INFRASTRUCTURE REVOLVING LOAN FUND - SUMMARY

House Bill No. 1443 (2015) created the infrastructure revolving loan program and transferred $100 million from Bank of North Dakota profits and $50 million from the strategic investment and improvements fund to the infrastructure revolving loan fund. The program is administered by the Bank of North Dakota, and the Bank collects a 0.5 percent servicing fee. Political subdivisions are eligible for loans of up to $15 million for essential infrastructure projects, including water treatment plants, wastewater treatment plants, sewer and water lines, and storm water and transportation infrastructure. Loans have an interest rate of 2 percent and a maximum term of 30 years.

The loan program is established in North Dakota Century Code Section 6-09-49 and was amended by Senate Bill No. 2178 (2017) to include replacement projects as eligible projects. The section also was amended in Senate Bill No. 2015 (2019) to add the Garrison Diversion Conservancy District and the Lake Agassiz Water Authority as eligible loan recipients and to add the Red River Valley Water Supply Project as an eligible project. In House Bill No. 1014 (2019), the Legislative Assembly provided a contingent transfer of up to $40 million from the strategic investment and improvements fund to the infrastructure revolving loan fund if the oil and gas tax revenue allocations to the strategic investment and improvements fund exceeded $755 million by the end of the 2017-19 biennium. The contingency was met, and $25.1 million was transferred to the infrastructure revolving loan fund. As of December 2019, the Legislative Assembly has provided a total of $175.1 million for the loan program.

Based on information provided by the Bank of North Dakota, a total of 48 loans have been approved totaling $150.3 million since the creation of the fund through December 2019. The outstanding balance of loans totaled $96.3 million as of December 31, 2019. The remaining $54 million of loans approved but not yet disbursed will be paid out when needed as construction on the approved projects progresses. After all the available funding has been committed to loans and the recipients begin making repayments, the Bank anticipates approximately $5 million will be available per year for new loans.