

Introduced by

Senators Schaible, Luick, Oehlke

Representatives Carlson, D. Johnson, Schmidt

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

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~~For purposes of this section,  
19 "essential infrastructure projects" means capital construction projects for the following:

20 a. New or replacement of existing water treatment plants; ~~new~~

21 b. New or replacement of existing wastewater treatment plants; ~~new~~

22 c. New or replacement of existing sewer lines and water lines; and ~~new~~

23 d. New or replacement of existing storm water and transportation infrastructure,  
24 including curb and gutter construction.

- 1           3. In processing political subdivision loan applications under this section, the Bank shall  
2           calculate the maximum loan amount for which a qualified applicant may qualify, not to  
3           exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to  
4           repay the loan when processing the application and shall issue loans only to  
5           applicants that provide reasonable assurance of sufficient future income to repay the  
6           loan. ~~The Bank may adopt policies establishing priorities for issuance of loans, setting  
7           additional qualifications for applicants, and establishing timelines addressing when a  
8           participating political subdivision may be required to make loan draws and the  
9           consequences of not meeting these timelines, and setting other guidelines relating to  
10          the loan program under this section.~~
- 11          4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest  
12          and principal paid under loans made from the infrastructure revolving loan fund. The  
13          Bank may use a portion of the interest paid on the outstanding loans as a servicing fee  
14          to pay for administrative costs which may not exceed one-half of one percent of the  
15          amount of the interest payment. All moneys transferred to the fund, interest upon  
16          moneys in the fund, and payments to the fund of principal and interest are  
17          appropriated to the Bank on a continuing basis for administrative costs and for loan  
18          disbursement according to this section.
- 19          5. The Bank may adopt policies and establish guidelines to administer this loan program  
20          in accordance with the provisions of this section and to supplement and leverage the  
21          funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt  
22          policies allowing participation by local financial institutions.

23          **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.