

Sixty-third
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2339

Introduced by

Senators Laffen, Schneider

1 A BILL for an Act to create and enact a new section to chapter 6-09.4 of the North Dakota
2 Century Code, relating to the financing of housing projects and creation of a public
3 infrastructure revolving loan fund through the public finance authority; to provide an
4 appropriation; and to provide a continuing appropriation.

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

6 **SECTION 1.** A new section to chapter 6-09.4 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Infrastructure revolving loan fund - Continuing appropriation - Rules.**

- 9 1. The purpose of the infrastructure revolving loan fund is to provide loans for
10 housing-related public infrastructure projects, including those for flood protection,
11 utilities, storm water, roadways, or other project development.
- 12 2. An infrastructure revolving loan fund is established to make loans for the purposes
13 described in subsection 1. Moneys in the fund are appropriated on a continuing basis
14 for making loans in accordance with this section. Accounts may be established in the
15 fund as necessary for its management and administration.
- 16 3. The public finance authority may manage and administer the infrastructure revolving
17 loan fund and individual accounts in the fund. For those purposes, the authority may
18 exercise all powers provided in this chapter.
- 19 4. The project application to the public finance authority must include the following
20 information:
- 21 a. A description of the nature and purpose of the proposed infrastructure project,
22 including an explanation of the need for the project and the reasons why the
23 project is in the public interest;
- 24 b. The estimated cost of the project and the amount of loan sought;

- 1 c. Proposed sources of funding, in addition to loans sought from the infrastructure
2 revolving loan fund; and
- 3 d. The overall benefit of the project.
- 4 5. A loan made under this section must:
- 5 a. Bear interest at or below market rates;
- 6 b. Have a repayment term not longer than seven years;
- 7 c. Be amortized for a term to be determined by the public finance authority, with the
8 remaining balance due on the maturity date of the agreement;
- 9 d. Be subject to repayment of principal and interest beginning not later than two
10 years after the facility financed with a loan has been completed; and
- 11 e. Be disbursed for specific project elements only after all applicable environmental
12 requirements have been met.
- 13 6. Twenty percent of the funds available for loan must be reserved for cities with a
14 population of four thousand or less, unless there is an insufficient number of applicants
15 from cities of this size to fill this allotment.
- 16 7. The director of the public finance authority, with the approval of the industrial
17 commission, may adopt policies to implement a program to identify and assist with
18 development of projects eligible for loans under this section. Projects not eligible for
19 state revolving fund funding must be given priority for these funds.
- 20 8. The director of the public finance authority may request the assistance of other
21 agencies of the state as may be necessary for the administration of such projects and
22 such agencies of the state shall provide such assistance.
- 23 9. A loan may be made to a statutory or home rule charter city to finance projects for the
24 purposes described in this section. The loan must be repaid by the city under the
25 terms and conditions provided in this section and established by the public finance
26 authority, agreed to by the city, and backed by the full faith and credit of that city.

27 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the strategic
28 investment and improvements fund in the state treasury, not otherwise appropriated, the sum of
29 \$5,000,000, or so much of the sum as may be necessary, to the industrial commission for
30 deposit in the infrastructure development revolving loan fund for the purpose of providing loans
31 under section 1 of this Act.