

**HOUSE BILL NO. 1185**

Introduced by

Representatives Louser, Brabandt, Nathe, Ruby

Senators Burckhard, Poolman

1 A BILL for an Act to amend and reenact section 6-09-46 of the North Dakota Century Code,  
2 relating to extension of the rebuilders loan program; and to provide an exemption.

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

4 **SECTION 1. AMENDMENT.** Section 6-09-46 of the North Dakota Century Code is amended  
5 and reenacted as follows:

6 **6-09-46. Rebuilders loan program - Loan fund - Continuing appropriation -**  
7 **Requirements.**

- 8 1. The Bank of North Dakota shall maintain a loan fund to make or participate in loans to  
9 North Dakota residents affected by a presidentially declared disaster in the state for  
10 the purpose of the resident rebuilding the resident's flood-damaged home or  
11 purchasing a new home or for rebuilding nonowner-occupied property in the  
12 disaster-impacted community. ~~Up~~For a resident rebuilding the resident's  
13 flood-damaged home or purchasing a new home, up to twenty percent of the loan  
14 proceeds disbursed under this program may be used for debt service, debt retirement,  
15 or other credit obligations. All moneys transferred into the fund, interest upon moneys  
16 in the fund, and payments to the fund of principal and interest on loans made from the  
17 fund are appropriated for the purpose of providing loans in accordance with this  
18 section.
- 19 2. The Bank shall administer and supervise the loan fund and loans made from the fund.  
20 The Bank may deduct, from interest payments received on loans, a service fee for  
21 administering the fund for the Bank and originating financial institutions. An application  
22 for a loan from the fund must be made to the Bank or originating financial institution  
23 and, upon approval, a loan must be made from the fund in accordance with this  
24 section.

- 1       3.   A loan may be made from the fund only to a homeowner residing, or owner of  
2       nonowner-occupied property, in an area in this state in which federal emergency  
3       management agency individual assistance was available to homeowners after a  
4       presidentially declared disaster in the state as a result of a flood event occurring  
5       during 2011. A loan may be made from the fund only to a homeowner residing in this  
6       state whose home, or owner of nonowner-occupied property whose property, was  
7       granted a reduction in 2011 in true and full valuation from the individual's property's  
8       preflood value by an assessment reduction pursuant to the governor's executive order  
9       2011-22 or by an abatement for flood-damaged property granted by the board of  
10      county commissioners. An initial loan made to a homeowner or owner of  
11      nonowner-occupied property under this section from state funds may not exceed thirty  
12      thousand dollars or the actual amount of documented damage not paid by flood  
13      insurance, whichever is less. If federal funds are made available for this program, an  
14      additional amount as determined by the Bank may be borrowed by eligible  
15      homeowners who received an initial loan of thirty thousand dollars.
- 16      4.   A loan from the fund must have the interest rate fixed at one percent per year for no  
17      more than twenty years.
- 18      5.   For every loan made from the fund, principal and interest payments must be deferred  
19      for the first twenty-four months of the loan.
- 20      6.   A loan application under this section may not be accepted after September 30,  
21      ~~2012~~2013.
- 22      7.   If, subsequent to receiving a loan from the fund, the property for which the loan was  
23      made is purchased for flood mitigation purposes or otherwise sold, the balance of the  
24      loan and any interest accrued on the loan must be repaid to the fund upon the closing  
25      of the sale.
- 26      8.   The industrial commission shall contract with a certified public accounting firm to audit  
27      the fund as necessary. The cost of the audit, and any other actual costs incurred by  
28      the Bank on behalf of the fund, must be paid by the fund.
- 29      9.   The Bank shall adopt policies to implement this section.

30      **SECTION 2. EXEMPTION - REBUILDERS LOAN PROGRAM.** The amount appropriated  
31      for the rebuilders loan program fund, as contained in section 8 of chapter 579 of the 2011

Sixty-third  
Legislative Assembly

- 1 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds
- 2 from this appropriation are available for continuation of the rebuilders loan program during the
- 3 biennium beginning July 1, 2013, and ending June 30, 2015.