provide:

- **Safe Environments:** Outdated infrastructure poses safety risks for residents and staff.
- **Efficient Operations:** Modern systems reduce energy and operational costs.
- **High-Quality Care:** Updated facilities enhance resident comfort and support better health outcomes and help with staff recruitment and retention.

## THE SOLUTION – HB 1619

The bill establishes a **\$100 million revolving, 2% interest loan fund** to support nursing and basic care facilities in North Dakota with financing for critical infrastructure projects, including renovations, new construction, and equipment upgrades.

Managed by the BND, the loan will cover **no more than 50% of total project costs** and **may not exceed \$10 million per project**.

**There are  
74 Nursing  
& 66 Basic Care  
Facilities in ND**

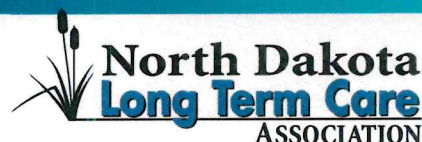
**5 Are Ready To  
Build Now!**

**We ask for your support  
on HB 1619 to put  
financing for LTC  
construction projects  
within reach.**

## QUESTIONS?

Nikki Wegner  
nikki@ndltca.org; 701-354-9773

**PLEASE VOTE YES ON HB 1619**



# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1619 9:58 a.m.  
4/8/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.
---

9:58 a.m. Chairman Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

### **Discussion Topics:**

- Bill update

9:58 a.m. Senator Cleary stated that Senator Davison has an amendment and the bill is set aside until Senator Davison is present.

9:58 a.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1619 11:06 a.m.  
4/8/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

11:06 a.m. Chairman Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

### Discussion Topics:

- Committee Action

11:10 a.m. Senator Davison moved Amendment to change funding from 100 million to 30 million on line 17.

11:10 a.m. Senator Cleary seconded the motion

Voice Vote: Motion failed.

11:14 a.m. Senator Magrum moved Amendment to change funding from 100 million to 50 million on line 17.

11:14 a.m. Senator Mathern seconded the motion.

Voice Vote: Motion passed.

11:14 a.m. Senator Mathern moved Do Pass as Amended.

11:15 a.m. Senator Magrum seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Dick Dever	Y
Senator Sean Cleary	N
Senator Kyle Davison	N
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y

Motion Passed 3-2-0.

Senator Dever will carry the bill.

11:16 a.m. Chairman Dever closed the hearing.

Senate Appropriations Human Resources Division

HB 1619

4/08/25

Page 2

*Joan Bares, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1619  
4/14/2025

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

3:30 p.m. Chairman Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

### **Discussion Topics:**

- Bill Update

3:31 p.m. Senator Davison gave update on HB 1619. He is making changes to the amendment. This will be revisited tomorrow.

3:32 p.m. Chairman Dever closed the hearing.

*Joan Bares, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Harvest Room, State Capitol

HB 1619  
04/15/25

Relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

9:17 a.m. Chairman Dever opened the hearing.

Members present: Chairman Dever and Senators Cleary, Davison, Magrum and Mathern.

### **Discussion Topics:**

- Amendment update

9:17 a.m. Senator Davison proposed amendments that will be going to the full committee.

9:20 a.m. Chairman Dever adjourned the meeting.

# 2025 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1619  
4/16/2025

A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a long-term care facility infrastructure loan fund; to provide for a transfer; and to provide for a continuing appropriation.

8:51 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

### Discussion Topics:

- Repayment Schedule Duration
- Interest Rate Percentage
- Loan Amount Requirements
- Number of Building Projects

8:51 a.m. Senator Davison introduced the bill and submitted testimony #45030.

8:55 a.m. Senator Davison moved to adopt amendment LC 25.1332.02004.

8:55 a.m. Senator Cleary seconded the motion.

8:55 a.m. Senator Davison withdrew his motion.

8:55 a.m. Senator Cleary withdrew his second.

8:56 a.m. Senator Davison moved to adopt amendment LC 25.1332.02004 with the changes in Section two to thirty years instead of twenty-five years and \$10 million instead of \$15 million.

8:56 a.m. Senator Cleary seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	N
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	N

Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-2-0.

9:06 a.m. Senator Davison moved a Do Pass as Amended.

9:06 a.m. Senator Schaible seconded the motion.

<b>Senators</b>	<b>Vote</b>
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Davison will carry the bill.

9:10 a.m. Chairman Bekkedahl closed the hearing.

