

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.