

**FIRST ENGROSSMENT
with Senate Amendments**

Sixtieth
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 an appropriation to the department of career and technical education; to
3 provide an appropriation to the office of management and budget; to authorize the office of
4 management and budget to borrow funds from the Bank of North Dakota; to provide a
5 continuing appropriation; to provide for reports to the sixty-first legislative assembly; to provide
6 for reports to the legislative council; to provide for legislative council studies; to provide
7 exemptions; to create and enact a new section to chapter 15-20.1, a new section to chapter
8 54-34.4, three new sections to chapter 54-60, sections 57-38-01.24 and 57-38-01.25, and a
9 new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to a program
10 to provide grants for innovation, visitor information centers, department of commerce division of
11 workforce development programs and duties, tax credits for internships, workforce recruitment,
12 research and experimental expenditures, and to create a beginning again North Dakota pilot
13 program; to amend and reenact sections 15-69-02, 15-69-03, 15-69-04, and 15-69-05,
14 subsections 4 and 6 of section 54-17-07.3, sections 54-60-02, 54-60-09, and 54-60-12,
15 subdivision I of subsection 2 of section 54-60.1-01, and sections 57-38-30.5, 57-38.5-05, and
16 57-38.6-01 of the North Dakota Century Code and section 17 of chapter 151 of the 2005
17 Session Laws, relating to the centers of excellence program, housing finance agency
18 programs, updating department of commerce law, department of commerce division of
19 workforce development duties, the North Dakota image information program, the definition of
20 business incentive, tax forms, research and experimental expenditures tax credits, seed capital
21 investment tax credits, agricultural business investment tax credits, and a legislative council
22 study; to repeal sections 57-38-71, 57-38-72, 57-38-73, and 57-38-74 of the North Dakota
23 Century Code, relating to beginning entrepreneur income tax incentives; to provide effective
24 dates; to provide an expiration date; and to declare an emergency.

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

2 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
3 section represent the base level funding component appropriated to the department of
4 commerce in section 3 of this Act as follows:

5 Salaries and wages	\$7,761,428
6 Operating expenses	9,531,968
7 Capital assets	25,000
8 Grants	50,102,870
9 Agricultural products utilization	3,016,000
10 Discretionary funds	1,450,127
11 Economic development initiatives	644,568
12 Lewis and Clark bicentennial	3,933,103
13 Economic development grants	<u>150,000</u>
14 Total all funds - Base level	\$76,615,064
15 Less estimated income - Base level	<u>57,434,283</u>
16 Total general fund - Base level	\$19,180,781

17 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
18 amounts identified in this section represent the funding adjustments or enhancements to the
19 base funding level for the department of commerce which are included in the appropriation in
20 section 3 of this Act as follows:

21 Salaries and wages	\$855,807
22 Operating expenses	3,560,720
23 Grants	(1,328,122)
24 North Dakota development fund	4,000,000
25 Agricultural products utilization	(7,807)
26 Economic development initiatives	652,278
27 Economic development grants	(100,000)
28 Lewis and Clark bicentennial	(3,933,103)
29 North Dakota trade office	<u>1,400,000</u>
30 Total all funds - Adjustments/enhancements	\$5,099,773

1	Less estimated income - Adjustments/enhancements	<u>(2,072,990)</u>
2	Total general fund - Adjustments/enhancements	\$7,172,763

3 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
4 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
5 treasury, not otherwise appropriated, and from special funds derived from federal funds and
6 other income, to the department of commerce for the purpose of defraying the expenses of its
7 various divisions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as
8 follows:

9	Salaries and wages	\$8,617,235
10	Operating expenses	13,092,688
11	Capital assets	25,000
12	Grants	48,774,748
13	North Dakota development fund	4,000,000
14	Discretionary funds	1,450,127
15	Economic development initiatives	1,296,846
16	Agricultural products utilization	3,008,193
17	Economic development grants	50,000
18	North Dakota trade office	<u>1,400,000</u>
19	Total all funds	\$81,714,837
20	Less estimated income	<u>55,361,293</u>
21	Total general fund appropriation	\$26,353,544

22 **SECTION 4. AGRICULTURE FUEL TAX REFUNDS.** The estimated income line item
23 in section 3 of this Act includes \$575,000 from refunds of tax for fuel used for agricultural
24 purposes, to be used by the agricultural products utilization commission, for the biennium
25 beginning July 1, 2007, and ending June 30, 2009.