*Elizabeth Reiten, Committee Clerk*



April 16, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

VC 4/16/25  
1 of 3

**ENGROSSED HOUSE BILL NO. 1619**

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

*In place of the amendments (25.1332.02001) adopted by the Senate, Engrossed House Bill No. 1619 is amended by amendment (25.1332.02005) as follows:*

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

moneys in the fund are appropriated on a continuing basis to the Bank for the purpose of providing loans under this section.

3. The governing body of a nursing or basic care facility may submit an application to the Bank for a loan. The application must:

a. Detail the proposed construction project;

b. Demonstrate the need and long-term viability of the project; and

c. Include financial information the Bank determines appropriate to verify eligibility.

4. A loan approved under this section:

a. May not exceed fifty percent of project costs;

b. May not exceed ten million dollars for a project;

c. Must have an interest rate that does not exceed two percent; and

d. Must have a repayment schedule of no longer than thirty years.

5. A recipient of a loan under this section shall complete the financed construction project within twenty-four months of the approval of the loan. Failure to comply with this subsection may result in forfeiture of the entire loan received under this section.

6. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may deduct from interest payments a service fee for costs of administering the loan program. The fund must be audited annually pursuant to section 6-09-29, and 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. AMENDMENT.** Subsection 3 of section 6-09-47 of the North Dakota Century Code is amended and reenacted as follows:

**3. A loan provided under this section:**

**a. May not exceed the lesser of ~~fifteen~~ten million dollars or seventy-five percent of the actual cost of the project;**

**b. Must have an interest rate equal to ~~one~~two percent; and**

**c. Must provide a repayment schedule of no longer than ~~twenty-five~~thirty years.**

**SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management and budget shall transfer the sum of ~~\$50,000,000~~\$35,000,000 from the strategic investment and

- 1 improvements fund to the long-term care facility infrastructure loan fund during the biennium
- 2 beginning July 1, 2025, and ending June 30, 2027.

**REPORT OF STANDING COMMITTEE  
ENGROSSED AND AMENDED HB 1619**

**Appropriations Committee (Sen. Bekkedahl, Chairman)** recommends **AMENDMENTS** ([25.1332.02005](#)) and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed HB 1619, as amended, was placed on the Sixth order on the calendar. This bill does not affect workforce development.



Davison  
4/14/25

25.1332.02004  
Title.

Prepared by the Legislative Council  
staff for Senator Davison  
April 14, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED HOUSE BILL NO. 1619

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

*In place of the amendments (25.1332.02001) adopted by the Senate, Engrossed House Bill No. 1619 is amended by amendment (25.1332.02004) as follows:*

- 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.

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

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

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

26       **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
27       **LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management  
28       and budget shall transfer the sum of ~~\$50,000,000~~\$35,000,000 from the strategic investment and  
29       improvements fund to the long-term care facility infrastructure loan fund during the biennium  
30       beginning July 1, 2025, and ending June 30, 2027.

**2025 CONFERENCE COMMITTEE**

**HB 1619**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1619  
4/26/2025  
Conference Committee

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

8:59 a.m. Chairman Bosch called the meeting to order.

Members Present: Chairman Bosch, Representatives B Anderson, Mitskog, Chairman Davison, Senators: Schaible, Thomas.

### **Discussion Topics:**

- Long-term care infrastructure loan fund

9:00 a.m. Chairman Bosch discussed the Amendment LC 25.1332.02005, #45210.

9:15 a.m. Adam Mathiak, Fiscal Analyst, ND Legislative Council, stated Section 2 is not related to the long-term care dollars, section 1 is the new fund #45210.

9:18 a.m. Chairman Bosch adjourned the meeting.

*Jan Kamphuis, Committee Clerk*



25.1332.02005  
Title.05000

Prepared by the Legislative Council  
staff for Senate Appropriations  
Committee

April 16, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED HOUSE BILL NO. 1619

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

*In place of the amendments (25.1332.02001) adopted by the Senate, Engrossed House Bill No. 1619 is amended by amendment (25.1332.02005) as follows:*

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

1           moneys in the fund are appropriated on a continuing basis to the Bank for the purpose  
2           of providing loans under this section.

3        3. The governing body of a nursing or basic care facility may submit an application to the  
4        Bank for a loan. The application must:

- 5           a. Detail the proposed construction project;  
6           b. Demonstrate the need and long-term viability of the project; and  
7           c. Include financial information the Bank determines appropriate to verify eligibility.

