

SENATE BILL NO. 2234

Introduced by

Senator Bekkedahl

Representative Hatlestad

1 A BILL for an Act to create and enact a new subsection to section 54-17-07.3 and a new section
2 to chapter 54-17 of the North Dakota Century Code, relating to the establishment of an
3 essential service worker home ownership incentive program and essential service worker home
4 ownership incentive fund; to provide an appropriation and transfer; and to provide a continuing
5 appropriation.

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

7 **SECTION 1.** A new subsection to section 54-17-07.3 of the North Dakota Century Code is
8 created and enacted as follows:

9 Essential service worker home ownership incentive program. A program to provide
10 assistance for the purchase of a primary residence by an essential service worker as
11 provided in section 2 of this Act. The program may provide a secondary mortgage lien
12 to assist in the acquisition of a single-family residential dwelling unit.

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

15 **Essential service worker home ownership incentive fund - Continuing appropriation.**

- 16 1. The essential service worker home ownership incentive fund is created as a special
17 revolving fund at the Bank of North Dakota. The housing finance agency may direct
18 disbursements from the fund and moneys in the fund are appropriated on a continuing
19 basis to provide purchasing assistance on single-family residential mortgage loans
20 under the essential worker home ownership incentive program. The agency shall
21 administer and supervise the fund and may deduct a reasonable fee for administering
22 the fund.
- 23 2. During the 2017-19 biennium, the essential service worker home ownership incentive
24 fund must be used to support a pilot program for essential service workers. The fund

1 must be used to provide purchasing assistance under the essential service worker
2 home ownership incentive program in any area of the state. For purposes of this
3 section, "essential service worker" means an individual employed by the state or a city,
4 county, school district, medical or long-term care facility, or any other individual
5 employed in providing an essential public service as determined by the housing
6 finance agency.

7 3. Pursuant to housing finance agency underwriting and credit standards and guidelines
8 adopted under subsection 4, the agency may provide a secondary loan to a qualified
9 essential service worker in conjunction with a single-family residential mortgage loan
10 originated by a lender under a housing finance agency home ownership program. If, at
11 any time during the first ten years of the loan, the borrower ceases to be employed as
12 an essential service worker or if the borrower sells the home or refinances the
13 mortgage loan, the borrower must repay the secondary loan in full.

14 4. The agency shall adopt guidelines for the implementation and administration of the
15 essential service worker home ownership incentive program. The guidelines must
16 provide the moneys in the essential service worker home ownership incentive fund
17 may be used solely to assist in the acquisition of owner-occupied single-family
18 residential housing that will serve as the primary residence of the essential service
19 worker. The guidelines must establish income limits for eligibility to participate in the
20 program and purchase price limitations as determined appropriate by the agency.

21 5. Any funds received in repayment or recapture of a loan under this section must be
22 deposited in the essential service worker home ownership incentive fund and may be
23 used for the purposes of the essential service worker home ownership incentive
24 program.

25 **SECTION 3. APPROPRIATION - TRANSFER.** There is appropriated out of any moneys in
26 the housing incentive fund in the state treasury, not otherwise appropriated, the sum of
27 \$4,000,000, or so much of the sum as may be necessary, which the office of management and
28 budget shall transfer to the essential service worker home ownership incentive fund for the
29 purposes identified in section 2 of this Act, for the biennium beginning July 1, 2017, and ending
30 June 30, 2019. The housing finance authority shall disburse \$500,000 of the amount
31 appropriated under this section within each of the eight state planning regions.