

HOUSE BILL NO. 1104

Introduced by

Representatives Monson, K. Anderson, Beltz, Frelich

Senators Lemm, Marcellais, Myrdal

1 A BILL for an Act to amend and reenact subsection 5 of section 10-30.5-02, sections 11-11.1-01,
2 11-11.1-01.1, 11-11.1-02, 11-11.1-03, 11-11.1-04, subdivision h of subsection 1 of section
3 40-01.1-04, subsection 14 of section 57-15-06.7, and section 57-15-61 of the North Dakota
4 Century Code, relating to changing the name of county job development authorities to economic
5 development authorities.

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

7 **SECTION 1. AMENDMENT.** Subsection 5 of section 10-30.5-02 of the North Dakota
8 Century Code is amended and reenacted as follows:

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

20 **SECTION 2. AMENDMENT.** Section 11-11.1-01 of the North Dakota Century Code is
21 amended and reenacted as follows:

- 1 e. The remaining members must be selected from a list of candidates from the
2 following fields:
- 3 (1) A representative of the local job service office nearest the county seat.
4 (2) A member of the local airport authority.
5 (3) A member of a local institution of higher education.
6 (4) A member from among the school boards of the county.
7 (5) A member ~~from~~of a local industrial development organization.
8 (6) A member of the regional planning council serving the county.
9 (7) A member of the legislative assembly representing a district within the
10 county.
11 (8) Members at large from the county.
- 12 3. The county commissioners shall make appointments to the board from a slate of
13 candidates submitted by the chambers of commerce within the county. If no chamber
14 of commerce exists in the county, the nominations may be submitted by any civic or
15 patriotic organization within the county. If names submitted are unacceptable, the
16 county commission may request additional nominees. The members must be
17 appointed without regard to political affiliation and upon their fitness to serve as
18 members by reason of character, experience, and training. All members of the board
19 who do not reside in the area subject to taxation under section 11-11.1-04 are
20 nonvoting members of the board.
- 21 4. The board of county commissioners in a county where an active industrial
22 development organization exists may enter a contract with the industrial development
23 organization for performance of the functions of a ~~job~~an economic development
24 authority or joint ~~job~~economic development authority as provided in this chapter and
25 may use the proceeds of the levy authority under section 11-11.1-04 for that purpose.
- 26 5. Notwithstanding any provision in this chapter, if a board of county commissioners
27 elects to contract with an active economic development organization to perform the
28 functions of a ~~job~~an economic development authority:
- 29 a. The board of county commissioners, as an alternative to subsections 2 and 3,
30 may authorize the board of directors of an active economic development

1 organization to serve as the board of directors for the ~~job~~economic development
2 authority authorized under this chapter.

3 b. The board of directors of the active economic development organization may
4 elect to seat some or all of the organization's board of directors on the board of
5 directors of the ~~job~~economic development authority. The board of directors of the
6 ~~job~~economic development authority must be approved by the board of county
7 commissioners.

8 **SECTION 3. AMENDMENT.** Section 11-11.1-01.1 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **11-11.1-01.1. Joint ~~job~~economic development authority - Board of directors.**

11 The boards of county commissioners of two or more counties, by resolution, may create a
12 joint ~~job~~economic development authority for the counties. If the authority is created, boards of
13 county commissioners shall appoint a board of directors in the size and manner established in
14 the resolution. The resolution must include provision for discontinuing the authority by the
15 boards of county commissioners. If the authority is created, the question of discontinuing the
16 authority may be placed on the ballot at the next regular election by petition signed by electors,
17 who are residents of the area subject to taxation under section 11-11.1-04, of any county
18 creating the authority equal in number to ten percent of the votes cast in that county for the
19 office of governor in the last general election. The question to discontinue the authority requires
20 a majority of the electors voting on the question in that county for passage. Only electors of the
21 county who are residents of the area subject to taxation under section 11-11.1-04 may vote on
22 the question to discontinue the authority. If the question to discontinue in any county creating
23 the authority is passed, the authority is discontinued.