26 **SECTION 5. EXEMPTION.** The amount appropriated for the agricultural products
27 utilization commission in section 3 of chapter 46 of the 2005 Session Laws is not subject to
28 section 54-44.1-11 and any unexpended funds from this line item for grants are available for
29 grants during the biennium beginning July 1, 2007, and ending June 30, 2009.

30 **SECTION 6. EXEMPTION.** The amount appropriated for the discretionary funds line
31 item in section 3 of chapter 46 of the 2005 Session Laws is not subject to section 54-44.1-11

1 and any unexpended funds from this line item are available during the biennium beginning
2 July 1, 2007, and ending June 30, 2009.

3 **SECTION 7. TAX COMMISSIONER - AUDIT OF ETHANOL PRODUCTION**

4 **INCENTIVE PROGRAM.** The tax commissioner shall conduct an audit of the ethanol
5 production incentive program during the biennium beginning July 1, 2007, and ending June 30,
6 2009.

7 **SECTION 8. EXEMPTION - STATE EMPLOYEE COMPENSATION ADJUSTMENT**

8 **GUIDELINES - REPORT.** Notwithstanding the provisions of Senate Bill No. 2189, as approved
9 by the sixtieth legislative assembly, the department of commerce shall develop and implement
10 a system for providing compensation adjustments to its employees for the biennium beginning
11 July 1, 2007, and ending June 30, 2009. The system must provide for the determination of
12 each employee's compensation adjustments to be based on performance, merit, and equity. Of
13 the funds appropriated in section 3 of this Act, the department may utilize up to \$428,542 for
14 these compensation adjustments. The department shall provide a report on its compensation
15 system to the human resource management services division of the office of management and
16 budget by December 31, 2007.

17 **SECTION 9. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

18 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in
19 section 3 of this Act includes \$4,000,000 for transfer to the development fund and \$50,000 for
20 tax expenditure and business incentive expenditure reports which are one-time funding items.
21 These amounts are not a part of the agency's base budget to be used in preparing the 2009-11
22 executive budget. The department of commerce shall report to the appropriations committees
23 of the sixty-first legislative assembly on the use of this one-time funding for the biennium
24 beginning July 1, 2007, and ending June 30, 2009.

25 **SECTION 10. TRADE OFFICE MATCHING FUNDS - BUDGET SECTION REPORT.**

26 The department of commerce shall report to the budget section, during the 2007-08 interim, on
27 the status of matching funds raised by the North Dakota trade office and the percentage of the
28 matching funds provided in-kind and the percentage provided in cash.

29 **SECTION 11. INTERNSHIP PROGRAM - REPORT TO SIXTY-FIRST LEGISLATIVE**

30 **ASSEMBLY.** The department of commerce shall report to the appropriations committees of
31 the sixty-first legislative assembly regarding the internship program. The report must include

1 information on the program's activities, statistics, and accomplishments to date during the
2 biennium beginning July 1, 2007, and ending June 30, 2009.

3 **SECTION 12. APPROPRIATION.** There is appropriated out of any moneys in the
4 general fund in the state treasury, not otherwise appropriated, the sum of \$70,000, or so much
5 of the sum as may be necessary, to the department of career and technical education for the
6 purpose of funding grants for innovation, for the biennium beginning July 1, 2007, and ending
7 June 30, 2009.

8 **SECTION 13. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET -**
9 **CENTERS OF EXCELLENCE.** There is appropriated out of any moneys in the general fund in
10 the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum
11 as may be necessary, to the office of management and budget for the purpose of providing
12 funding to centers of excellence as directed by the centers of excellence commission, for the
13 biennium beginning July 1, 2007, and ending June 30, 2009.

