

**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.