24 **SECTION 4. AMENDMENT.** Section 11-11.1-02 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **11-11.1-02. Members of the ~~job~~economic development authority board of directors -**
27 **Term of office - Oath - Expenses.**

28 1. The members of the ~~job~~economic development authority board of directors and the
29 joint ~~job~~economic development authority board of directors shall serve for a term of
30 three years or until their successors are duly qualified. Terms of office begin on
31 January first and must be arranged so that the terms of office of approximately

1 one-third of the members expire on December thirty-first of each year. Each member
2 of the board shall qualify by taking the oath provided for civil officers. The oath must
3 be filed with the county auditor.

4 2. The board of directors shall annually elect members to serve as ~~chairman~~chairperson,
5 vice ~~chairman~~chairperson, secretary, and treasurer. The board shall also shall select
6 an executive committee with ~~such~~the powers and duties ~~as may be~~ delegated by the
7 board. The appointing authority shall establish the rate of compensation for the board
8 members and actual expenses incurred by the members may be reimbursed at the
9 official reimbursement rates of the appointing authority.

10 **SECTION 5. AMENDMENT.** Section 11-11.1-03 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **11-11.1-03. Powers and duties of jobeconomic development authorities.**

13 The jobeconomic development authority or joint jobeconomic development authority shall
14 use its financial and other resources to encourage and assist in the development of
15 employment and businesses and promotion of tourism within the county or counties. In fulfilling
16 this objective, the authority may exercise the following powers:

- 17 1. To sue and be sued.
- 18 2. To make and execute contracts and other instruments necessary or convenient to the
19 exercise of the powers of the authority.
- 20 3. To hire professional personnel skilled in seeking and promoting new or expanded
21 opportunities within the county or counties.
- 22 4. To make, amend, and repeal resolutions consistent with the provisions of this chapter
23 as necessary to carry into effect the powers and purposes of the authority.
- 24 5. To acquire by gift, trade, or purchase, and to hold, improve, and dispose of property.
- 25 6. To certify a tax levy as provided in section 11-11.1-04 and to expend moneys raised by
26 the tax for the purposes provided in this chapter. ~~A~~An economic development
27 authority may accept and expend moneys from any other source.
- 28 7. To insure or provide for insurance of any property in which the authority has an
29 insurable interest.
- 30 8. To invest any funds held by the authority.

- 1 9. To cooperate with political subdivisions in exercising any of the powers granted by this
2 section, including enabling agreements permitted under chapter 54-40.
- 3 10. To loan, grant, or convey any funds or other property held by the authority for any
4 purpose necessary or convenient to carry into effect the objective of the authority
5 established by this chapter.
- 6 11. To use existing uncommitted funds held by the authority to guarantee loans or make
7 other financial commitments to enhance economic development.
- 8 12. To take equity positions in, provide loans to, or use other innovative financing
9 mechanisms to provide capital for new or expanding businesses in this state or for
10 businesses relocating to this state.
- 11 13. To exercise any other powers necessary to carry out the purposes and provisions of
12 this chapter.

13 **SECTION 6. AMENDMENT.** Section 11-11.1-04 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **11-11.1-04. Tax levy for ~~job~~economic development authorities - Financial report.**

16 The board of county commissioners of a county which has a ~~job~~an economic development
17 authority or joint ~~job~~economic development authority shall establish a ~~job~~an economic
18 development authority fund and may levy a tax not exceeding the limitations in subsection 14 of
19 section 57-15-06.7. In the year for which the levy is sought, a ~~job~~an economic development
20 authority or joint ~~job~~economic development authority seeking approval of a property tax levy
21 under this chapter must file with the county auditor, at a time and in a format prescribed by the
22 county auditor, a financial report for the preceding calendar year showing the ending balances
23 of each fund held by the ~~job~~economic development authority or joint ~~job~~economic development
24 authority during that year. The county treasurer shall keep the ~~job~~economic development
25 authority fund separate from other money of the county. The county treasurer shall transmit all
26 funds received pursuant to this section within thirty days to the board of directors of the
27 authority. The funds when paid to the authority must be deposited in a special account, or
28 special accounts if the authority chooses to maintain a separate account for promotion of
29 tourism, in which other revenues of the authority are deposited. Moneys received by the
30 ~~job~~economic development authority from any other source ~~must~~ also must be deposited in the

1 special accounts. The moneys in the special accounts may be expended by the authority as
2 provided in sections 11-11.1-02 and 11-11.1-03.

