

HOUSE BILL NO. 1526

Introduced by

Representatives Berg, Boucher, Charging, Vigesaa

Senators Stenehjem, O'Connell

(Approved by the Delayed Bills Committee)

- 1 A BILL for an Act to create and enact a new section to chapter 54-17 of the North Dakota
2 Century Code, relating to creation of an industrial commission tribal-state guaranty program;
3 and to provide a continuing appropriation.

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

5 **SECTION 1.** A new section to chapter 54-17 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Tribal-state guaranty program - Continuing appropriation.**

- 8 1. The industrial commission shall establish a guaranty program for a business
9 located in the state which contracts with a business located in the state which is
10 either owned by one of the five North Dakota Indian tribes or which is an American
11 Indian-owned small business located in this state. The industrial commission shall
12 establish program guidelines and shall establish program application forms. The
13 industrial commission shall adopt rules as necessary to implement this program.
- 14 2. In the case of a payment dispute, the program must provide a participating North
15 Dakota business with sure and certain payment under the contract between the
16 North Dakota business and the tribal-owned or Indian-owned business. The
17 industrial commission shall establish a guaranty reserve board, which may borrow
18 funds from the Bank of North Dakota to fund a Bank line of credit through which
19 participating North Dakota businesses may receive payment in the case of a
20 payment dispute. The board membership, which may not exceed twelve members,
21 consists of the attorney general or the attorney general's representative, who
22 serves as chairman of the board; the president of the Bank or the president's
23 representative; one representative for each participating tribal government; and
24 representatives of private business equal to the number of tribal government

representatives serving on the board. Each North Dakota Indian tribe that participates in the program may appoint one board member to serve a two-year term. A tribally appointed member serves at the pleasure of the appointing tribal government. The board members representing private business serve two-year terms to run concurrently with the corresponding tribally appointed member. The members of the industrial commission shall take turns appointing the board members representing private business, in the following order: governor, attorney general, and agriculture commissioner. Each member representing private business serves at the pleasure of the industrial commission and any vacant position must be filled by an individual appointed by the member of the industrial commission making the original appointment. The board must meet annually, or more often as may be determined necessary by the chairman, for the purpose of reviewing participation in the program and conducting the business of the board.

3. To participate in the program, all parties must agree that for purposes of the program and related business contract issues any claim or dispute between any of the parties are governed by the laws of the state of North Dakota and any claim or dispute between the parties must be brought in Burleigh County district court in Bismarck or by agreement of the parties may be brought to a mutually agreed-upon arbitrator. To participate in the program, the business owned by a North Dakota Indian tribe or the Indian-owned small business must have secured the pledge of a North Dakota Indian tribe or a tribally approved entity to guarantee repayment to the guaranty reserve for any line of credit payments made due to payment disputes.
4. All funds received by the reserve board under this section are appropriated as a standing and continuing appropriation for the purposes of this section. If the board provides a North Dakota business with a payment through the line of credit due to a payment dispute, as a guarantor the board is an assignee and as such may seek reimbursement from a third party or from the North Dakota business for any payment made under the program.