

HOUSE BILL NO. 1400

Introduced by

Representatives Berg, Pietsch, Severson, Tieman

Senators Klein, Trenbeath

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 a rural growth incentive program administered by the department of
3 economic development and finance; and to provide for allocation of the North Dakota
4 development fund.

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

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

8 **Rural growth incentive program.**

- 9 1. The department shall manage and administer the rural growth incentive program.
10 A city with a population of less than two thousand five hundred may apply to the
11 department to be designated as a rural growth incentive city. The department shall
12 designate an applicant city as a rural growth incentive city if the city raises funds in
13 the amount of seventy-five thousand dollars and meets any additional program
14 requirements provided by rule. The source of city funds may be any combination
15 of public and private funds.
- 16 2. If the department designates a city as a rural growth incentive city:
- 17 a. The state shall make a loan to the city in an amount not less than seventy-five
18 thousand dollars. The funding source of the state loan is the North Dakota
19 development fund. The city shall distribute the city and state funds to
20 qualifying new or expanded primary sector businesses in the city. A qualifying
21 business in the city includes a business that provides essential services to the
22 city. The governing body of the city determines whether a new or expanded
23 primary sector business qualifies for funding, and the director of the
24 department determines whether a business that provides essential services to

1 the city qualifies for funding. The city may not use city or state funds raised or
2 provided under this section for costs associated with administering the rural
3 growth incentive city.

- 4 b. The department shall provide the city with technology hardware, software, and
5 training to assist the city in working with state economic development
6 programs.

7 **SECTION 2. NORTH DAKOTA DEVELOPMENT FUND ALLOCATIONS.** Of the
8 amount available in the North Dakota development fund, \$4,000,000 or the unobligated balance
9 on July 1, 2001, relating to the transfer of regional rural development revolving loan fund
10 moneys, must be dedicated for the purpose of providing financial assistance, research and
11 development assistance, and loans or equity or debt financing on a matching basis to new or
12 expanded primary sector businesses in areas of the state which are not within five miles [8.05
13 kilometers] of any city with a population of more than eight thousand and for the purpose of
14 providing state loan funds under section 1 of this Act. These funds must be allocated for the
15 benefit of each of the areas delineated as regions by executive order of the governor under
16 section 54-40.1-02.