

March 11, 2021
Testimony on House Bill 1141
Todd Steinwand, SVP Business Development, BND
Senate Government and Veterans Affairs Committee

Position: Support

Mr. Chairman and members of the Senate Government and Veterans Affairs Committee, I am Todd Steinwand, Chief Business Development Officer for Bank of North Dakota, here today in support of HB 1141. The Innovation Loan Fund, better known as LIFT, was created last session in response to financing needs identified by the Bank of North Dakota and the Department of Commerce.

LIFT fills an identified niche in assisting companies across the financial “valley of death”. This gap in funding between development of applied research and translating it into a viable business or “commercialization” is many times a stumbling point. LIFT fills this gap and gives the state a competitive advantage.

One question asked of BND regarding LIFT is the effectiveness as a loan program. There was some concern that companies would not apply to LIFT because it utilizes a debt instrument as opposed to investment. Interestingly, the loan concept and its structure is being well received by the companies applying to LIFT. Utilizing a loan structure enables the founders to retain a greater share of their company and enables the company to draw on the funding over a period of time as opposed to taking it all at once.

A second key function of the LIFT program is assisting North Dakota in its economic diversification efforts. Everyone is familiar with the challenges of North Dakota's strong reliance on commodities. In looking to the future of North Dakota the development and attraction of new companies is essential to the state's economic success.

Thank you for the consideration of HB1141. I'm happy to answer any questions.