

Fifty-fifth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1354

Introduced by

Representatives Poolman, Mahoney, Jensen

Senators Krebsbach, Lindaas, Mutch

1 A BILL for an Act to amend and reenact subsection 1 of section 10-30.1-01 of the North Dakota  
2 Century Code, relating to the definition of a qualified entity for purposes of venture capital  
3 corporations.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 10-30.1-01 of the North Dakota  
6 Century Code is amended and reenacted as follows:

- 7 1. "Qualified entity" means a business that:
- 8 a. Is a small business concern as defined under Public Law No. 85-536, § 2[3],  
9 72 Stat. 384; 15 U.S.C. 632, as amended.
- 10 b. Is a business which through a process employing knowledge and labor adds  
11 value to a product for resale.
- 12 c. Has its principal office in this state and is primarily doing business within this  
13 state or has a significant operation in North Dakota that has or is projected to  
14 have more than twenty-five employees or two hundred fifty thousand dollars  
15 of sales annually.

16 However, ~~after July 1, 1989~~, a "qualified entity" does not include any business or  
17 an affiliate of a business that owns tax-exempt securities.