8        4. A loan approved under this section:

- 9           a. May not exceed fifty percent of project costs;  
10          b. May not exceed ten million dollars for a project;  
11          c. Must have an interest rate that does not exceed two percent; and  
12          d. Must have a repayment schedule of no longer than thirty years.

13       5. A recipient of a loan under this section shall complete the financed construction project  
14       within twenty-four months of the approval of the loan. Failure to comply with this  
15       subsection may result in forfeiture of the entire loan received under this section.

16       6. The Bank shall deposit in the fund all principal and interest paid on the loans made  
17       from the fund. The Bank may deduct from interest payments a service fee for costs of  
18       administering the loan program. The fund must be audited annually pursuant to  
19       section 6-09-29, and the cost of the audit and any other actual costs incurred by the  
20       Bank on behalf of the fund must be paid from the fund.

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

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

28       **SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
29       **LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.** The office of management  
30       and budget shall transfer the sum of ~~\$50,000,000~~\$35,000,000 from the strategic investment and

Sixty-ninth  
Legislative Assembly

- 1 improvements fund to the long-term care facility infrastructure loan fund during the biennium
- 2 beginning July 1, 2025, and ending June 30, 2027.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Human Resources Division Roughrider Room, State Capitol

HB 1619  
4/29/2025  
Conference Committee

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

11:04 a.m. Chairman Bosch opened the meeting.

Members present: Chairman Bosch, Representatives: B Anderson, Mitskog, Chairman Davison, Senators: Schaible, Thomas.

### Discussion Topics:

- Committee Action
- Long-term care infrastructure loan program

11:05 a.m. Senator Thomas proposed an amendment testimony #45301.

11:13 a.m. Senator Thomas moved Amendment LC 25.1332.02008 in place of LC 25.1332.02001.

11:13 a.m. Representative B. Anderson seconded.

11:14 a.m. Roll call vote.

11:14 a.m. Motion passed 6-0-0.

11:14 a.m. Representative Bosch will carry.

11:14 a.m. Senator Thomas will carry.

11:15 a.m. Chairman Bosch adjourned the meeting.

*Jan Kamphuis, Committee Clerk*

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

VC 4/29/25  
1 of 3

**ENGROSSED HOUSE BILL NO. 1619**

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

*In place of amendment (25.1332.02005) adopted by the Senate, Engrossed House Bill  
No. 1619 is amended by amendment (25.1332.02008) as follows:*

- 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 provide for a transfer; and~~  
3 ~~to provide for a continuing appropriation program; to amend and reenact subsection 3 of section~~  
4 6-09-47 of the North Dakota Century Code, relating to the medical facility infrastructure loan  
5 fund; and to provide an 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 program.**

- 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.



- 1 ~~3.~~ The governing body of a nursing or basic care facility may submit an application to the  
2 Bank for a loan. The application must:
- 3 a. Detail the proposed construction project;
  - 4 b. Demonstrate the need and long-term viability of the project; and
  - 5 c. Include financial information the Bank determines appropriate to verify eligibility.

- 6 ~~4.3.~~ A loan approved under this section:
- 7 a. May not exceed fifty percent of project costs;
  - 8 b. May not exceed ten million dollars for a project;
  - 9 c. Must have an interest rate that does not exceed two percent; and
  - 10 d. Must have a repayment schedule of no longer than ~~thirty~~twenty years.

- 11 ~~5.4.~~ A recipient of a loan under this section shall complete the financed construction project  
12 within twenty-four months of the approval of the loan. Failure to comply with this  
13 subsection may result in forfeiture of the entire loan received under this section.

- 14 ~~6.5.~~ The Bank shall deposit in the strategic investment and improvements fund all principal  
15 and interest paid on the loans made from the fund. The Bank may deduct from interest  
16 payments a service fee for costs of administering the loan program. ~~The fund must be~~  
17 ~~audited annually pursuant to section 6-09-29, and the cost of the audit and any other~~  
18 ~~actual costs incurred by the Bank on behalf of the fund must be paid from the fund, not~~  
19 to exceed one-half of one percent of the outstanding balance of the loans.

20 ~~SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -~~  
21 ~~LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.~~ The office of management  
22 and budget shall transfer the sum of \$50,000,000 from the strategic investment and  
23 improvements fund to the long-term care facility infrastructure loan fund during the biennium  
24 beginning July 1, 2025, and ending June 30, 2027.

