

HOUSE BILL NO. 1161

Introduced by

Representative Keiser

1 A BILL for an Act to amend and reenact section 10-30.5-12 of the North Dakota Century Code,
2 relating to entrepreneurship center awards.

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

4 **SECTION 1. AMENDMENT.** Section 10-30.5-12 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **10-30.5-12. (Effective through July 31, 2015) Entrepreneurship awards.**

7 1. The corporation shall administer an entrepreneurship award program that provides
8 funding awards to entrepreneurial centers and to entrepreneurs.

9 2. The following provisions apply to entrepreneurial center awards:

- 10 a. An applicant must be an entrepreneurial center certified by the department of
11 commerce. In certifying an entrepreneurial center, the department shall consider
12 whether the center provides business incubator services such as mentors,
13 shared services, and relationships with educational institutions. An
14 entrepreneurial center may not be a state entity or an institution under the control
15 of the state board of higher education.
- 16 b. An award may not exceed ~~fifty~~sixty thousand dollars. An entrepreneurial center
17 may not qualify for more than one award per year and may not receive more than
18 five awards.
- 19 c. Before funds are distributed to a center under this subsection, the center shall
20 provide the corporation with detailed documentation of the availability of one
21 dollar of nonstate matching funds for each dollar of state funds distributed under
22 this subsection. Matching funds must be cash and may not be in-kind assets.
- 23 d. If during the twelve months preceding the application for an award under this
24 subsection, an entrepreneurial center was awarded state funding from any other

source, the maximum award under this subsection must be decreased dollar for dollar for every dollar of other state funds awarded. This subdivision does not apply to state funds an entrepreneurial center receives as a fiscal agent for an identified third party as part of a contractual agreement.

e. As a term of receipt of an award under this subsection, an entrepreneurial center shall pay back the funds awarded under this subsection. The payback schedule must be based on the center's ability to pay back the award.

f. An award under this subsection is not a business incentive under chapter 54-60.1.

3. The following provisions apply to entrepreneur awards:

a. An applicant must be an entrepreneur:

(1) Using the services of an entrepreneurial center certified by the department of commerce under subsection 2;

(2) With a business plan, but the business is not required to be a primary sector business; and

(3) That has been approved by the entrepreneurial center and by the corporation.

b. An award may not exceed twenty thousand dollars per business.

c. Before funds are distributed to an entrepreneur under this subsection, the entrepreneur shall provide the corporation with detailed documentation of the availability of one dollar of nonstate matching funds for every four dollars of state funds distributed under this subsection. Matching funds must be cash and may not be in-kind assets.

d. If during the twelve months preceding the application for an award under this subsection an entrepreneur received state funding for the business from any other source, the maximum award under this subsection must be decreased dollar for dollar for every dollar of other state funds received.

e. As a term of receipt of an award under this subsection, the entrepreneur shall pay back the funds awarded under this subsection. The payback schedule must be based upon the entrepreneur's ability to pay back the award and may include debt, equity, or a combination of debt and equity.