14 **SECTION 14. CENTERS OF EXCELLENCE - OFFICE OF MANAGEMENT AND**
15 **BUDGET - CONTINGENT BORROWING AUTHORITY - APPROPRIATION.** As requested by
16 the centers of excellence commission and subject to emergency commission and budget
17 section approval, the office of management and budget shall borrow the sum of \$5,000,000, or
18 so much of the sum as may be necessary, from the Bank of North Dakota, which is
19 appropriated for the purpose of providing funding to centers of excellence as directed by the
20 centers of excellence commission, for the biennium beginning July 1, 2007, and ending
21 June 30, 2009. The office of management and budget shall request funding from the sixty-first
22 legislative assembly to repay any loan obtained pursuant to provisions of this section, including
23 accrued interest. The borrowing authority and appropriation provided for in this section are
24 available only if all other funding provided by the sixtieth legislative assembly for centers of
25 excellence has been obligated.

26 **SECTION 15. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET -**
27 **PRAIRIE PUBLIC BROADCASTING.** There is appropriated out of any moneys in the general
28 fund in the state treasury, not otherwise appropriated, the sum of \$2,023,138, or so much of the
29 sum as may be necessary, to the office of management and budget for the purpose of
30 providing funding to prairie public broadcasting, for the biennium beginning July 1, 2007, and
31 ending June 30, 2009.

1 **SECTION 16. LEGISLATIVE COUNCIL STUDY - NORTH DAKOTA WORKFORCE**
2 **SYSTEM INITIATIVE.**

- 3 1. During the 2007-08 interim, the legislative council shall study the state's system for
4 addressing workforce needs through a workforce system initiative. The workforce
5 system initiative must include receipt of agency reports regarding implementation
6 of workforce legislation enacted during the 2007 legislative session, active
7 participation in focus groups across the state, and active participation in a
8 workforce congress.
- 9 2. The focus groups shall discuss ways to enhance the state's system for addressing
10 workforce needs, including consideration of workforce availability, skilled workforce
11 needs, future workforce needs, and alignment of the state's higher education
12 curriculum with the state's current and future workforce needs. The workforce
13 congress shall receive a report on the activities of the focus groups, identify
14 methods to enhance the state's workforce system in order to be well-positioned to
15 participate in a knowledge-driven economy and to be globally competitive, and
16 evaluate the impact and effectiveness of the state's existing workforce system.
- 17 3. The department of commerce shall organize the focus groups and the workforce
18 congress. Before the workforce congress, which must be held before June 1,
19 2008, the department shall convene a minimum of four focus groups. The
20 department shall consult with the legislative council in compiling focus group and
21 workforce congress participant invitation lists and drafting and distributing
22 invitations, establishing focus group and workforce congress dates and locations,
23 and preparing agendas for focus groups and the workforce congress. The focus
24 groups and the workforce congress schedules and activities must take into
25 consideration workforce study activities of the department.
- 26 4. The legislative council and the department of commerce shall enter a joint contract
27 with a third party to provide the legislative council and the department with
28 professional services to plan, facilitate, report on, and coordinate followup for the
29 focus groups and workforce congress. The legislative council shall report its
30 findings and recommendations, together with any legislation required to implement
31 the recommendations, to the sixty-first legislative assembly.

1 **SECTION 17. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF COMMERCE.**

2 1. The legislative council shall consider studying, during the 2007-08 interim, the
3 organization, powers, duties, and effectiveness of the department of commerce.

4 The study must include:

5 a. A review of the legislative history leading to the creation of the department of
6 commerce, including the 1999-2000 interim activities of the legislative
7 council's interim commerce and labor committee;

8 b. A review of the legislative and executive branch expectations in the creation
9 of the department of commerce and whether those expectations are being
10 met;

11 c. Evaluation of the effectiveness of the North Dakota economic development
12 foundation in providing a nonpartisan, private sector perspective to the
13 department's approach to the department's duties; and

14 d. Evaluation of the organizational structure of the department of commerce,
15 including whether the department should include a division of science and
16 technology.