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

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

- 1     **SECTION 3. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**
- 2     **FUND - LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN PROGRAM.** There is
- 3     appropriated out of any moneys in the strategic investment and improvements fund, not
- 4     otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary,
- 5     to the Bank of North Dakota for the purpose of providing loans under the long-term care facility
- 6     infrastructure loan program pursuant to section 1 of this Act, for the biennium beginning July 1,
- 7     2025, and ending June 30, 2027.

# HB 1619 042925 1114 AM Roll Call Vote

## Final Recommendation

**HB 1619**

**Date Submitted:** April 29, 2025, 11:14 a.m.

**Recommendation:** In Place Of

**Amendment LC #:** 25.1332.02008

**Engrossed LC #:** 25.1332.05000

**Description:**

**Motioned By:** Thomas, Paul J.

**Seconded By:** Anderson, Bert

**House Carrier:** Bosch, Glenn

**Senate Carrier:** Thomas, Paul J.

**Emergency Clause:** None

**Vote Results:** 6 - 0 - 0

Rep. Bosch, Glenn	Yea
Rep. Anderson, Bert	Yea
Rep. Mitskog, Alisa	Yea
Sen. Davison, Kyle	Yea
Sen. Schaible, Donald	Yea
Sen. Thomas, Paul J.	Yea



**REPORT OF CONFERENCE COMMITTEE  
ENGROSSED HB 1619**

Your conference committee (Sens. Davison, Schaible, Thomas and Reps. Bosch, B. Anderson, Mitskog) recommends that in place of amendment [25.1332.02005](#) adopted by the Senate, Engrossed HB 1619 is amended by amendment [25.1332.02008](#).

Engrossed HB 1619 was placed on the Seventh order of business on the calendar.

25.1332.02006  
Title.

Prepared by the Legislative Council  
staff for Senator Thomas  
April 28, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

### ENGROSSED HOUSE BILL NO. 1619

Introduced by

Representatives O'Brien, Mitskog, Nelson, Stemen

Senators Dever, Klein

*In place of amendment (25.1332.02001) adopted by the Senate, Engrossed House Bill No. 1619 is amended by amendment (25.1332.02006) as follows:*

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 provide for a transfer; and~~  
3 ~~to provide for a continuing appropriation program; to amend and reenact subsection 3 of section~~  
4 6-09-47 of the North Dakota Century Code, relating to the medical facility infrastructure loan  
5 fund; and to provide an 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 program.**

- 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.



1 ~~2.~~ The governing body of a nursing or basic care facility may submit an application to the  
2 Bank for a loan. The application must:

- 3 a. Detail the proposed construction project;  
4 b. Demonstrate the need and long-term viability of the project; and  
5 c. Include financial information the Bank determines appropriate to verify eligibility.

6 ~~4.3.~~ A loan approved under this section:

- 7 a. May not exceed fifty percent of project costs;  
8 b. May not exceed ten million dollars for a project;  
9 c. Must have an interest rate that does not exceed two percent; and  
10 d. Must have a repayment schedule of no longer than thirty years. → 20

11 ~~5.4.~~ A recipient of a loan under this section shall complete the financed construction project  
12 within twenty-four months of the approval of the loan. Failure to comply with this  
13 subsection may result in forfeiture of the entire loan received under this section.

14 ~~6.5.~~ The Bank shall deposit in the strategic investment and improvements fund all principal  
15 and interest paid on the loans made from the fund. The Bank may deduct from interest  
16 payments a service fee for costs of administering the loan program. ~~The fund must be~~  
17 ~~audited annually pursuant to section 6-09-29, and the cost of the audit and any other~~  
18 ~~actual costs incurred by the Bank on behalf of the fund must be paid from the fund, not~~  
19 to exceed one-half of one percent of the outstanding balance of the loans.

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

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

27 ~~SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -~~  
28 ~~LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN FUND.~~ The office of management  
29 and budget shall transfer the sum of \$50,000,000 from the strategic investment and  
30 improvements fund to the long-term care facility infrastructure loan fund during the biennium  
31 beginning July 1, 2025, and ending June 30, 2027.

1     **SECTION 3. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**  
2     **FUND - LONG-TERM CARE FACILITY INFRASTRUCTURE LOAN PROGRAM.** There is  
3     appropriated out of any moneys in the strategic investment and improvements fund, not  
4     otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary,  
5     to the Bank of North Dakota for the purpose of providing loans under the long-term care facility  
6     infrastructure loan program pursuant to section 1 of this Act, for the biennium beginning July 1,  
7     2025, and ending June 30, 2027.