

HOUSE BILL NO. 1153

Introduced by

Representatives Gulleson, Kretschmar, S. Meyer

Senators Erbele, Heitkamp

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota
2 Century Code, relating to creation of a main street revolving loan fund; and to provide for a
3 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
6 created and enacted as follows:

7 **Main street loan fund - Continuing appropriation.**

8 1. In this section, unless the context otherwise requires:

9 a. "Main street loan fund" or "fund" means a fund established under this section
10 for the purpose of making low-interest loans to improve the economic health
11 of rural communities.

12 b. "Rural community" means a city having a population fewer than five thousand
13 inhabitants.

14 2. The main street loan fund is established from a transfer of earnings from the Bank
15 of North Dakota. This is a revolving fund and all moneys transferred into the fund,
16 interest on fund moneys, and payments to the fund are appropriated for the
17 purposes of this chapter. This fund is not subject to section 54-44.1-11. The Bank
18 of North Dakota shall administer the fund.

19 3. Moneys in the fund must be used for the purpose of making low-interest loans to
20 private or public entities to improve the economic health of rural communities.

21 Loan funds may be used to improve or upgrade buildings, community
22 beautification, purchase of real property, purchase of equipment, expansion of
23 facilities, working capital, inventory, and business improvements. The loan funds

- 1 may not be used to refinance any existing debt or for the relocation of an existing
2 business within the state.
- 3 4. The Bank may deduct a service fee for administering the fund from interest
4 payments received on loans. An application for a loan from the fund must be made
5 to the Bank, and upon approval, a loan must be made from the fund in accordance
6 with this section and rules adopted by the Bank. The Bank may establish
7 additional terms and conditions necessary to make a loan under this section.