17 2. The legislative council shall report its findings and recommendations, together with
18 any legislation required to implement the recommendations, to the sixty-first
19 legislative assembly.

20 **SECTION 18. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION PROMISE**

21 **GRANT PROGRAM.** The legislative council shall consider studying, during the 2007-08
22 interim, the desirability and feasibility of implementing a grant program for North Dakota
23 students who are attending North Dakota institutions of higher education and who have
24 excelled academically. The study shall include consideration of desirable eligibility criteria for
25 students under such a grant program, funding options for such a grant program, and a
26 cost-benefit analysis of such a grant program. The legislative council shall report its findings
27 and recommendations, together with any legislation required to implement the
28 recommendations, to the sixty-first legislative assembly.

29 **SECTION 19. STATE BOARD OF HIGHER EDUCATION REPORT ON CCBENEFITS**

30 **- LEGISLATIVE COUNCIL REPORT.** During the 2007-08 interim, the state board of higher
31 education shall monitor the implementation of the services of ccbenefits, incorporated, by the

1 institutions under the control of the state board of higher education. Before July 1, 2008, the
2 state board of higher education shall report to the legislative council on the status of the
3 implementation of the ccbenefits, incorporated, services, including the status of the
4 implementation at each institution using the services, the level of utilization of the services at
5 the institutional level and at the system level, the feasibility and desirability of expanding the
6 use of the services from use by the community colleges to use by all institutions in order to
7 improve responsiveness of institutions and to improve forecasting efforts of institutions, and
8 recommendations relating to the use of the ccbenefits, incorporated, services. The legislative
9 council shall report its findings and recommendations, together with any legislation required to
10 implement the recommendations, to the sixty-first legislative assembly.

11 **SECTION 20. TAX EXPENDITURE REPORT PILOT PROJECT - REPORT.**

- 12 1. During the 2007-09 biennium, the commissioner of commerce, in consultation with
13 the tax commissioner, shall select a tax expenditure for the purposes of conducting
14 a tax expenditure report pilot project.
- 15 2. Before the tenth legislative day of the sixty-first legislative assembly, the
16 commissioner of commerce shall submit to the president of the senate and the
17 speaker of the house a tax expenditure report. This report must be based upon
18 information available to the tax commissioner and information available to the
19 department of commerce, and must include an analysis of the selected tax
20 expenditure which includes a description of the annual state revenue losses and
21 benefits and a cyclical analysis of these losses and benefits.
- 22 3. The tax commissioner shall compile tax expenditure data and provide this data to
23 the department of commerce. Notwithstanding section 57-38-57 and other
24 confidentiality statutes, the tax commissioner shall provide the department of
25 commerce the information necessary to accomplish and effectuate the intent of
26 this section. The tax commissioner may request the assistance of the office of
27 management and budget as necessary to compile this tax expenditure data.
- 28 4. The tax commissioner may establish the procedure by which the tax commissioner
29 will compile the tax expenditure data and the format in which the tax commissioner
30 will provide this data to the department of commerce. The department of

- 1 commerce may establish the manner in which the tax expenditure data will be
2 analyzed, organized, and presented in the report.
- 3 5. Confidential tax information the department of commerce receives from the tax
4 commissioner may not be divulged by the department of commerce unless the
5 information is in the aggregate and in a manner that will not divulge information
6 specific to any taxpayer.
- 7 6. For purposes of this section, the term tax expenditure means a provision in the
8 state tax laws, including an exclusion, a deduction, a tax preference, a credit, and
9 a deferral designed to encourage certain activities or to aid a taxpayer in special
10 circumstances.

