

SENATE BILL NO. 2276

Introduced by

Senators Heckaman, Grabinger, Mathern, Robinson

Representatives Boschee, Mock

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 provide a statement of legislative intent.

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

15 a. New or replacement of existing water treatment plants;

16 b. New or replacement of existing wastewater treatment plants;

17 c. New or replacement of existing sewer lines and water lines; and

18 d. New or replacement of existing storm water and transportation infrastructure,
19 including curb and gutter construction;

20 e. Repairs and deferred maintenance projects for facilities of primary or secondary
21 education institutions not eligible for loans under section 15.1-36-08; and

22 f. Projects intended to improve community quality of life, including the construction,
23 refurbishment, reconstruction, rehabilitation, acquisition, or improvement of
24 recreational, arts, science, and other quality of life amenity projects.

- 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~~twenty-five million dollars per loan. The Bank shall consider the
4 applicant's ability to repay the loan when processing the application and shall issue
5 loans only to applicants that provide reasonable assurance of sufficient future income
6 to repay the loan.
- 7 4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest
8 and principal paid under loans made from the infrastructure revolving loan fund. The
9 Bank may use a portion of the interest paid on the outstanding loans as a servicing fee
10 to pay for administrative costs which may not exceed one-half of one percent of the
11 amount of the interest payment. All moneys transferred to the fund, interest upon
12 moneys in the fund, and payments to the fund of principal and interest are
13 appropriated to the Bank on a continuing basis for administrative costs and for loan
14 disbursement according to this section.
- 15 5. The Bank may adopt policies and establish guidelines to administer this loan program
16 in accordance with the provisions of this section and to supplement and leverage the
17 funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt
18 policies allowing participation by local financial institutions.

19 **SECTION 2. LEGISLATIVE INTENT - LEGACY FUND INVESTMENTS.** It is the intent of
20 the sixty-sixth legislative assembly that the Bank of North Dakota and the state investment
21 board collaborate to allow for the expansion of the investment of legacy fund assets in Bank of
22 North Dakota loan programs to include an investment of up to \$100,000,000 in the
23 infrastructure revolving loan fund for the biennium beginning July 1, 2019, and ending June 30,
24 2021.