

PROPOSED AMENDMENTS TO SENATE BILL NO. 2219

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to an energy conservation revolving loan program; to provide a continuing appropriation; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 6 of the North Dakota Century Code is created and enacted as follows:

Energy conservation revolving loan program - Continuing appropriation.

1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to low-income and moderate-income homeowners or to homeowners with low-income or moderate-income renters for the installation or implementation of energy conservation measures in homes determined by the department of commerce, in consultation with local agencies, to be eligible for energy conservation alterations or measures.
2. The energy conservation revolving loan fund consists of all moneys transferred into the fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund. The moneys in the fund are appropriated on a continuing basis for disbursement under the requirements of this chapter.

Loan guidelines adopted by department of commerce - Loan application.

The department of commerce shall develop policies and guidelines for granting loans under this chapter. The guidelines must establish income eligibility criteria for homeowners or renters of homeowners at equal to or less than one hundred fifty percent of the federal poverty guidelines. The guidelines must provide that a loan granted under this chapter to an eligible homeowner may not exceed six thousand dollars. An application for a loan under this chapter must be made to the department. If the department approves the application of a qualified applicant, the department shall forward the application to the Bank of North Dakota for further review.

Loan terms and conditions.

The Bank of North Dakota may make a no-interest loan to an eligible applicant in consideration of the homeowner contracting with the Bank and granting the Bank a mortgage or other security interest to secure the loan. The contract with the homeowner must provide that the loan must be repaid in full within ninety days of the sale of the property or the death of the homeowner. The contract with a homeowner renting the property to an eligible low-income or moderate-income renter must also provide that the loan must be repaid in ten equal annual payments. The Bank shall allow the homeowner the option of repaying the loan earlier. The Bank may take any

action necessary to negotiate a loan under this chapter and to preserve security under this chapter, including any right of redemption. The Bank may deduct annually, as a service fee for administering the loan fund, one-half of one percent of the principal balance of the outstanding loans from the energy conservation revolving loan fund and may recover from the fund any amounts actually expended by the Bank for legal fees to effect a redemption.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the energy conservation revolving loan fund as provided under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. This funding is considered a one-time funding item."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds two new sections:

- To replace a North Dakota state energy conservation program administered by the Department of Commerce with an energy conservation revolving loan program administered by the Bank of North Dakota. This amendment provides \$1 million in funding from the general fund.
- To establish the criteria for an energy conservation revolving loan program.