

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 the department of commerce monitoring return on investment of
3 financial assistance programs; to amend and reenact subdivision e of subsection 2 of section
4 28-32-01 and subsection 10 of section 54-60-03 of the North Dakota Century Code, relating to
5 department of commerce rulemaking and reports to the legislative assembly; and to provide for
6 a report to the legislative council.

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

8 **SECTION 1. AMENDMENT.** Subdivision e of subsection 2 of section 28-32-01 of the
9 North Dakota Century Code is amended and reenacted as follows:

10 e. The department of commerce with respect to the division of economic
11 development and finance except as required under section 3 of this Act.

12 **SECTION 2. AMENDMENT.** Subsection 10 of section 54-60-03 of the North Dakota
13 Century Code is amended and reenacted as follows:

14 10. Shall report between the first and tenth legislative days of each regular legislative
15 session to a standing committee of each house of the legislative assembly as
16 determined by the legislative council and shall report annually to the foundation:
17 a. On the department's goals and objectives since the last report;
18 b. On the department's goals and objectives for the period until the next report;
19 c. On the department's long-term goals and objectives;
20 d. On the department's activities and measurable results occurring since the last
21 report; ~~and~~
22 e. On commerce benchmarks, including the average annual wage in the state,
23 the gross state product exclusive of agriculture, and the number of primary
24 sector jobs in the state; and

- 1 f. On the return on investment for each of the department's economic
2 development financial assistance programs;

3 **SECTION 3.** A new section to chapter 54-60 of the North Dakota Century Code is
4 created and enacted as follows:

5 **Return on investment - Monitoring - Rules.**

- 6 1. The department shall monitor the return on investment for each of the department's
7 financial assistance programs.
- 8 2. The department shall condition receipt of financial assistance upon meeting
9 specified economic development goals. Upon department approval of an
10 application for financial assistance, the department shall execute a financial
11 assistance agreement between the department and the recipient, outlining the
12 statutory, administrative, and specific economic development terms under which
13 the financial assistance will be provided.
- 14 3. The department shall include in each financial assistance agreement the remedies
15 for noncompliance with the contract. Remedies for noncompliance may include
16 repayment provisions.
- 17 4. The department shall adopt rules to implement this section. The rules must
18 include:
- 19 a. Definitions;
- 20 b. Exclusions;
- 21 c. Recipient reporting requirements;
- 22 d. Recipient recordkeeping and retention requirements;
- 23 e. Department access to recipient records terms;
- 24 f. Economic development goals for financial assistance programs;
- 25 g. Amendment terms; and
- 26 h. Noncompliance remedies.

27 **SECTION 4. COMMERCE REPORT TO LEGISLATIVE COUNCIL.** During the
28 2005-06 interim, the commissioner of commerce shall report to the legislative council on the
29 status of the implementation of monitoring return on investment of financial assistance
30 programs under section 3 of this Act. This report must include a review and summary of the
31 rules adopted under section 3 of this Act, whether changes should be made to the state's

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- 1 economic development system to better monitor return on investment, and whether the
- 2 department return on investment monitoring should continue.