

June 2009

TITLE 10

Corporations

Summary of Bills Enacted by 2009 Legislative Assembly

This memorandum summarizes 2009 legislation primarily affecting North Dakota Century Code Title 10. Bills primarily affecting other titles may also affect this title, but those bills are not summarized in this memorandum.

The legislation relating to corporations may be classified in these subject areas: North Dakota Development Fund, Inc.; securities; and miscellaneous.

NORTH DAKOTA DEVELOPMENT FUND, INC.

House Bill No. 1202 modifies the powers and duties of the North Dakota Development Fund, Inc., allowing the scheduled August 1, 2009, expiration of the corporation's authority to borrow funds from the Bank of North Dakota to invest in North Dakota alternative and venture capital investments and early-stage capital funds; extending the previously planned August 1, 2009, expiration of the corporation's authority to provide management services for the Bank's alternative and venture capital investments and early-stage capital funds; and directing the corporation to administer an entrepreneurship award program that provides funding awards to entrepreneurial centers and to entrepreneurs with an August 1, 2015, expiration date.

Senate Bill No. 2110 modifies the powers and duties of the North Dakota Development Fund, Inc., allowing the scheduled August 1, 2009, expiration of the corporation's authority to borrow funds from the Bank of North Dakota to invest in North Dakota alternative and venture capital investments and early-stage capital funds and removing the previously planned August 1, 2009, expiration of the corporation's authority to provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

Senate Bill No. 2225 authorizes the North Dakota Development Fund, Inc., to provide financing to early childhood facilities and to make grants or loans to match grants or loans made by county-authorized or city-authorized development corporations, job development authorities, and regional planning councils for the purpose of acquiring, leasing, or remodeling of real estate facilities or for acquiring equipment for establishing or expanding a licensed early childhood facility.

SECURITIES

House Bill No. 1100 amends various sections of the law relating to the definition of institutional investor, securities transactions exempt from registration, securities registration filing fees, and electronic filing. The majority of the bill pertains to the capital formation aspect of the Securities Commissioner's functionality.

House Bill No. 1284 reflects statutory reference changes relating to life settlement contracts and reflects a terminology change from referring to viatical settlement contracts to life settlement contracts.

MISCELLANEOUS

House Bill No. 1298 allows for the creation of a nonprofit limited liability company, enables commercial registered agents to maintain multiple registrations with different addresses, streamlines the process related to the court-appointed reinstatement of business entities, removes certain information currently required on foreign corporation annual reports, and makes the annual report filing requirement between the various types of business entities more uniform.

House Bill No. 1324, as part of the bill that repealed the North Dakota individual, estate, and trust income tax long-form, amends the certified nonprofit development corporation income tax credit law, which provided the credit was available on the long-form but not available on the short-form.

Senate Bill No. 2297 removes an internal reference to a repealed chapter of law.