

Introduced by

Senators Bekkedahl, Poolman, Sorvaag

Representatives Sanford, Schreiber-Beck, Steiner

1 A BILL for an Act to amend and reenact section 6-09-49 of the North Dakota Century Code,
2 relating to eligible uses for infrastructure revolving loan funds.

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

4 **SECTION 1. AMENDMENT.** Section 6-09-49 of the North Dakota Century Code is amended
5 and reenacted as follows:

6 **6-09-49. Infrastructure revolving loan fund - Continuing appropriation.**

- 7 1. The infrastructure revolving loan fund is a special fund in the state treasury from which
8 the Bank of North Dakota shall provide loans to political subdivisions for essential
9 infrastructure projects. The Bank shall administer the infrastructure revolving loan
10 fund. The maximum term of a loan made under this section is thirty years. A loan
11 made from the fund under this section must have an interest rate that does not exceed
12 two percent per year.
- 13 2. The Bank shall establish priorities for making loans from the infrastructure revolving
14 loan fund. Loan funds must be used to address the needs of the community by
15 providing critical infrastructure funding. Except as expressly provided under this
16 section, a political subdivision may not use infrastructure revolving loan funds for
17 capital construction. In addition to eligible infrastructure needs established by the
18 Bank, eligible infrastructure needs may include new airports or existing airport
19 infrastructure improvements at airports that have scheduled air service operations;
20 new water treatment plants; new wastewater treatment plants; new sewer lines and
21 water lines; and new storm water and transportation infrastructure, including curb and
22 gutter construction.
- 23 3. In processing political subdivision loan applications under this section, the Bank shall
24 calculate the maximum loan amount for which a qualified applicant may qualify, not to

1 exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to
2 repay the loan when processing the application and shall issue loans only to
3 applicants that provide reasonable assurance of sufficient future income to repay the
4 loan. The Bank may adopt policies establishing priorities for issuance of loans, setting
5 additional qualifications for applicants, and establishing timelines addressing when a
6 participating political subdivision may be required to make loan draws and the
7 consequences of not meeting these timelines, and setting other guidelines relating to
8 the loan program under this section.

9 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest
10 and principal paid under loans made from the infrastructure revolving loan fund. The
11 Bank may use a portion of the interest paid on the outstanding loans as a servicing fee
12 to pay for administrative costs which may not exceed one-half of one percent of the
13 amount of the interest payment. All moneys transferred to the fund, interest upon
14 moneys in the fund, and payments to the fund of principal and interest are
15 appropriated to the Bank on a continuing basis for administrative costs and for loan
16 disbursement according to this section.

17 5. The Bank may adopt policies and establish guidelines to supplement and leverage the
18 funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt
19 policies allowing participation by local financial institutions.