

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2242

Introduced by

Senators Erbele, Wanzek

Representatives Brandenburg, Kempenich, Porter

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century
2 Code, relating to the Bank of North Dakota and the administration of the bulk propane storage
3 tank revolving loan fund; to provide an appropriation; and to provide a continuing appropriation.

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

5 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Bulk propane storage tank revolving loan fund - Continuing appropriation - Audit and**
8 **costs of administration.**

- 9 1. The bulk propane storage tank revolving loan fund is a special fund in the state
10 treasury from which the Bank of North Dakota shall provide loans to propane retailers
11 to purchase and install storage containers to be used for the bulk storage of propane.
12 The Bank shall administer the propane storage tank revolving loan fund.
- 13 2. To be eligible for this loan program, the applicant must be a propane retailer
14 conducting business in the state and submit an application to the Bank which must:
- 15 a. Detail the proposed project, including the location of the storage container within
16 the state;
- 17 b. Demonstrate the need and viability of the project; and
- 18 c. Include financial information as the Bank may determine appropriate.
- 19 3. The Bank shall consider the applicant's ability to repay the loan when processing the
20 application and shall issue loans only to applicants that provide reasonable assurance
21 of sufficient future income to repay the loan.
- 22 4. A loan provided under this section:
- 23 a. May not exceed the lesser of five hundred thousand dollars or eighty-five percent
24 of the actual cost of the project;

- 1 b. Must have an interest rate equal to two percent; and
- 2 c. Must provide a repayment schedule of no longer than fifteen years.
- 3 5. In processing loan applications under this section, the Bank shall calculate the
4 maximum outstanding loan amount per qualified applicant. A qualified applicant under
5 this section may have a maximum total of five hundred thousand dollars in outstanding
6 loans under this section.
- 7 6. The Bank shall deposit in the bulk propane storage tank revolving loan fund all
8 payments of interest and principal paid under loans made from the bulk propane
9 storage tank revolving loan fund. The Bank may use a portion of the interest paid on
10 the outstanding loans as a servicing fee to pay for administrative costs which may not
11 exceed one-half of one percent. All money 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 7. The Bank may adopt policies and establish guidelines to administer this loan program
16 in accordance with this section and to supplement and leverage funds in the bulk
17 propane storage tank revolving loan fund. Additionally, the Bank may adopt policies
18 allowing participation by local financial institutions.
- 19 8. The bulk propane storage tank revolving loan fund must be audited in accordance with
20 section 6-09-29 or shall engage with an independent public auditor to perform the
21 necessary procedure to ensure compliance with section 6-09-29. The cost of the audit
22 and any other actual costs incurred by the Bank on behalf of the fund must be paid
23 from the fund.

24 **SECTION 2. APPROPRIATION - BULK PROPANE STORAGE TANK REVOLVING LOAN**
25 **FUND - LOANS TO PROPANE RETAILERS.** There is appropriated out of any moneys in the
26 strategic investment and improvements fund in the state treasury, not otherwise appropriated,
27 the sum of \$15,000,000, or so much of the sum as may be necessary, to the bulk propane
28 storage tank revolving loan fund for use by the Bank of North Dakota to provide loans to
29 propane retailers under section 1 of this Act, for the biennium beginning July 1, 2023, and
30 ending June 30, 2025.