

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

HOUSE BILL NO. 1096
(Judiciary Committee)
(At the request of the Bank of North Dakota)

AN ACT to amend and reenact section 6-09-27, subsection 3 of section 6-09.15-01, and section 6-09.15-03 of the North Dakota Century Code, relating to venue of civil actions involving the Bank of North Dakota and the beginning entrepreneur loan guarantee program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-09-27 of the North Dakota Century Code is amended and reenacted as follows:

6-09-27. Civil actions on Bank transactions - Name of parties - Service - Venue.

1. Civil actions may be brought against the state of North Dakota on account of claims for relief claimed to have arisen out of transactions connected with the operation of the Bank of North Dakota upon condition that the provisions of this section are complied with. In such actions, the state must be designated as "The State of North Dakota, doing business as The Bank of North Dakota". The actions may be brought in the same manner and are subject to the same provisions of law as other civil actions. The action must be brought in Burleigh County except as provided in section 28-04-01 or except as provided in subsection 2.
2. If the Bank seeks to participate in a loan that involves multiple banks and if the loan documents require the Bank to agree that civil actions will be commenced in a state outside of North Dakota, the Bank may agree to venue outside of North Dakota if approved by the attorney general.

SECTION 2. AMENDMENT. Subsection 3 of section 6-09.15-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Loan guarantee" means an agreement that in the event of default by a beginning entrepreneur under a note and mortgage or other loan or financing agreement, the Bank of North Dakota shall pay the lender the amount agreed upon up to eighty-five percenta percentage to be determined by the Bank of the amount of principal due the lender on a loan at the time the claim is approved from the loan guarantee fund.

SECTION 3. AMENDMENT. Section 6-09.15-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.15-03. Application for guarantee - Term - Annual fee.

A lender may apply to the Bank of North Dakota for a loan guarantee for a loan ~~of up to one hundred thousand dollars~~ amount to be determined by the Bank. The Bank may approve a guarantee of a loan of up to five thousand dollars to a beginning entrepreneur for use by the beginning entrepreneur for accounting, legal, and business planning and other consulting or advisory services in planning for the establishment of a qualified revenue-producing enterprise. The Bank may approve a guarantee of a loan of up to twenty-five thousand dollars to a beginning entrepreneur without requiring the beginning entrepreneur to provide collateral for the loan. The term of a loan guarantee may not exceed five years. The Bank may charge a lender an annual fee during the term of a loan guarantee. Total outstanding guarantees under this program at the time of issuance may not exceed five percent of the Bank's tier one capital as defined by the department of financial institutions.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1096.

House Vote: Yeas 89 Nays 0 Absent 5

Senate Vote: Yeas 46 Nays 0 Absent 1

Chief Clerk of the House

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