

September 2010

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 creation of a technology impact zone program; to provide a continuing  
3 appropriation; and to provide an expiration date.

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

5 **SECTION 1.** A new section to chapter 54-60 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Technology impact zones - Continuing appropriation.**

- 8 1. The department shall administer a technology impact zone program to provide  
9 financial support for regional technology-based economic development efforts. The  
10 program shall provide a qualified technology impact zone with a state sales and  
11 use tax reimbursement that equals the authorized zone award amount.
- 12 2. An applicant may qualify under the program as follows:
- 13 a. The applicant must be one or more cities or counties working together for  
14 purposes of the technology-based economic development efforts.
- 15 b. The boundaries of a technology impact zone must encompass the  
16 geographical boundaries of the applicant cities and counties.
- 17 c. The applicant shall establish the availability of matching funds equal to the  
18 amount of the authorized zone award amount.
- 19 d. The applicant may apply with a local governmental or nonprofit local  
20 economic development organization.
- 21 e. An applicant and any local governmental or nonprofit local economic  
22 development organization that is a party to the application shall agree to the  
23 terms of the zone award.

- 1            f. The applicant shall meet qualifying requirements established by the  
2            department.
- 3            3. An award received by an applicant under this section:
- 4            a. Must be used to support regional technology-based economic development  
5            initiatives that do not include regular operational funding;
- 6            b. Must be used in a manner that aligns with the North Dakota economic  
7            development foundation's strategic plan for economic development;
- 8            c. Must be consistent with the plan established in the application; and
- 9            d. May be distributed to a local governmental or nonprofit local economic  
10           development organization that is a party to the application.
- 11           4. In considering whether to grant an applicant technology impact zone status, the  
12           department shall take into consideration whether the technology-based economic  
13           development efforts are significantly supported by an institution of higher education  
14           under the control of the state board of higher education.
- 15           5. Upon granting a zone an award under this section, the department shall notify the  
16           tax commissioner of the agreement and the identity of the cities and counties in the  
17           zone.
- 18           6. An applicant granted zone status under this section is limited to a lifetime cap of  
19           receipt of three million dollars of state matching funds.
- 20           7. During the 2013-15 biennium, the department may award no more than four  
21           applicants zone status under this section. The department may award no more  
22           than a total of eight applicants zone status.
- 23           8. Distribution of state sales and use tax revenue to a technology impact zone is  
24           made as follows:
- 25           a. A distribution to a zone, up to the amount awarded by the department, is  
26           based on the apportionment formula provided in subsections 2 and 3 and is  
27           paid in two semiannual installments, one before July first and one before  
28           December thirty-first of each year.
- 29           b. The amounts necessary to make a distribution payment is appropriated to the  
30           state treasurer as a standing and continuing appropriation for distribution  
31           under this section. The source of moneys distributed under this section is all

1                   moneys collected and deposited in the general fund as provided in section  
2                   57-39.2-26.

3           9. Apportionment of state sales and use tax revenue to each technology impact zone  
4           under this section is as follows:

5           a. If a zone encompasses a single political subdivision, that zone receives one  
6           hundred percent of the sales and use tax revenue attributable to that zone.

7           b. If a zone encompasses two or more political subdivisions, each political  
8           subdivision comprising those zones must be reimbursed in an amount  
9           attributable to the sales and use tax revenue generated from within that  
10           individual political subdivision.

11          10. In distributing sales and use taxes to a technology impact zone under this section,  
12          the amount attributable to each political subdivision is determined in the following  
13          manner:

14          a. Before April 1, 2011, and each subsequent year, the tax commissioner shall  
15          determine the total amount of tax collected from each zone county during the  
16          previous calendar year.

17          b. The amount determined under subdivision a must be divided by the amount of  
18          revenue collected from each political subdivision in that county.

19          c. The percentage determined under subdivision b equals the amount  
20          attributable to the revenue generated from each political subdivision.

21               **SECTION 2. EXPIRATION DATE.** This Act is effective through July 31, 2023, and  
22 after that date is ineffective.