3 **SECTION 7. AMENDMENT.** Subdivision h of subsection 1 of section 40-01.1-04 of the
4 North Dakota Century Code is amended and reenacted as follows:

5 h. Use of other statutory tools relating to social and economic development, land
6 use, transportation and roads, health, law enforcement, administrative and fiscal
7 services, recording and registration services, educational services, environmental
8 quality, water, sewer, solid waste, flood relief, parks and open spaces, hospitals,
9 public buildings, or other county functions or services, including creation of
10 cooperative county ~~job~~economic development authorities pursuant to section
11 11-11.1-03, multicounty health units pursuant to chapter 23-35, regional planning
12 and zoning commissions pursuant to section 11-35-01, boards of joint county
13 park districts pursuant to chapter 11-28 or a combination of boards of park
14 commissioners with a city pursuant to chapter 40-49.1, or human service zones
15 pursuant to chapter 50-01.1.

16 **SECTION 8. AMENDMENT.** Subsection 14 of section 57-15-06.7 of the North Dakota
17 Century Code is amended and reenacted as follows:

18 14. A county levying a tax for a job development authority as provided in section
19 11-11.1-04 may levy a tax not exceeding four mills on the taxable valuation of property
20 within the county. However, if any city within the county is levying a tax for support of a
21 ~~job~~an economic development authority and the total of the county and city levies
22 exceeds four mills, the county tax levy within the city levying under subsection 12 of
23 section 57-15-10 must be reduced so the total levy in the city does not exceed four
24 mills.

25 **SECTION 9. AMENDMENT.** Section 57-15-61 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **57-15-61. Economic growth districts.**

28 In counties that are part of a joint ~~job~~economic development authority, an economic growth
29 district may be established by resolution approved by the board of county commissioners of
30 each county that will be part of the economic growth district. The resolution approved by each
31 board of county commissioners must specify which of the counties in the economic growth

1 district will have the responsibility to administer the economic growth increment pool, unless the
2 boards of county commissioners otherwise agree in writing to different terms and conditions.

3 1. Upon establishment of an economic growth district, the auditor of each county in the
4 economic growth district shall compute and certify the taxable value of each lot or
5 parcel of commercial property, as defined in section 57-02-01, in that county as most
6 recently assessed and equalized. In each subsequent year, the county auditor of each
7 county in an economic growth district shall compute and certify the amount by which
8 the taxable valuation of all commercial lots and parcels of real property in that county,
9 as most recently assessed and equalized, has increased in comparison with the
10 original taxable value of all commercial lots and parcels. The amount of increase
11 determined is the gross commercial growth of that county. If there is a decrease or no
12 increase in gross commercial growth, the auditor shall certify the gross commercial
13 growth as zero. The auditor shall compute and certify the net commercial growth of the
14 county as thirty percent of the gross commercial growth.

15 2. The county auditor of each county in an economic growth district shall exclude the net
16 commercial growth determined under subsection 1 from the taxable valuation upon
17 which the auditor computes the mill rates of taxes levied in that year by the state and
18 every political subdivision having power to levy taxes on the property. The auditor shall
19 extend the aggregate mill rate against the net commercial growth as well as the
20 taxable valuation upon which the aggregate mill rate was determined. The amount of
21 taxes received from application of the aggregate mill rate against the net commercial
22 growth is the economic growth increment revenue for that year.

23 3. The county auditor of each county in an economic growth district shall segregate all
24 economic growth increment revenue in a special fund.

25 4. The county treasurer shall remit the economic growth increment revenue to the county
26 auditor of the county that administers the economic growth increment pool when the
27 county treasurer distributes collected taxes to the state and to political subdivisions.

28 5. Before annual certification of county tax levies to the county auditor, the county auditor
29 in the county that administers the economic growth increment pool shall distribute to
30 the county auditors of the other counties in the economic growth district the proportion
31 of the economic growth increment pool which the population of the receiving county

1 bears to the total population of all counties in the economic growth district. Revenue
2 received by a county under this subsection must be deposited in the county general
3 fund.

4 6. An economic growth district may be dissolved by discontinuation of a joint
5 ~~job~~economic development authority or by approval of a resolution by the board of
6 county commissioners of each county in the economic growth district. Upon
7 dissolution of an economic growth district, any funds remaining in the economic
8 growth increment pool must be distributed in accordance with subsection 5.