

Fifty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2273

Introduced by

Senators Krauter, Bowman, Robinson, Solberg, Tallackson

Representative DeKrey

1 A BILL for an Act to create and enact a new section to chapter 10-30.5 of the North Dakota
2 Century Code, relating to the use of funds in the North Dakota development fund; to amend
3 and reenact subsection 3 of section 10-30.5-02 of the North Dakota Century Code, relating to
4 the use of funds in the North Dakota development fund; and to provide for a transfer of moneys
5 in the regional rural development revolving loan fund account.

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

7 **SECTION 1. AMENDMENT.** Subsection 3 of section 10-30.5-02 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 3. Moneys in the development fund may be used to provide working capital or for
10 financing the purchase of fixed assets, but not to refinance existing debt. Moneys
11 may also be used to assist communities in providing essential community services
12 and to make matching grants to county-authorized or city-authorized development
13 corporations for the acquisition, leasing, or remodeling of real estate facilities for
14 locating a prospective new primary sector business. A grant must be made as part
15 of a package of financing in which the state is a participant.

16 **SECTION 2.** A new section to chapter 10-30.5 of the North Dakota Century Code is
17 created and enacted as follows:

18 **Rural development funds - Grants.** Moneys from the North Dakota development fund
19 allocated for the benefit of the areas delineated as regions by executive order of the governor
20 pursuant to section 54-40.1-02 may be used to make matching grants to newly established
21 county-authorized or city-authorized development corporations. The funds received by the
22 county-authorized or city-authorized development corporations must be used by the
23 development corporations to pay the salaries of development staff. A grant may be allocated
24 only to a county-authorized or city-authorized development corporation within the region for

1 which the allocation was originally made and must be distributed to the corporation in three
2 equal annual payments. A development corporation is eligible to receive only one grant under
3 this section.

4 **SECTION 3. TRANSFER - ECONOMIC DEVELOPMENT FUNDS - REPORT TO**
5 **BUDGET SECTION.** The funds available in the North Dakota development fund in the regional
6 rural development revolving loan fund accounts must be transferred on the effective date of this
7 Act to the regional planning council in the areas delineated as regions as described in section
8 10 of chapter 48 of the 1997 Session Laws. The funds transferred to the regional planning
9 councils under this section must be dedicated for the purpose of providing financial assistance,
10 research and development assistance, and loans or equity or debt financing on a matching
11 basis to new or expanded primary sector businesses in areas of the state which are not within
12 five miles [8.05 kilometers] of any city with a population of more than eight thousand. Each
13 regional planning council shall submit to the budget section a biennial report regarding the use
14 of the funds transferred under this section.