

Introduced by

Representatives Murphy, Jacobs, Kempenich, Kerzman

Senators Klein, Wanzek

1 A BILL for an Act to create and enact a new section to chapter 54-34.3 of the North Dakota
2 Century Code, relating to the establishment of a rural development fund; and to provide an
3 appropriation.

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

5 **SECTION 1.** A new section to chapter 54-34.3 of the 1995 Supplement to the North
6 Dakota Century Code is created and enacted as follows:

7 **Rural development fund.**

- 8 1. A revolving rural development fund must be maintained in the Bank of North
9 Dakota for the purpose of providing loans or other financing mechanisms to
10 provide capital for new or expanding businesses in rural areas in the state. The
11 director of the department of economic development and finance shall administer
12 the fund and the Bank of North Dakota, upon recommendation of the director, shall
13 provide funding to applicants approved by the director.
- 14 2. Moneys in the fund may be used only to provide financial assistance to new or
15 expanding businesses in counties that have a population density of fewer than six
16 people per square mile and cities that have a population of under five hundred and
17 that are not located within fifteen miles of a city that has a population over eight
18 thousand. For the purposes of this section, the population of a county or city must
19 be determined by using the last official federal census.
- 20 3. Moneys in the fund may be used to provide working capital or for financing the
21 purchase of fixed assets, but not to refinance existing debt. Moneys may also be
22 used to make matching grants to county-authorized or city-authorized development
23 corporations established by eligible counties or cities for the acquisition, leasing, or

1 remodeling of real estate facilities for locating a prospective new business or
2 expanding business.

3 4. The director shall adopt eligibility guidelines to be used in reviewing and analyzing
4 loan applications.

5 **SECTION 2. APPROPRIATION.** There is hereby appropriated out of any moneys in
6 the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so
7 much of the sum as may be necessary, to the Bank of North Dakota for deposit in the rural
8 development fund for the purpose of providing economic development assistance as provided
9 for in section 1 of this Act, for the biennium beginning July 1, 1997, and ending June 30, 1999.