

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

SENATE BILL NO. 2218
(Senators Sorvaag, Krebsbach, Triplett)
(Representatives Kempenich, Kreun, Thoreson)

AN ACT to create and enact a new subsection to section 40-63-07 of the North Dakota Century Code, relating to restrictions on renaissance fund organization investments in enterprises owned by renaissance fund organization officers or employees; to amend and reenact subsections 2 and 5 of section 40-63-07 of the North Dakota Century Code, relating to renaissance fund organization income tax credits; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 40-63-07 of the North Dakota Century Code is amended and reenacted as follows:

2. The purpose of a renaissance fund organization is solely to raise funds to be used to ~~make investments in~~ finance zone projects and to make investments ~~other projects located in designated renaissance zone cities~~ zones. A renaissance fund organization may provide financing to projects undertaken by individuals, partnerships, limited partnerships, limited liability companies, trusts, corporations, nonprofit organizations, and public entities. The financing may include any combination of equity investments, loans, guarantees, and commitments for financing. The amount of financing is not limited by this chapter.

SECTION 2. AMENDMENT. Subsection 5 of section 40-63-07 of the North Dakota Century Code is amended and reenacted as follows:

5. The total amount of credits allowed under this section may not exceed, in the aggregate, ~~seventy~~ eight million five hundred thousand dollars for investments in renaissance fund organizations. A renaissance fund organization that has received investments that qualify for ~~these additional~~ the credits under this subsection ~~may not~~ shall use ~~more than fifty percent of such~~ those investments ~~for organization investments outside of~~ to finance projects within a renaissance zone.

SECTION 3. A new subsection to section 40-63-07 of the North Dakota Century Code is created and enacted as follows:

Renaissance fund organization officers and employees may be actively involved in the enterprises in which the renaissance fund organization invests but the renaissance fund organization may not invest in any enterprise if any one renaissance fund organization officer or employee owns more than forty-nine percent of the ownership interest in the enterprise. A renaissance fund organization may not invest in an enterprise if renaissance fund organization officers and employees collectively own more than forty-nine percent of the ownership interests, either through direct ownership or through ownership of interest in a passthrough entity.

SECTION 4. EFFECTIVE DATE. The changes in sections 1 and 2 of this Act requiring a renaissance fund organization to limit its financing to projects located in a renaissance zone are effective for new financing initiated after December 31, 2011. Section 3 of this Act is effective for investments made in or by a renaissance fund organization after December 31, 2011.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2218.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 79 Nays 11 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,

at _____ o'clock _____ M.

Secretary of State