

HOUSE BILL NO. 1095

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Commerce)

1 A BILL for an Act to amend and reenact subsection 2 of section 54-60.1-01 and subsection 3 of
2 section 54-60.1-02 of the North Dakota Century Code, relating to business incentives,
3 agreements, and reports.

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

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 54-60.1-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 2. "Business incentive" means a state or political subdivision direct cash transfer,
8 loan, or equity investment; contribution of property or infrastructure; reduction or
9 deferral of any tax or any fee; guarantee of any payment under any loan, lease, or
10 other obligation; or preferential use of government facilities given to a business. To
11 be considered a business incentive, the total assistance in all forms must be
12 valued at twenty-five thousand dollars or more committed within a year. Unless
13 specifically provided otherwise, the term does not include:

14 a. Assistance that is generally available to all businesses or to a general class of
15 similar businesses, such as a line of business, size, or similar criteria.

16 b. Incentives resulting from Bank of North Dakota programs unless the incentive
17 is a direct interest rate buydown, ~~is made pursuant to the beginning~~
18 ~~entrepreneur loan guarantee program~~, or is an investment made pursuant to
19 the North Dakota alternative and venture capital investments and early-stage
20 capital funds program.

21 c. Public improvements to buildings or lands owned by the state or political
22 subdivision which serve a public purpose and do not principally benefit a
23 single business or defined group of businesses at the time the improvements
24 are made.

- 1 d. Assistance provided for the sole purpose of renovating old or decaying
- 2 building stock or bringing such building stock up to code and assistance
- 3 provided for designated historic preservation districts, provided that the
- 4 assistance does not exceed seventy-five percent of the total cost.
- 5 e. Assistance to provide job readiness and training services if the sole purpose
- 6 of the assistance is to provide those services.
- 7 f. Assistance for housing.
- 8 g. Assistance for pollution control or abatement.
- 9 h. Assistance for energy conservation.
- 10 i. Tax reductions resulting from conformity with federal tax law.
- 11 j. Benefits derived from regulation.
- 12 k. Indirect benefits derived from assistance to educational institutions.
- 13 l. Except for a center of excellence award under chapter 15-69, assistance for a
- 14 collaboration between a North Dakota institution of higher education and a
- 15 business.
- 16 m. Redevelopment if the recipient's investment in the purchase of the site and in
- 17 site preparation is seventy percent or more of the assessor's current year's
- 18 estimated market value.
- 19 n. General changes in tax increment financing law and other general tax law
- 20 changes of a principally technical nature.
- 21 o. Federal assistance provided through the state or a political subdivision until
- 22 the assistance has been repaid to, and reinvested by, the state or political
- 23 subdivision.
- 24 p. Federal or state assistance for the lignite research, development, and
- 25 marketing program under chapter 54-17.5.

26 **SECTION 2. AMENDMENT.** Subsection 3 of section 54-60.1-02 of the North Dakota
27 Century Code is amended and reenacted as follows:

- 28 3. A state business incentive in the form of a direct cash transfer that is not a
- 29 structured grant under state or federal law must be structured as a loan, a
- 30 forgivable loan, or as a preferred share that includes provisions for surrender.