

Sixty-fourth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 commerce; to provide exemptions; to provide for transfers; and to declare an emergency.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
5 as may be necessary, are appropriated out of any moneys in the general fund in the state  
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
7 other income, to the department of commerce for the purpose of defraying the expenses of the  
8 department of commerce, for the biennium beginning July 1, 2015, and ending June 30, 2017,  
9 as follows:

|    |  | Adjustments or      |                      |              |
|----|--|---------------------|----------------------|--------------|
|    | <u>Base Level</u>                            | <u>Enhancements</u> | <u>Appropriation</u> |              |
| 10 |  |                     |                      |              |
| 11 |  |                     |                      |              |
| 12 | Salaries and wages                           | \$12,361,114        | \$846,420            | \$13,207,534 |
| 13 | Accrued leave payments                       | 243,767             | (243,767)            | 0            |
| 14 | Operating expenses                           | 15,635,749          | 2,680,125            | 18,315,874   |
| 15 | Capital assets                               | 10,000              | (10,000)             | 0            |
| 16 | Grants                                       | 56,622,950          | 3,507,928            | 60,130,878   |
| 17 | Discretionary funds                          | 928,082             | 0                    | 928,082      |
| 18 | Workforce enhancement fund                   | 0                   | 1,000,000            | 1,000,000    |
| 19 | Economic development initiatives             | 186,846             | (186,846)            | 0            |
| 20 | Flood impact grants/loans                    | 0                   | 12,859,869           | 12,859,869   |
| 21 | Agricultural products utilization commission | 3,240,494           | 79,524               | 3,320,018    |
| 22 | Research North Dakota                        | 0                   | 4,000,000            | 4,000,000    |
| 23 | North Dakota trade office                    | 2,613,400           | 0                    | 2,613,400    |
| 24 | Entrepreneurship grants and vouchers         | 0                   | 2,500,000            | 2,500,000    |

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|   |                                |                   |                   |                   |
|---|--------------------------------|-------------------|-------------------|-------------------|
| 1 | Partner programs               | <u>2,022,044</u>  | <u>100,000</u>    | <u>2,122,044</u>  |
| 2 | Total all funds                | \$93,864,446      | \$27,133,523      | \$120,997,699     |
| 3 | Less estimated income          | <u>51,707,386</u> | <u>16,820,311</u> | <u>68,527,697</u> |
| 4 | Total general fund             | \$42,157,060      | \$10,312,942      | \$52,470,002      |
| 5 | Full-time equivalent positions | 69.25             | 0.15              | 69.40             |

6       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

7       **SIXTY-FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
8 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the  
9 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

| 10 | <u>One-Time Funding Description</u>      | <u>2013-15</u> | <u>2015-17</u>   |
|----|--|----------------|------------------|
| 11 | Workforce enhancement fund               | \$2,000,000    | \$1,000,000      |
| 12 | Flood impact grants/loans                | 18,358,866     | 12,859,869       |
| 13 | Research North Dakota                    | 12,000,000     | 4,000,000        |
| 14 | Unmanned aircraft system                 | 5,000,000      | 2,718,620        |
| 15 | Base retention grants                    | 1,500,000      | 1,500,000        |
| 16 | Tourism large infrastructure grants      | 750,000        | 750,000          |
| 17 | Visual North Dakota                      | 250,000        | 0                |
| 18 | Innovation grants                        | 300,000        | 0                |
| 19 | Federal fiscal stimulus                  | 796,770        | 0                |
| 20 | Enhanced use lease grant                 | 2,500,000      | 2,500,000        |
| 21 | Child care facility grants               | 0              | 1,875,000        |
| 22 | Homeless shelter grants                  | 0              | 1,000,000        |
| 23 | Rural health services grant              | 0              | 0                |
| 24 | Tribal community college grants          | 0              | 2,000,000        |
| 25 | Nursing home grants                      | 2,000,000      | 0                |
| 26 | Value-added renewable energy study       | 500,000        | 0                |
| 27 | Workplace safety training facility grant | 0              | 2,000,000        |
| 28 | Tourism midwest markets                  | 0              | 1,000,000        |
| 29 | Entrepreneurship grants and vouchers     | <u>0</u>       | <u>1,000,000</u> |
| 30 | Total all funds                          | \$45,955,636   | \$34,203,489     |

|   |                       |                   |                   |
|---|-----------------------|-------------------|-------------------|
| 1 | Less estimated income | <u>23,655,636</u> | <u>15,359,869</u> |
| 2 | Total general fund    | \$22,300,000      | \$18,843,620      |

3 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the  
4 2017-19 biennium. The department of commerce shall report to the appropriations committees  
5 of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium  
6 beginning July 1, 2015, and ending June 30, 2017.