11 **SECTION 21. STATE BUSINESS INCENTIVE EXPENDITURE REPORT PILOT**

12 **PROJECT - REPORT.**

- 13 1. During the 2007-09 biennium, the commissioner of commerce shall select a state
14 business incentive for the purposes of conducting a state business incentive
15 expenditure report pilot project.
- 16 2. Before the tenth legislative day of the sixty-first legislative assembly, the
17 commissioner of commerce shall submit to the president of the senate and the
18 speaker of the house a state business incentive expenditure report. This report
19 must be based upon information available to the department and must include an
20 analysis of the selected state business incentive which includes a description of
21 the annual state revenue losses and benefits and a cyclical analysis of these
22 losses and benefits.
- 23 3. The administering agency for the selected state business incentive shall compile
24 state business incentive expenditure data and provide this data to the department.
25 The department shall determine the data appropriate to measure the losses and
26 benefits for the selected state business incentive and shall inform the
27 administering agency of the specific data required and the format in which the
28 administering agency shall provide this data to the department.
- 29 4. For purposes of this section, the term business incentive does not include a tax
30 expenditure as defined under section 20 of this Act.

1 **SECTION 22. LEGISLATIVE COUNCIL STUDY - HOUSING NEEDS.** During the
2 2007-08 interim, the legislative council shall consider studying the state's housing needs and
3 how unmet housing needs may affect economic development in the state. The legislative
4 council shall report its findings and recommendations, together with any legislation required to
5 implement the recommendations, to the sixty-first legislative assembly.

6 **SECTION 23. LEGISLATIVE COUNCIL STUDY - WIRELESS SERVICE**
7 **PROVIDERS.** During the 2007-08 interim, the legislative council shall consider studying issues
8 relating to wireless service providers in the state and how wireless service impacts the
9 business climate in the state. The legislative council shall report its findings and
10 recommendations, together with any legislation required to implement the recommendations, to
11 the sixty-first legislative assembly.

12 **SECTION 24.** A new section to chapter 15-20.1 of the North Dakota Century Code is
13 created and enacted as follows:

14 **Grants for innovation.** The department shall design and implement a program to
15 provide a dollar-for-dollar match to elementary or secondary teachers or schools and to
16 institutions of higher education for the purpose of funding innovative science, technology, or
17 innovation programs for students in kindergarten through grade twelve. The department shall
18 award the grants on a competitive basis. A grant awarded under this section to an elementary
19 or secondary teacher or school may not exceed seven thousand five hundred dollars and a
20 grant awarded to an institution of higher education may not exceed twenty-five thousand
21 dollars. The matching funds of a grant recipient may come from a public source, a private
22 source, or any combination of public and private sources. The department shall consult with
23 the department of commerce in making award determinations.

24 **SECTION 25. AMENDMENT.** Section 15-69-02 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15-69-02. (Effective through July 31, 2011) Centers of excellence.**

27 1. The board shall establish a centers of excellence program relating to economic
28 development. The program must distinguish among center designations for
29 awards designated to address commercialization and infrastructure needs.
30 Workforce may not be the primary need addressed by a center. Through the
31 program the commission shall make funding award recommendations for

1 commission-approved applications to the board, the foundation, and the budget
2 section of the legislative council. A center must be an institution of higher
3 education under the control of the board or a nonprofit university-related or
4 college-related foundation of an institution of higher education under the control of
5 the board. In order to be considered for center designation, the institution of higher
6 education or nonprofit foundation must be working in partnership with the private
7 sector. In addition to any center designated under this chapter, the North Dakota
8 state university center for technology enterprise and the university of North Dakota
9 center for innovation are centers.

- 10 2. A commission funding award recommendation must be for a specified amount.
11 Designation of a center occurs upon board, foundation, and budget section
12 approval of a commission funding award recommendation. In considering whether
13 to designate a center, the board, foundation, and budget section may not modify
14 the commission recommendation. The budget section may not make a
15 determination of whether to approve or reject a commission funding award
16 recommendation until the emergency commission reviews the commission
17 recommendation and makes a recommendation to the budget section.
- 18 3. A center that receives funds distributed under this chapter is not qualified to
19 receive subsequent designations as a center until the biennium following the
20 center's most recent designation.
- 21 4. The board rules adopted under subsection 9 of section 15-10-17, relating to
22 ownership of intellectual property, inventions, and discoveries, must address
23 activities and issues unique to centers.

