

**SENATE BILL NO. 2219**

Introduced by

Senators Wardner, Krebsbach, Schneider

Representatives Kempenich, Sanford, Williams

1 A BILL ~~for an Act to provide an appropriation to the department of commerce for a North Dakota~~  
2 ~~state energy conservation program.~~for an Act to create and enact a new chapter to title 6 of the  
3 North Dakota Century Code, relating to an energy conservation revolving loan program; to  
4 provide a continuing appropriation; and to provide an appropriation.

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

6 ~~— **SECTION 1. APPROPRIATION.** There is appropriated out of any moneys in the general~~  
7 ~~fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the~~  
8 ~~sum as may be necessary, to the department of commerce for the purpose of administering a~~  
9 ~~North Dakota state energy conservation program, for the biennium beginning July 1, 2013, and~~  
10 ~~ending June 30, 2015. The department of commerce shall involve local agencies for providing~~  
11 ~~energy conservation services in the homes of low and moderate income households. The~~  
12 ~~funding appropriated in this section is considered a one-time funding item.~~

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

15 **Energy conservation revolving loan program - Continuing appropriation.**

16 1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose  
17 of making loans to low-income and moderate-income homeowners or to homeowners  
18 with low-income or moderate-income renters for the installation or implementation of  
19 energy conservation measures in homes determined by the department of commerce,  
20 in consultation with local agencies, to be eligible for energy conservation alterations or  
21 measures.

22 2. The energy conservation revolving loan fund consists of all moneys transferred into  
23 the fund, interest upon moneys in the fund, and collections of interest and principal on

1 loans made from the fund. The moneys in the fund are appropriated on a continuing  
2 basis for disbursement under the requirements of this chapter.

3 **Loan guidelines adopted by department of commerce - Loan application.**

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

12 **Loan terms and conditions.**

13 The Bank of North Dakota may make a no-interest loan to an eligible applicant in  
14 consideration of the homeowner contracting with the Bank and granting the Bank a mortgage or  
15 other security interest to secure the loan. The contract with the homeowner must provide that  
16 the loan must be repaid in full within ninety days of the sale of the property or the death of the  
17 homeowner. The contract with a homeowner renting the property to an eligible low-income or  
18 moderate-income renter must also provide that the loan must be repaid in ten equal annual  
19 payments. The Bank shall allow the homeowner the option of repaying the loan earlier. The  
20 Bank may take any action necessary to negotiate a loan under this chapter and to preserve  
21 security under this chapter, including any right of redemption. The Bank may deduct annually,  
22 as a service fee for administering the loan fund, one-half of one percent of the principal balance  
23 of the outstanding loans from the energy conservation revolving loan fund and may recover  
24 from the fund any amounts actually expended by the Bank for legal fees to effect a redemption.

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