5-2-25

25.1186.02008
Title.
Fiscal No. 3

Prepared by the Legislative Council staff for Conference Committee

May 2, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2225

Introduced by

Senators Bekkedahl, Meyer, Wanzek

Representatives Nathe, Nelson, O'Brien

In place of amendment (25.1186.02005) adopted by the House, Engrossed Senate Bill No. 2225 is amended by amendment (25.1186.02008) as follows:

A BILL for an Act to provide an appropriation to the department of commerce for a housing for opportunity, mobility, and empowerment program; to provide for a legislative management report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - HOUSING FOR OPPORTUNITY, MOBILITY, AND EMPOWERMENT GRANT PROGRAM - MATCHING FUNDS REQUIREMENT - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.

1. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of ~~$50,000,000~~$20,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing housing for opportunity, mobility, and empowerment program grants to political subdivisions to build infrastructure necessary to support affordable, market rate housing for the period beginning with the effective date of this Act, and ending June 30, 2027. Of the total appropriated in this section, $3,000,000 is available only for the purpose of providing grants to political subdivisions for slum and blight removal and remediation. This ~~funding~~appropriation is considered a one-time funding item.

2. The department of commerce shall use funding appropriated in this section to provide grants to political subdivisions to assist communities and address housing needs by lowering the cost of infrastructure development and for slum and blight removal and remediation. The department shall allow a community to ~~identity~~identify the type of housing most needed and cooperatively create solutions to address the housing need through a political subdivision, tribal entity, or economic development corporation. The department shall establish guidelines for providing grants under the program. The department may provide funding for a project that includes existing residential lots only after a certificate of occupancy has been issued for a newly constructed home on one of the existing lots.

3. The department of commerce shall allocate funding appropriated in this section as follows:

   a. ~~$10,000,000~~$4,000,000 for communities with a population of fewer than 5,000 individuals;

   b. ~~$20,000,000~~$8,000,000 for communities with a population of 5,001 to 20,000 individuals;

   c. ~~$15,000,000~~$6,000,000 for communities with a population of more than 20,000 individuals; and

   d. ~~$5,000,000~~$2,000,000 for rural metropolitan areas located within 20 miles of the city limits of a community of more than 20,000 individuals.

4. The maximum grant award for a community with more than 20,000 individuals is ~~$1,500,000~~$1,000,000.

5. If all funding appropriated in this section is not committed or expended by December 31, 2026, the department of commerce may award any remaining funds to viable projects regardless of community size or location.

6. The department of commerce may spend up to one-third of the total project costs from the funds appropriated in this section only to the extent two-thirds matching funds have been secured from nonstate sources ~~on a dollar-for-dollar basis~~. The matching funds must be derived from funds provided by a political subdivision ~~and~~, tribal entity, or local developers and private funds from within the community applying for grant

funding. The private funds from within the community may be from a local development corporation, donations, or in-kind contributions.

7. The department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the program, including expenditures to date, the number of housing units supported, communities applying for grants, and matching funds raised by political subdivisions, local developers, and communities.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2225 - Department of Commerce - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
HOME program grants		$50,000,000	($30,000,000)	$20,000,000	$30,000,000	($10,000,000)
Total all funds	$0	$50,000,000	($30,000,000)	$20,000,000	$30,000,000	($10,000,000)
Less estimated income	0	50,000,000	(30,000,000)	20,000,000	30,000,000	(10,000,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department 601 - Department of Commerce - Detail of Conference Committee Changes

	Reduces Funding for HOME Grants[1]	Total Conference Committee Changes
HOME program grants	($30,000,000)	($30,000,000)
Total all funds	($30,000,000)	($30,000,000)
Less estimated income	(30,000,000)	(30,000,000)
General fund	$0	$0
FTE	0.00	0.00

[1] One-time funding of $30 million is reduced from the strategic investment and improvements fund (SIIF) for housing for opportunity, mobility, and empowerment (HOME) program grants to political subdivisions to provide a total of $20 million from SIIF. The Senate provided $50 million from SIIF for the program. The House provided $30 million from SIIF for the program.

Senate Bill No. 2225 - Other Changes - Conference Committee Action

The amendment also:

- Provides of the total $20 million appropriated from SIIF for the HOME grant program, $3 million must be used for slum and blight removal and remediation. The Senate and House included slum and blight removal and remediation prior to the conference committee amendment, but without a specific amount designated.
- Allows the Department of Commerce to provide funding for a project that includes existing residential lots, the same as provided by the House. The Senate did not include this provision.
- Requires two-thirds matching funds from nonstate sources to match one-third of total project costs provided by the state, the same as provided by the House. The Senate required matching funds on a dollar-for-dollar basis.