24 **SECTION 26. AMENDMENT.** Section 15-69-03 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15-69-03. (Effective through July 31, 2011) Centers of excellence commission.**

27 The centers of excellence commission consists of six members. The foundation shall appoint
28 three of the foundation's members to serve on the commission and the board shall appoint
29 three of the board's members to serve on the commission. The commission members shall
30 designate a chairman and a vice chairman of the commission. Each member of the
31 commission shall serve for a term of three years, beginning July first; may be reappointed for

1 additional terms; and serves at the pleasure of the appointing entity. If a commission member
2 ceases to serve as a member of the appointing entity, that member's membership on the
3 commission ceases immediately and the appointing entity shall appoint a new member for the
4 remainder of the term. Terms of ~~initial~~ commission members ~~begin on July 1, 2005,~~ and must
5 be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member
6 of that appointing entity to serve in place of one of the regular members appointed by that
7 entity. If the commission chairman and vice chairman are not present at a meeting, the
8 commission members present at that meeting shall select a commission member to serve as
9 chairman for that meeting. A commission member may receive compensation and travel and
10 expense reimbursement from the appointing entity. The ~~board~~ department of commerce shall
11 provide the commission with appropriate staff services as may be requested by the
12 commission.

13 **SECTION 27. AMENDMENT.** Section 15-69-04 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **15-69-04. (Effective through July 31, 2011) Application - Eligibility requirements.**

- 16 1. The ~~board~~ department of commerce shall provide center application forms, accept
17 applications, review applications for completeness and compliance with board and
18 commission policy, ~~and~~ forward complete applications to the commission in
19 accordance with guidelines established by the commission, and assist with
20 preaward reviews and postaward monitoring as may be requested by the
21 commission.
- 22 2. The commission shall meet as necessary to review all complete applications;
23 consider the potential need for independent, expert review of complete
24 applications; approve or disapprove complete applications; make funding award
25 recommendations for commission-approved proposed centers; direct the office of
26 management and budget to distribute funds to the centers; monitor centers for
27 compliance with award requirements; ~~and~~ review changes in assertions made in
28 center applications; and conduct postaward monitoring of centers.
- 29 3. In considering whether to approve or disapprove an application, the commission
30 shall determine whether the applicant has conducted the due diligence necessary

- 1 to put together a viable proposal and the commission shall consider whether the
2 center will:
- 3 a. Use university or college research to promote private sector job growth and
4 expansion of knowledge-based industries or use university or college
5 research to promote the development of new products, high-tech companies,
6 or skilled jobs in this state;
- 7 b. Create high-value private sector employment opportunities in this state;
- 8 c. Provide for public-private sector involvement and partnerships;
- 9 d. Leverage other funding;
- 10 e. Increase research and development activities that may involve federal funding
11 from the national science foundation experimental program to stimulate
12 competitive research;
- 13 f. Foster and practice entrepreneurship;
- 14 g. Promote the commercialization of new products and services in industry
15 clusters;
- 16 h. Become financially self-sustaining; and
- 17 i. Establish and meet a deadline for acquiring and expending all public and
18 private funds specified in the application.
- 19 4. In considering whether to approve an application, the commission may provide for
20 an independent, expert review of the application to determine whether the
21 proposed center is viable and whether the proposed center is likely to have the
22 desired economic impact. As necessary, the commission may contract for
23 additional technical review of applications. The commission may not approve an
24 application unless the commission determines the proposed center has a high
25 likelihood of viability and success in positively impacting economic development in
26 the state.
- 27 5. For no fewer than six years and no more than ten years following center
28 designation, the commission shall monitor the center's activities in order to
29 determine whether the center is having the desired economic impact.

