

**HOUSE BILL NO. 1291**

Introduced by

Representatives Berg, Brusegaard, Nelson

Senator Wanzek

1 A BILL for an Act to amend and reenact subsection 4 of section 57-38.5-01 of the North Dakota  
2 Century Code, relating to definition of qualified business in which an investment may be made  
3 to qualify for the seed capital investment tax credit; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-38.5-01 of the North Dakota  
6 Century Code is amended and reenacted as follows:

- 7 4. "Qualified business" means a :
- 8 a. A primary sector business that:
    - 9 a- (1) Is incorporated or its satellite operation is incorporated as a for-profit  
10 corporation or is a partnership, limited partnership, limited liability  
11 company, limited liability partnership, or joint venture;
    - 12 b- (2) Is in compliance with the requirements for filings with the securities  
13 commissioner under the securities laws of this state;
    - 14 e- (3) Has North Dakota residents as a majority of its employees in the North  
15 Dakota principal office or the North Dakota satellite operation;
    - 16 e- (4) Has its principal office in this state and has the majority of its business  
17 activity performed in this state, except sales activity, or has a significant  
18 operation in North Dakota that has or is projected to have more than  
19 twenty-five employees or two hundred fifty thousand dollars of sales  
20 annually; and
    - 21 e- (5) Has a majority of its ownership interests owned by one or more  
22 individuals for whom operation of the business is their full-time  
23 professional activity; or
    - 24 b. An organization that:

- 1                   (1) Is in compliance with the requirements for filings with the securities  
2                                           commissioner under the securities laws of this state; and  
3                   (2) Attracts investments to build and own a value-added agricultural  
4                                           processing facility that it leases with an option to purchase to a primary  
5                                           sector business that qualifies under subdivision a.

6                   **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
7                   December 31, 2000.