

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~~
3 ~~intent.~~ for an Act to provide a statement of legislative intent relating to legacy fund investments.

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

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

7 ~~— **6-09-49. Infrastructure revolving loan fund – Continuing appropriation.**~~

8 ~~— 1. The infrastructure revolving loan fund is a special fund in the state treasury from which~~
9 ~~the Bank of North Dakota shall provide loans to political subdivisions for essential~~
10 ~~infrastructure projects. The Bank shall administer the infrastructure revolving loan~~
11 ~~fund. The maximum term of a loan made under this section is thirty years. A loan~~
12 ~~made from the fund under this section must have an interest rate that does not exceed~~
13 ~~two percent per year.~~

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

16 ~~— a. New or replacement of existing water treatment plants;~~

17 ~~— b. New or replacement of existing wastewater treatment plants;~~

18 ~~— c. New or replacement of existing sewer lines and water lines; and~~

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

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

1 ~~f. Projects intended to improve community quality of life, including the construction,~~
2 ~~refurbishment, reconstruction, rehabilitation, acquisition, or improvement of~~
3 ~~recreational, arts, science, and other quality of life amenity projects.~~

4 ~~3. In processing political subdivision loan applications under this section, the Bank shall~~
5 ~~calculate the maximum loan amount for which a qualified applicant may qualify, not to~~
6 ~~exceed fifteen~~twenty five~~ million dollars per loan. The Bank shall consider the~~
7 ~~applicant's ability to repay the loan when processing the application and shall issue~~
8 ~~loans only to applicants that provide reasonable assurance of sufficient future income~~
9 ~~to repay the loan.~~

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

18 ~~5. The Bank may adopt policies and establish guidelines to administer this loan program~~
19 ~~in accordance with the provisions of this section and to supplement and leverage the~~
20 ~~funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt~~
21 ~~policies allowing participation by local financial institutions.~~

22 ~~**SECTION 2. LEGISLATIVE INTENT - LEGACY FUND INVESTMENTS.** It is the intent of~~
23 ~~the sixty-sixth legislative assembly that the Bank of North Dakota and the state investment~~
24 ~~board collaborate to allow for the expansion of the investment of legacy fund assets in Bank of~~
25 ~~North Dakota loan programs to include an investment of up to \$100,000,000 in the~~
26 ~~infrastructure revolving loan fund for the biennium beginning July 1, 2019, and ending June 30,~~
27 ~~2021.~~

28 **SECTION 1. LEGISLATIVE INTENT - LEGACY FUND INVESTMENTS.** It is the intent of
29 the sixty-sixth legislative assembly that:

30 1. The Bank of North Dakota and the state investment board collaborate to allow for the
31 expansion of the investment of legacy fund assets in Bank of North Dakota programs;

- 1 2. The minimum investment be five percent of the principal amount in the legacy fund;
- 2 3. The investment earn at least the respective United States treasury rate for the term of
- 3 the investment, not to exceed ten years; and
- 4 4. The investment be used to support community infrastructure priorities or existing
- 5 economic development programs, including the Bank of North Dakota match program.