

Introduced by

Senators Wanzek, Dotzenrod, Klein

Representatives Headland, D. Johnson, Pollert

1 A BILL for an Act to amend and reenact sections 6-09.7-02 and 6-09.7-05 of the North Dakota
2 Century Code, relating to the Bank of North Dakota loan guarantee program.

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

4 **SECTION 1. AMENDMENT.** Section 6-09.7-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **6-09.7-02. Powers and duties of the Bank of North Dakota.**

7 The Bank of North Dakota may take, hold, and administer, on behalf of the state from any
8 source, any property, or any interest in the property, and the income therefrom, either absolutely
9 or in trust, for any purpose of the state guarantee loan program; provided, that no guarantee
10 obligation of the Bank is payable out of any moneys of the Bank except those made available to
11 the Bank under this chapter. The Bank shall establish the types of projects and ventures eligible
12 to be guaranteed under this chapter.

13 **SECTION 2. AMENDMENT.** Section 6-09.7-05 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **6-09.7-05. Establishment and maintenance of adequate guarantee funds - Use of**
16 **strategic investment and improvements fund.**

17 The Bank of North Dakota shall establish and at all times maintain an adequate guarantee
18 reserve fund in a special account in the Bank. The Bank may request the director of the office of
19 management and budget to transfer funds from the strategic investment and improvements
20 fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve
21 fund balance. Transfers from the strategic investment and improvements fund may not exceed
22 a total of ~~twenty-five~~fifty million dollars. Moneys in the guarantee reserve fund are available to
23 reimburse lenders for guaranteed loans in default. The securities in which the moneys in the
24 reserve fund may be invested must meet the same requirements as those authorized for

1 investment under the state investment board. The income from such investments must be made
2 available for the costs of administering the state guarantee loan program and income in excess
3 of that required to pay the cost of administering the program must be deposited in the reserve
4 fund. The amount of reserves for all guaranteed loans must be determined by a formula that will
5 assure, as determined by the Bank, an adequate amount of reserve.