

SENATE BILL NO. 2219
with House Amendments
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Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Senators Wardner, Krebsbach, Schneider

Representatives Kempenich, Sanford, Williams

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

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

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

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

8 1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose
9 of making loans to low-income and moderate-income homeowners or to homeowners
10 with low-income or moderate-income renters for the installation or implementation of
11 energy conservation measures in homes determined by the department of commerce,
12 in consultation with local agencies, to be eligible for energy conservation alterations or
13 measures.

14 2. The energy conservation revolving loan fund consists of all moneys transferred into
15 the fund, interest upon moneys in the fund, and collections of interest and principal on
16 loans made from the fund. The moneys in the fund are appropriated on a continuing
17 basis for disbursement under the requirements of this chapter.

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

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

1 applicant, the department shall forward the application to the Bank of North Dakota for further
2 review.

3 **Loan terms and conditions.**

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

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