

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED 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, prepares an economic development
14 strategic plan, and meets any additional program requirements provided by rule.
15 The source of city funds may be any combination of public and private funds.
- 16 2. If the department designates a city as a rural growth incentive city:
- 17 a. Subject to the availability of funds, the state shall make a loan to the city in an
18 amount not less than seventy-five thousand dollars. The department shall
19 establish the amount of the interest rate for loans provided to a city under this
20 section. The funding source of the state loan is the North Dakota
21 development fund. The city shall distribute the city and state funds to
22 qualifying new or expanded primary sector businesses in the city. A
23 qualifying business in the city includes a business that provides essential
24 services to the city. The governing body of the city determines whether a new

1 or expanded primary sector business qualifies for funding, and the director of
2 the department determines whether a business that provides essential
3 services to the city qualifies for funding. The state shall distribute a loan to a
4 rural growth incentive city once the city establishes the city has chosen a
5 specified qualified business to receive funding. The city may not use city or
6 state funds raised or provided under this section for costs associated with
7 administering the rural growth incentive city.

- 8 b. The department shall provide the city with training to assist the city in
9 expanding primary sector businesses and working with state economic
10 development programs.

11 **SECTION 2. NORTH DAKOTA DEVELOPMENT FUND ALLOCATIONS.** A portion of
12 the amount available in the North Dakota development fund relating to the transfer of regional
13 rural development revolving loan fund moneys may be used for the purpose of providing state
14 loan funds under section 1 of this Act.