

Introduced by

1 A BILL for an Act to create and enact a new section to chapter 54-60 of the North Dakota
2 Century Code, relating to the department of commerce monitoring return on investment of
3 financial assistance programs; to amend and reenact subdivision e of subsection 2 of section
4 28-32-01 and subsection 10 of section 54-60-03 of the North Dakota Century Code, relating to
5 department of commerce rulemaking and reports to the legislative assembly; and to provide for
6 a report to the legislative council.

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

8 **SECTION 1. AMENDMENT.** Subdivision e of subsection 2 of section 28-32-01 of the
9 North Dakota Century Code is amended and reenacted as follows:

10 e. The department of commerce with respect to the division of economic
11 development and finance except as required under section 3 of this Act.

12 **SECTION 2. AMENDMENT.** Subsection 10 of section 54-60-03 of the North Dakota
13 Century Code is amended and reenacted as follows:

14 10. Shall report between the first and tenth legislative days of each regular legislative
15 session to a standing committee of each house of the legislative assembly as
16 determined by the legislative council and shall report annually to the foundation:
17 a. On the department's goals and objectives since the last report;
18 b. On the department's goals and objectives for the period until the next report;
19 c. On the department's long-term goals and objectives;
20 d. On the department's activities and measurable results occurring since the last
21 report; ~~and~~
22 e. On commerce benchmarks, including the average annual wage in the state,
23 the gross state product exclusive of agriculture, and the number of primary
24 sector jobs in the state; and

1 f. On the return on investment for each of the department's economic
2 development financial assistance programs;

3 **SECTION 3.** A new section to chapter 54-60 of the North Dakota Century Code is
4 created and enacted as follows:

5 **Return on investment - Monitoring - Rules.**

6 1. The department shall monitor the return on investment for each of the department's
7 financial assistance programs.

8 2. The department shall condition receipt of financial assistance upon meeting
9 specified economic development goals. Upon department approval of an
10 application for financial assistance, the department shall execute a financial
11 assistance agreement between the department and the recipient, outlining the
12 statutory, administrative, and specific economic development terms under which
13 the financial assistance will be provided.

14 3. The department shall include in each financial assistance agreement the remedies
15 for noncompliance with the contract. Remedies for noncompliance may include
16 repayment provisions.

17 4. The department shall adopt rules to implement this section. The rules must
18 include:

19 a. Definitions;

20 b. Exclusions;

21 c. Recipient reporting requirements;

22 d. Recipient recordkeeping and retention requirements;

23 e. Department access to recipient records terms;

24 f. Economic development goals for financial assistance programs;

25 g. Amendment terms; and

26 h. Noncompliance remedies.

27 **SECTION 4. COMMERCE REPORT TO LEGISLATIVE COUNCIL.** During the
28 2005-06 interim, the commissioner of commerce shall report to the legislative council on the
29 status of the implementation of monitoring return on investment of financial assistance
30 programs under section 3 of this Act. This report must include a review and summary of the
31 rules adopted under section 3 of this Act, whether changes should be made to the state's

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- 1 economic development system to better monitor return on investment, and whether the
- 2 department return on investment monitoring should continue.