7 **SECTION 3. GRANT - WORKPLACE SAFETY FACILITY.** The grants line item in section 1  
8 of this Act includes the sum of \$2,000,000 from the general fund for providing a grant to an  
9 organization that provides workplace safety training for the purpose of acquiring land, site  
10 development, and design for a workplace safety training facility, for the biennium beginning  
11 July 1, 2015, and ending June 30, 2017.

12 **SECTION 4. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
13 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant  
14 program to be developed by the department of commerce, for the biennium beginning July 1,  
15 2015, and ending June 30, 2017. The grant program must award direct grants and not cost  
16 reimbursement grants. The department may award grants of up to \$500,000 to each community  
17 with an air force base or air national guard facilities.

18 **SECTION 5. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
19 **USE LEASE GRANT PROGRAM.** The grants line item in section 1 of this Act includes the sum  
20 of \$2,500,000 from the strategic investment and improvements fund for an enhanced use lease  
21 grant program to be developed by the department of commerce, for the biennium beginning  
22 July 1, 2015, and ending June 30, 2017. Grants are available for constructing infrastructure  
23 required for an enhanced use lease private sector business development project located on or  
24 adjacent to the Grand Forks air force base. The department may award funds for taxi-way  
25 reconnection and alert pad refurbishment after an agreement is reached and construction  
26 commences for the first private sector single-tenant or multitenant building on the property.  
27 Funds may also be awarded either after an agreement is reached and construction commences  
28 for a second private sector single-tenant or multitenant building on the property or after an  
29 agreement is reached with any data intensive tenant for data connectivity and redundancy  
30 infrastructure requirements, such as fiber. The department of commerce shall establish  
31 accountability requirements for grants awarded under this section.

1       **SECTION 6. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
2 section 1 of this Act includes the sum of \$1,875,000 from the general fund for a child care  
3 facility grant program to be developed by the department of commerce, for the biennium  
4 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
5 qualify for a grant under this section which must include a matching requirement one dollar of  
6 matching funds for every three dollars of grant funds and a maximum grant amount of  
7 \$187,500.

8       **SECTION 7. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM -**  
9 **EXEMPTION.** Section 1 of this Act includes the sum of \$2,500,000, of which \$2,350,000 is from  
10 the general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher  
11 program to be developed and administered by the department of commerce, for the biennium  
12 beginning July 1, 2015, and ending June 30, 2017. The department shall establish guidelines to  
13 provide grants to entrepreneurial centers certified by the department. The department shall use  
14 up to \$300,000 to provide a grant to a nonprofit organization entrepreneurial center assisting  
15 individuals with business ideas located in the city where the state capitol is located. The  
16 department also shall establish guidelines to award vouchers to entrepreneurs to procure  
17 business development assistance from certified entrepreneurial centers or to provide grants to  
18 entrepreneurs working with an entrepreneurial center. The amount appropriated for  
19 entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any  
20 unexpended funds from this line item are available during the biennium beginning July 1, 2017,  
21 and ending June 30, 2019.

22       **SECTION 8. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in  
23 section 1 of this Act includes the sum of \$2,718,620 from the general fund for operations of the  
24 unmanned aircraft systems test site. Of the amount appropriated, \$1,200,000 may only be used  
25 as matching funds to incentivize private sector business development related to the test site.  
26 Matching funds provided under this section are not a business incentive under chapter 54-60.1.

27       **SECTION 9. APPROPRIATION - ADJUTANT GENERAL.** There is appropriated out of any  
28 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
29 \$200,000, or so much of the sum as may be necessary, to the adjutant general for the purpose  
30 of coordinating and conducting joint training, involving the department of emergency services,  
31 federal health and human services' disaster mortuary operational response team, and other

1 state and local emergency personnel, for the biennium beginning July 1, 2015, and ending  
2 June 30, 2017.

