

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1216**

Introduced by

Representative Nathe

1 A BILL for an Act to amend and reenact section 10-30.5-02 of the North Dakota Century Code,  
2 relating to the purpose and use of funds in the North Dakota development fund; and to repeal  
3 section 10-30.5-13 of the North Dakota Century Code, relating to the North Dakota  
4 development fund small business technology investment program.

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

6 **SECTION 1. AMENDMENT.** Section 10-30.5-02 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **10-30.5-02. Purpose and fund uses.**

- 9 1. It is the purpose of this chapter to create a statewide nonprofit development  
10 corporation that will have the authority to take equity positions in, to provide loans to,  
11 or to use other innovative financing mechanisms to provide capital for new or  
12 expanding businesses in this state, or relocating businesses to this state. The  
13 corporation's principal mission is the development and expansion of primary sector  
14 business in this state. The corporation may form additional corporations, limited  
15 liability companies, partnerships, or other forms of business associations in order to  
16 further its mission of primary sector economic development.
- 17 2. The exclusive focus of this corporation is business development in this state; however,  
18 it is not excluded from participation with other states or organizations in projects that  
19 have a clear economic benefit to state residents in the creation of jobs or secondary  
20 business. Emphasis should be to develop jobs that provide an income adequate to  
21 support a family above the poverty level.
- 22 3. Moneys in the development fund may be used to provide working capital or for  
23 financing the purchase of fixed assets but not to refinance existing debt. Moneys may  
24 also be used to make matching grants to county-authorized or city-authorized

1            development corporations for the acquisition, leasing, or remodeling of real estate  
2            facilities for locating a prospective new primary sector business. A grant must be made  
3            as part of a package of financing in which the state is a participant.

4            4. The commissioner of commerce shall adopt rules, subject to the approval of the board  
5            of directors, necessary to implement the administration of the fund. The rules to  
6            implement the grant program must be developed to encourage local fundraising  
7            initiatives for developing locations for businesses financed by the corporation.

8            5. Moneys in the development fund may be used to provide financing to early childhood  
9            facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or  
10           loans to match grants or loans made by county-authorized or city-authorized  
11           development corporations, job development authorities created under chapter 11-11.1  
12           or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real  
13           estate facilities or for acquiring equipment for establishing or expanding a licensed  
14           early childhood facility. In providing financing under this subsection, the corporation  
15           shall ensure funds are distributed fairly among for-profit early childhood facilities,  
16           nonprofit early childhood facilities, and public early childhood facilities. An award under  
17           this subsection may not exceed one ~~hundred thousand~~ million dollars per award.

18           **SECTION 2. REPEAL.** Section 10-30.5-13 of the North Dakota Century Code is repealed.