

March 22, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2218

Page 1, line 1, after "Act" insert "to create and enact a new subsection to section 40-63-07 of the North Dakota Century Code, relating to restrictions on renaissance fund organization investments in enterprises owned by renaissance fund organization officers, employees, and investors;"

Page 1, line 1, replace "subsection" with "subsections 2 and"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Subsection 2 of section 40-63-07 of the North Dakota Century Code is amended and reenacted as follows:

2. The purpose of a renaissance fund organization is solely to raise funds to be used to ~~make investments in finance zone projects and to make investments other projects located~~ in designated renaissance zone ~~cities zones~~. A renaissance fund organization may provide financing to projects undertaken by individuals, partnerships, limited partnerships, limited liability companies, trusts, corporations, nonprofit organizations, and public entities. The financing may include any combination of equity investments, loans, guarantees, and commitments for financing. The amount of financing is not limited by this chapter."

Page 1, line 10, overstrike "these additional" and insert immediately thereafter "the"

Page 1, line 10, overstrike "may not" and insert immediately thereafter "shall"

Page 1, line 11, overstrike "more than fifty percent of such" and insert immediately thereafter "those"

Page 1, line 11, overstrike "for organization investments outside of" and insert immediately thereafter "to finance projects within"

Page 1, after line 12, insert:

"SECTION 3. A new subsection to section 40-63-07 of the North Dakota Century Code is created and enacted as follows:

Renaissance fund organization officers, employees, and investors may be actively involved in the enterprises in which the renaissance fund organization invests but the renaissance fund organization may not invest in any enterprise if any one renaissance fund organization investor owns more than forty-nine percent of the ownership interest in the enterprise. A renaissance fund organization may not invest in an enterprise if renaissance fund organization officers, employees, and investors collectively own more than forty-nine percent of the ownership interests, either through direct ownership or through ownership of interest in a passthrough entity."

Page 1, line 13, replace "This" with "The changes in sections 1 and 2 of this"

Page 1, line 13, replace "is" with "requiring a renaissance fund organization to limit its financing to projects located in a renaissance zone are"

Page 1, line 13, replace "taxable years beginning" with "new financing initiated"

Page 1, line 14, replace "December 31, 2010" with "June 30, 2011"

Page 1, line 14, after the period insert "Section 3 of this Act is effective for investments made in a renaissance fund organization after December 31, 2011."

Re-number accordingly