

SENATE BILL NO. 2296

Introduced by

Senators Axness, Burckhard, Murphy

Representatives Froseth, Mitskog, Schreiber Beck

1 A BILL for an Act to create and enact a new section to chapter 54-60 of the North Dakota
2 Century Code, relating to a broadband grant and loan program and the broadband
3 infrastructure revolving loan fund; to provide a transfer; to provide an appropriation; and to
4 provide a continuing appropriation.

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

6 **SECTION 1.** A new section to chapter 54-60 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Broadband grant and loan program.**

9 1. The department of commerce shall administer a broadband grant and loan program to
10 fund:

11 a. The construction and improvement of facilities required to provide broadband
12 service.

13 b. The installation and upgrading of existing broadband facilities on a one-time,
14 capital improvement basis to expand broadband access and increase capacity.

15 c. The cost of leases of facilities required to provide broadband service.

16 d. Reasonable expenses incurred as a result of providing broadband services.

17 c. Reasonable indirect costs.

18 2. The department shall prioritize applications for grants and loans on the following
19 criteria:

20 a. The need of an area for broadband services.

21 b. The provision of internet access to the public in public areas, to health care
22 providers, and to economically distressed areas.

- 1 c. The comprehensiveness of the plan, including the provision of digital literacy
2 training, addressing affordability, providing training for the business sectors, and
3 increasing awareness.
- 4 d. The leveraging of existing infrastructure and funding sources.
- 5 e. Community support and collaboration.
- 6 3. An incorporated organization, a limited liability company, a tribe or tribal organization,
7 a political subdivision, and a cooperative are eligible for grants and loan.
- 8 4. The broadband infrastructure revolving loan fund is a special fund in the state treasury
9 which is to be used by the Bank of North Dakota to provide loans for upgrades to
10 existing broadband infrastructure to borrowers that qualify under the broadband grant
11 and loan program. The Bank shall administer the broadband infrastructure revolving
12 loan fund. The Bank shall deposit in the broadband infrastructure revolving loan fund
13 all payments of interest and principal paid under loans made from the fund. All moneys
14 transferred into the fund, interest upon the moneys in the fund, and payments to the
15 fund of principal and interest are appropriated on a continuing basis for administrative
16 costs and for disbursements under this section. The Bank may use a portion of the
17 interest paid on the outstanding loans as a servicing fee to pay for administrative costs
18 which may not exceed one-half of one percent of the amount of the interest payment.
19 The interest rate for a loan from the fund is one percent per annum.
- 20 5. The department may approve grants solely for new construction.

21 **SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - BROADBAND**

22 **INFRASTRUCTURE REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer the
23 sum of \$50,000,000, or so much of the sum as may be necessary, from the Bank's current
24 earnings and undivided profits to the broadband infrastructure revolving loan fund for
25 infrastructure upgrades under the broadband grant and loan program during the biennium
26 beginning July 1, 2015, and ending June 30, 2017.

27 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general
28 fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of
29 the sum as may be necessary, to the department of commerce for the purpose of providing
30 grants for new construction under the broadband grant and loan program, for the biennium
31 beginning July 1, 2015, and ending June 30, 2017.