

**Sixtieth Legislative Assembly of North Dakota  
In Regular Session Commencing Wednesday, January 3, 2007**

HOUSE BILL NO. 1095  
(Industry, Business and Labor Committee)  
(At the request of the Department of Commerce)

AN ACT to amend and reenact subsection 2 of section 54-60.1-01 and subsection 3 of section 54-60.1-02 of the North Dakota Century Code, relating to business incentives, agreements, and reports.

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

**SECTION 1. AMENDMENT.** Subsection 2 of section 54-60.1-01 of the North Dakota Century Code is amended and reenacted as follows:

2. "Business incentive" means a state or political subdivision direct cash transfer, loan, or equity investment; contribution of property or infrastructure; reduction or deferral of any tax or any fee; guarantee of any payment under any loan, lease, or other obligation; or preferential use of government facilities given to a business. To be considered a business incentive, the total assistance in all forms must be valued at twenty-five thousand dollars or more committed within a year. Unless specifically provided otherwise, the term does not include:
  - a. Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, or similar criteria.
  - b. Incentives resulting from Bank of North Dakota programs unless the incentive is a direct interest rate buydown, ~~is made pursuant to the beginning entrepreneur loan guarantee program~~, or is an investment made pursuant to the North Dakota alternative and venture capital investments and early-stage capital funds program.
  - c. Public improvements to buildings or lands owned by the state or political subdivision which serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made.
  - d. Assistance provided for the sole purpose of renovating old or decaying building stock or bringing such building stock up to code and assistance provided for designated historic preservation districts, provided that the assistance does not exceed seventy-five percent of the total cost.
  - e. Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services.
  - f. Assistance for housing.
  - g. Assistance for pollution control or abatement.
  - h. Assistance for energy conservation.
  - i. Tax reductions resulting from conformity with federal tax law.
  - j. Benefits derived from regulation.
  - k. Indirect benefits derived from assistance to educational institutions.

- l. Except for a center of excellence award under chapter 15-69, assistance for a collaboration between a North Dakota institution of higher education and a business.
- m. Redevelopment if the recipient's investment in the purchase of the site and in site preparation is seventy percent or more of the assessor's current year's estimated market value.
- n. General changes in tax increment financing law and other general tax law changes of a principally technical nature.
- o. Federal assistance provided through the state or a political subdivision until the assistance has been repaid to, and reinvested by, the state or political subdivision.
- p. Federal or state assistance for the lignite research, development, and marketing program under chapter 54-17.5.

**SECTION 2. AMENDMENT.** Subsection 3 of section 54-60.1-02 of the North Dakota Century Code is amended and reenacted as follows:

- 3. A state business incentive in the form of a direct cash transfer that is not a structured grant under state or federal law must be structured as a loan, a forgivable loan, or as a preferred share that includes provisions for surrender.

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Speaker of the House

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President of the Senate

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Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1095.

House Vote:      Yeas    93      Nays    0      Absent    1

Senate Vote:    Yeas    45      Nays    1      Absent    1

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2007,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State