

Introduced by

Senators Wardner, Lyson, Krebsbach

Representatives Hawken, Keiser, Winrich

1 A BILL for an Act to create and enact two new sections to chapter 54-17, a new subdivision to  
2 subsection 2 of section 54-60.1-01, and a new subsection to section 57-35.3-05 of the North  
3 Dakota Century Code, relating to a housing incentive fund and a financial institutions tax credit  
4 for investments in the fund; and to provide a continuing appropriation.

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

6 **SECTION 1.** A new section to chapter 54-17 of the North Dakota Century Code is created  
7 and enacted as follows:

8 **Housing incentive fund - Continuing appropriation.**

9 1. The housing incentive fund is created as a special revolving fund at the Bank of North  
10 Dakota. Loans may be made from the fund as directed by the housing finance agency  
11 and a continuing appropriation from the fund is provided for that purpose. Loans from  
12 the fund may be made in accordance with this section but a loan may not exceed two  
13 hundred thousand dollars for a qualifying housing project in this state. Loans may not  
14 bear interest, but the Bank of North Dakota may retain an administrative fee not  
15 exceeding one-half of one percent.

16 2. After a public hearing the housing finance agency shall create an annual allocation  
17 plan for the distribution of the fund. At least twenty-five percent of the fund must be  
18 used to assist developing communities with a population of not more than ten  
19 thousand individuals to address an unmet housing need or alleviate a housing  
20 shortage. At least fifty percent of the fund must be used to benefit households with  
21 incomes at not more than fifty percent of the area median income. The agency may  
22 collect a reasonable administrative fee from the fund.

23 3. The agency shall adopt guidelines for the fund so as to address the unmet housing  
24 needs. These forms of assistance 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; and
- 3           c. Gap financing assistance that does not exceed the amount necessary to qualify
- 4                 for a loan using underwriting standards acceptable for secondary market
- 5                 financing.
- 6           4. Eligible recipients include units of local, state, and tribal government; local and tribal
- 7                 housing authorities; community action agencies; regional planning councils; and
- 8                 nonprofit organizations and for-profit developers of multifamily housing. Individuals
- 9                 may not receive direct assistance from the fund.
- 10          5. Any assistance that is repaid or returned must be deposited in the fund and is
- 11                 appropriated on a continuing basis for the purposes of this section.

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

14           **Report.**

15           Upon request, the state housing finance agency shall report to the industrial commission on  
16 the activities of the housing incentive fund.

17           **SECTION 3.** A new subdivision to subsection 2 of section 54-60.1-01 of the North Dakota  
18 Century Code is created and enacted as follows:

19                 Assistance from the state housing finance agency through housing incentive  
20                 funds.

21           **SECTION 4.** A new subsection to section 57-35.3-05 of the North Dakota Century Code is  
22 created and enacted as follows:

23                 There is allowed a credit against the tax imposed by sections 57-35.3-01 through  
24 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of investments  
25 made by the taxpayer during the taxable year in the housing incentive fund. Any  
26 unused credit may be carried forward for up to five taxable years. The total amount of  
27 credits allowable under this subsection is four million dollars.