

Introduced by

Representative Hatlestad

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century
2 Code, relating to a political subdivision housing development loan fund; to provide an
3 appropriation; to provide a continuing appropriation; to provide for a transfer; and to provide an
4 effective date.

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

6 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Political subdivision housing development loan fund - Continuing appropriation -**
9 **Audit and costs of administration - Transfer to general fund.**

- 10 1. The political subdivision housing development loan fund is a special fund in the state
11 treasury from which the Bank of North Dakota shall provide a loan to a county or city
12 to establish a housing development revolving loan program to assist housing
13 developers in the county or city. The Bank shall administer the fund.
- 14 2. To be eligible for a loan from this fund:
- 15 a. A county must be located in the northwest area of the state, must receive more
16 than five million dollars of oil and gas gross production tax revenue allocations
17 per year, and must have a hub city located within its boundaries; or
- 18 b. A city must be a hub city, must be located in the northwest area of the state, and
19 must be located in a county that receives more than five million dollars of oil and
20 gas gross production tax revenue allocations per year.
- 21 3. The Bank shall consider the county's or city's ability to repay the loan when
22 considering the application and shall issue loans only to a county or city that provides
23 reasonable assurance of sufficient future income to repay the loan.
- 24 4. A loan provided under this section:

- 1 a. May not exceed five million dollars;
- 2 b. Must have an interest rate equal to two percent; and
- 3 c. Must provide for a repayment schedule of no longer than five years.
- 4 5. The Bank shall deposit in the political subdivision housing development loan fund all
5 payments of interest and principal paid under a loan made from the political
6 subdivision housing development loan fund. The Bank may use a portion of the
7 interest paid on the outstanding loans as a servicing fee to pay for administrative costs
8 which may not exceed one-half of one percent. All money transferred to the fund,
9 interest upon moneys in the fund, and payments to the fund of principal and interest
10 are appropriated to the Bank on a continuing basis for administrative costs and
11 transfers to the general fund.
- 12 6. Excluding moneys used by the Bank for administrative costs, all payments of interest
13 and principal deposited in the political subdivision housing development loan fund
14 must be transferred by the Bank from the political subdivision housing development
15 loan fund to the general fund on June thirtieth of each year.
- 16 7. The political subdivision housing development loan fund must be audited in
17 accordance with section 6-09-29, and the cost of the audit must be paid from the fund.
- 18 8. The Bank may adopt policies and establish guidelines to administer this loan program
19 in accordance with the provisions in this section.

20 **SECTION 2. APPROPRIATION - TRANSFER - GENERAL FUND TO POLITICAL**

21 **SUBDIVISION HOUSING DEVELOPMENT LOAN FUND - ONE-TIME FUNDING.** There is
22 appropriated out of any moneys in the general fund in the state treasury, not otherwise
23 appropriated, the sum of \$5,000,000, which the office of management and budget shall transfer
24 to the political subdivision housing development loan fund during the period beginning with the
25 effective date of this Act and ending June 30, 2025. The funding provided in this section is
26 considered a one-time funding item.

27 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing with
28 the secretary of state.