3 **SECTION 10. DAKOTA DAY TRIPS PUBLICATION.** The department of commerce shall  
4 use up to \$15,000 of the funding appropriated in the operating expenses line item in section 1 of  
5 this Act for expenses relating to the printing of the Dakota day trips publication.

6 **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
7 Dakota trade office special line item and the general fund appropriation in section 1 of this Act  
8 include \$2,613,400 of funding relating to the North Dakota trade office. The department of  
9 commerce may spend seventy percent of this amount without requiring any matching funds  
10 from the trade office. Any additional amounts may be spent only to the extent that the North  
11 Dakota trade office provides one dollar of matching funds from private or other public sources  
12 for each one dollar provided by the department for the biennium beginning July 1, 2015, and  
13 ending June 30, 2017. Matching funds may include money spent by businesses or  
14 organizations to pay salaries to export assistants, provide training to export assistants, or buy  
15 computer equipment as part of the North Dakota trade office's export assistance program.

16 **SECTION 12. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
17 management and budget shall transfer the amount appropriated in the workforce enhancement  
18 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
19 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
20 July 1, 2015, and ending June 30, 2017.

21 **SECTION 13. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
22 shall transfer \$1,500,000 of the amount appropriated in the operating expenses line item in  
23 section 1 of this Act to the internship fund for the purpose of administering the operation intern  
24 program, for the period beginning with the effective date of this Act and ending June 30, 2017.

25 **SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
26 management and budget shall transfer the amount appropriated in the research North Dakota  
27 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
28 implementing and administering the research North Dakota grant program, for the biennium  
29 beginning July 1, 2015, and ending June 30, 2017.

30 **SECTION 15. TRANSFER - CENTERS OF EXCELLENCE FUND.** After the close of the  
31 biennium ending June 30, 2015, the office of management and budget shall transfer any

1 unobligated funds remaining in the centers of excellence fund to the research North Dakota  
2 fund.

3 **SECTION 16. EXEMPTION.** The amount appropriated for the agricultural products  
4 utilization commission in section 1 of chapter 49 of the 2013 Session Laws is not subject to  
5 section 54-44.1-11 and any unexpended funds from this line item for grants are available for  
6 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

7 **SECTION 17. EXEMPTION.** The amount appropriated for the discretionary funds line item  
8 in section 1 of chapter 49 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
9 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
10 and ending June 30, 2017.

11 **SECTION 18. EXEMPTION.** The amount appropriated for the technology-based  
12 entrepreneurship grant program contained in the grants line item in section 1 of chapter 49 of  
13 the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
14 this line item are available during the biennium beginning July 1, 2015, and ending June 30,  
15 2017.

16 **SECTION 19. EXEMPTION.** The amount appropriated for the child care facility grants in  
17 section 14 of chapter 45 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
18 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
19 and ending June 30, 2017.

20 **SECTION 20. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
21 program in section 1 of chapter 49 of the 2013 Session Laws is not subject to section  
22 54-44.1-11 and any unexpended funds from this line item are available during the biennium  
23 beginning July 1, 2015, and ending June 30, 2017.

24 **SECTION 21. EXEMPTION.** The amount appropriated for the tribal college grants in  
25 section 6 of chapter 437 of the 2013 Session Laws is not subject to section 54-44.1-11 and any  
26 unexpended funds from this line item are available during the biennium beginning July 1, 2015,  
27 and ending June 30, 2017.

28 **SECTION 22. EXEMPTION.** Any amount continued pursuant to section 27 of chapter 49 of  
29 the 2013 Session Laws, relating to the antiballistic missile site acquisition grant and base  
30 realignment grant, that is unexpended as of June 30, 2015, up to \$600,000, is not subject to  
31 section 54-44.1-11 and is available during the biennium beginning July 1, 2015, and ending

1 June 30, 2017. The department of commerce may use funds only for the purpose awarding a  
2 grant to assist in the acquisition and development of the antiballistic missile site at the  
3 Stanley R. Mickelson safeguard complex in Nekoma.

4 **SECTION 23. EMERGENCY.** Funding of \$1,500,000 in the operating expenses line item in  
5 section 1, and section 10 of this Act, relating to the operation intern program, are declared to be  
6 an emergency measure.