

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1185**

Introduced by

Representatives Louser, Brabandt, Nathe, Ruby

Senators Burckhard, Poolman

1 A BILL for an Act to amend and reenact section 6-09-46 of the North Dakota Century Code,
2 relating to extension of the rebuilders loan program; to provide an exemption; and to declare an
3 emergency.

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

5 **SECTION 1. AMENDMENT.** Section 6-09-46 of the North Dakota Century Code is amended
6 and reenacted as follows:

7 **6-09-46. Rebuilders loan program - Loan fund - Continuing appropriation -**
8 **Requirements.**

- 9 1. The Bank of North Dakota shall maintain a loan fund to make or participate in loans to
10 North Dakota residents affected by a presidentially declared disaster in the state for
11 the purpose of the resident rebuilding the resident's flood-damaged home or
12 purchasing a new home or for rebuilding nonowner-occupied property in the
13 disaster-impacted community. ~~Up~~For a resident rebuilding the resident's
14 flood-damaged home or purchasing a new home, up to twenty percent of the loan
15 proceeds disbursed under this program may be used for debt service, debt retirement,
16 or other credit obligations. All moneys transferred into the fund, interest upon moneys
17 in the fund, and payments to the fund of principal and interest on loans made from the
18 fund are appropriated for the purpose of providing loans in accordance with this
19 section.
- 20 2. The Bank shall administer and supervise the loan fund and loans made from the fund.
21 The Bank may deduct, from interest payments received on loans, a service fee for
22 administering the fund for the Bank and originating financial institutions. An application
23 for a loan from the fund must be made to the Bank or originating financial institution

1 and, upon approval, a loan must be made from the fund in accordance with this
2 section.

3 3. A loan may be made from the fund only to a homeowner residing, or owner of
4 nonowner-occupied property, in an area in this state in which federal emergency
5 management agency individual assistance was available to homeowners after a
6 presidentially declared disaster in the state as a result of a flood event occurring
7 during 2011. A loan may be made from the fund only to a homeowner residing in this
8 state whose home, or owner of nonowner-occupied property whose property, was
9 granted a reduction in 2011 in true and full valuation from the individual's property's
10 pre-flood value by an assessment reduction pursuant to the governor's executive order
11 2011-22 or by an abatement for flood-damaged property granted by the board of
12 county commissioners. In order for an owner of nonowner-occupied property to qualify
13 for a loan under this section, the owner of the property must have been the owner at
14 the time of the presidentially declared disaster and the number of households in the
15 property rebuilt under this section must remain the same as before the presidentially
16 declared disaster. The owner of nonowner-occupied property is eligible for only one
17 loan for nonowner-occupied property under this section and that loan must be secured
18 by the property for which the loan is made. An initial loan made to a homeowner or
19 owner of nonowner-occupied property under this section from state funds may not
20 exceed thirty thousand dollars or the actual amount of documented damage not paid
21 by flood insurance, whichever is less. If federal funds are made available for this
22 program, an additional amount as determined by the Bank may be borrowed by
23 eligible homeowners who received an initial loan of thirty thousand dollars. For
24 purposes of this section, "nonowner-occupied property" means property consisting of
25 one or more rental dwelling units, none of which is occupied by the owner, and does
26 not include hotel or motel accommodations or any other commercial property.

27 4. A loan from the fund must have the interest rate fixed at one percent per year for no
28 more than twenty years.

29 5. For every loan made from the fund to a homeowner to rebuild or replace that
30 individual's flood-damaged home, principal and interest payments must be deferred for

1 the first twenty-four months of the loan. There is no deferral of principal and interest
2 payments for a loan for nonowner-occupied property.

3 6. A loan application for a loan for nonowner-occupied property under this section may
4 not be accepted after September 30, ~~2012~~2013.

5 7. If, subsequent to receiving a loan from the fund, the property for which the loan was
6 made is purchased for flood mitigation purposes or otherwise sold, the balance of the
7 loan and any interest accrued on the loan must be repaid to the fund upon the closing
8 of the sale.

9 8. The industrial commission shall contract with a certified public accounting firm to audit
10 the fund as necessary. The cost of the audit, and any other actual costs incurred by
11 the Bank on behalf of the fund, must be paid by the fund.

12 9. The Bank shall adopt policies to implement this section.

13 **SECTION 2. EXEMPTION - REBUILDERS LOAN PROGRAM.** The amount appropriated
14 for the rebuilders loan program fund, as contained in section 8 of chapter 579 of the 2011
15 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds
16 from this appropriation are available for continuation of the rebuilders loan program during the
17 biennium beginning July 1, 2013, and ending June 30, 2015.

18 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.