

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1216**

Introduced by

Representative Nathe

1 A BILL for an Act to amend and reenact section 10-30.5-02 of the North Dakota Century Code,
2 relating to the purpose and use of funds in the North Dakota development fund; and to repeal
3 section 10-30.5-13 of the North Dakota Century Code, relating to the North Dakota
4 development fund small business technology investment program.

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

6 **SECTION 1. AMENDMENT.** Section 10-30.5-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-30.5-02. Purpose and fund uses.**

- 9 1. It is the purpose of this chapter to create a statewide nonprofit development
10 corporation that will have the authority to take equity positions in, to provide loans to,
11 or to use other innovative financing mechanisms to provide capital for new or
12 expanding businesses in this state, or relocating businesses to this state. The
13 corporation's principal mission is the development and expansion of primary sector
14 business in this state. The corporation may form additional corporations, limited
15 liability companies, partnerships, or other forms of business associations in order to
16 further its mission of primary sector economic development.
- 17 2. The exclusive focus of this corporation is business development in this state; however,
18 it is not excluded from participation with other states or organizations in projects that
19 have a clear economic benefit to state residents in the creation of jobs or secondary
20 business. Emphasis should be to develop jobs that provide an income adequate to
21 support a family above the poverty level.
- 22 3. Moneys in the development fund may be used to provide working capital or for
23 financing the purchase of fixed assets but not to refinance existing debt. Moneys may
24 also be used to make matching grants to county-authorized or city-authorized

1 development corporations for the acquisition, leasing, or remodeling of real estate
2 facilities for locating a prospective new primary sector business. A grant must be made
3 as part of a package of financing in which the state is a participant.

4 4. The commissioner of commerce shall adopt rules, subject to the approval of the board
5 of directors, necessary to implement the administration of the fund. The rules to
6 implement the grant program must be developed to encourage local fundraising
7 initiatives for developing locations for businesses financed by the corporation.

8 5. Moneys in the development fund may be used to provide financing to early childhood
9 facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or
10 loans to match grants or loans made by county-authorized or city-authorized
11 development corporations, job development authorities created under chapter 11-11.1
12 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real
13 estate facilities or for acquiring equipment for establishing or expanding a licensed
14 early childhood facility. In providing financing under this subsection, the corporation
15 shall ensure funds are distributed fairly among for-profit early childhood facilities,
16 nonprofit early childhood facilities, and public early childhood facilities. An award under
17 this subsection may not exceed one ~~hundred thousand~~million dollars per award.

18 **SECTION 2. REPEAL.** Section 10-30.5-13 of the North Dakota Century Code is repealed.