

Fifty-sixth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1104

Introduced by

Industry, Business and Labor Committee

(At the request of the Bank of North Dakota)

1 A BILL for an Act to amend and reenact section 26.1-50-03 of the North Dakota Century Code,
2 relating to Bank of North Dakota participation in loans made by the low-risk incentive fund.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-50-03 of the 1997 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **26.1-50-03. North Dakota low-risk incentive fund use.** The fund may be used only
7 for making loans to low-risk businesses for primary sector business projects in this state ~~and~~
8 ~~no.~~ A loan may not be approved or made by the fund without ~~a ten percent~~ some participation
9 in the ~~aggregate amount of the loan by the Bank of North Dakota. The participation of the Bank~~
10 ~~of North Dakota in a loan may not exceed ten percent of the aggregate amount of the loan.~~ A
11 loan from the fund may not be made to an insurer. The governing board shall establish the rate
12 of interest and terms of repayment for a loan from the fund. Fifty percent of the amount loaned
13 from the fund during the first year of a biennium must be reserved solely for businesses in rural
14 areas. The remainder loaned from the fund may be used in urban or rural areas. For purposes
15 of this section, "rural areas" means the area of the state not including territory within the
16 corporate limits of a city with a population of twenty thousand or more.