

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2234

Introduced by

Senator Bekkedahl

Representative Hatlestad

1 A BILL for an Act to create and enact a new subsection to section 54-17-07.3 and a new section
2 to chapter 54-17 of the North Dakota Century Code, relating to the establishment of an
3 essential service worker home ownership incentive program and essential service worker home
4 ownership incentive fund; to amend and reenact subsection 3 of section 54-17-40 of the North
5 Dakota Century Code, relating to the housing incentive fund; to provide an appropriation and
6 transfer; and to provide a continuing appropriation.

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

8 **SECTION 1.** A new subsection to section 54-17-07.3 of the North Dakota Century Code is
9 created and enacted as follows:

10 Essential service worker home ownership incentive program. A program to provide
11 assistance for the purchase of a primary residence by an essential service worker as
12 provided in section 2 of this Act. The program may provide a secondary mortgage lien
13 to assist in the acquisition of a single-family residential dwelling unit.

14 **SECTION 2.** A new section to chapter 54-17 of the North Dakota Century Code is created
15 and enacted as follows:

16 **Essential service worker home ownership incentive fund - Continuing appropriation.**

17 1. The essential service worker home ownership incentive fund is created as a special
18 revolving fund at the Bank of North Dakota. The housing finance agency may direct
19 disbursements from the fund and moneys in the fund are appropriated on a continuing
20 basis to provide purchasing assistance on single-family residential mortgage loans
21 under the essential worker home ownership incentive program. The agency shall
22 administer and supervise the fund and may deduct a reasonable fee for administering
23 the fund.

- 1 2. During the 2017-19 biennium, the essential service worker home ownership incentive
2 fund must be used to support a pilot program for essential service workers. The fund
3 must be used to provide purchasing assistance under the essential service worker
4 home ownership incentive program in any area of the state. For purposes of this
5 section, "essential service worker" means an individual employed by the state or a city,
6 county, school district, medical or long-term care facility, or any other individual
7 employed in providing an essential public service as determined by the housing
8 finance agency.
- 9 3. Pursuant to housing finance agency underwriting and credit standards and guidelines
10 adopted under subsection 4, the agency may provide a secondary loan to a qualified
11 essential service worker in conjunction with a single-family residential mortgage loan
12 originated by a lender under a housing finance agency home ownership program. If, at
13 any time during the term of the loan, the borrower ceases to be employed as an
14 essential service worker or if the borrower sells the home or refinances the mortgage
15 loan, the borrower must repay the secondary loan in full or begin making amortized
16 monthly payments on the secondary loan.
- 17 4. The agency shall adopt guidelines for the implementation and administration of the
18 essential service worker home ownership incentive program. The guidelines must
19 provide the moneys in the essential service worker home ownership incentive fund
20 may be used solely to assist in the acquisition of owner-occupied single-family
21 residential housing that will serve as the primary residence of the essential service
22 worker. The guidelines must establish income limits for eligibility to participate in the
23 program and purchase price limitations as determined appropriate by the agency.
- 24 5. Any funds received in repayment or recapture of a loan under this section must be
25 deposited in the essential service worker home ownership incentive fund and may be
26 used for the purposes of the essential service worker home ownership incentive
27 program.

28 **SECTION 3. AMENDMENT.** Subsection 3 of section 54-17-40 of the North Dakota Century
29 Code is amended and reenacted as follows:

- 30 3. The housing finance agency shall adopt guidelines for the fund so as to address
31 unmet housing needs in this state. Assistance from the fund may be used solely for:

- 1 a. New construction, rehabilitation, or acquisition of a multifamily housing project;
- 2 b. Gap assistance, matching funds, and accessibility improvements;
- 3 c. Assistance that does not exceed the amount necessary to qualify for a loan using
- 4 underwriting standards acceptable for secondary market financing or to make the
- 5 project feasible; ~~and~~
- 6 d. Rental assistance, emergency assistance, or targeted supportive services
- 7 designated to prevent homelessness; or
- 8 e. Providing purchasing assistance for single-family residential mortgage loans by
- 9 financing the essential service worker home ownership incentive fund.

10 **SECTION 4. APPROPRIATION - TRANSFER.** There is appropriated out of any moneys in
11 the housing incentive fund in the state treasury, not otherwise appropriated or committed, the
12 sum of \$500,000, or so much of the sum as may be necessary, which the office of management
13 and budget shall transfer to the essential service worker home ownership incentive fund for the
14 purposes identified in section 2 of this Act, for the biennium beginning July 1, 2017, and ending
15 June 30, 2019. The housing finance authority shall disburse \$250,000 of the amount
16 appropriated under this section within planning regions one and eight.