30 **SECTION 28. AMENDMENT.** Section 15-69-05 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **15-69-05. (Effective through July 31, 2011) Use of funds - Terms of funds -**
2 **Distribution of funds.**

- 3 1. A center shall use funds awarded under this chapter to enhance capacity; enhance
4 infrastructure; and leverage state, federal, and private sources of funding. A
5 center awarded funds under this chapter may not use the funds to supplant
6 funding for current operations or academic instructions or to pay indirect costs.
- 7 2. As a condition for receipt of funds under this chapter, a center shall agree to
8 provide the board, foundation, and budget section of the legislative council with
9 annual audits on all funds distributed to the center under this chapter. The annual
10 audits must be provided until the completion of ~~four years following the final~~
11 ~~distribution of funds under this chapter~~ the commission's postaward monitoring of
12 the center. As a condition for receipt of funds under this chapter, a center shall
13 agree to provide the commission with the information necessary to monitor the
14 postaward activities of the center.
- 15 3. Before the commission directs the office of management and budget to distribute
16 funds awarded under this chapter, the center shall provide the commission with
17 detailed documentation of private sector participation and the availability of two
18 dollars of matching funds for each dollar of state funds to be distributed under this
19 chapter. The matching funds may include funds facilitated through the
20 collaboration of the private sector participants with other funding entities. The
21 matching funds may include a combination of cash and in-kind assets with
22 itemized value. Private sector participation may be established through equity
23 investments or through contracts for services with private sector entities. In
24 making funding recommendations and designation determinations, the
25 commission, board, foundation, and budget section shall give major consideration
26 to the portion of the matching funds provided in cash by the private sector.
- 27 4. If, before funds are distributed by the office of management and budget, a center
28 undergoes a change in the terms of or assertions made in its application, the
29 commission may direct that the office of management and budget withhold all or a
30 portion of any undistributed funds pending commission review of the changes.

1 5. The commission may use funds appropriated for the centers of excellence
2 program to pay for the commission's administrative expenses, which may include
3 contracting for independent, expert reviews of complete applications. The amount
4 of funds the commission uses each biennium for administrative expenses may not
5 exceed two and one-half percent of the funds appropriated for the program that
6 biennium.

7 **SECTION 29. AMENDMENT.** Subsections 4 and 6 of section 54-17-07.3 of the North
8 Dakota Century Code are amended and reenacted as follows:

9 4. Mortgage loan financing program. A program or programs to provide for the
10 purchase or guaranty of a temporary or permanent mortgage loans loan originated
11 by ~~lenders~~ a lender on residential real property or on land to be developed into
12 residential real property, in addition to ~~such a mortgage loans loan~~ acquired or to
13 be acquired under subsections 1 through 3. A program authorized under this
14 subsection may provide assistance in the development of low to moderate income
15 housing or to otherwise assist a developing community in the state address an
16 unmet housing need or alleviate a housing shortage.

17 6. Housing grant program. A program or programs to provide ~~grants~~ a grant other
18 than those authorized by section 54-17-07.6 to encourage and promote housing
19 availability for persons of low or moderate income or to otherwise assist a
20 developing community in this state address an unmet housing need or alleviate a
21 housing shortage.

22 **SECTION 30.** A new section to chapter 54-34.4 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Visitor information centers.** The division may develop and implement a visitor
25 information center assistance program. The program may include matching grant funds,
26 training assistance, and marketing assistance for visitor information centers and for rest stop
27 volunteers.

28 **SECTION 31. AMENDMENT.** Section 54-60-02 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **54-60-02. Department of commerce - Divisions.** The North Dakota department of
31 commerce is created. All records, materials, supplies, and equipment used by the division of

1 community services, department of economic development and finance, and the department of
2 tourism are transferred to the department.

- 3 1. The department must consist of:
 - 4 a. A division of community services;
 - 5 b. A division of economic development and finance;
 - 6 c. A division of tourism;
 - 7 d. A division of workforce development; and
 - 8 e. Any division the commissioner determines necessary to carry out this
9 chapter.
- 10 2. The commissioner shall appoint the director of ~~any each division created by the~~
11 ~~commissioner under subsection 1. Effective August 1, 2003, the commissioner~~
12 ~~shall appoint the directors of the division of community services, division of~~
13 ~~economic development and finance, and division of workforce development.~~
14 ~~Effective August 1, 2005, the commissioner shall appoint the director of the~~
15 ~~division of tourism of the department.~~ Each director appointed by the
16 commissioner serves at the pleasure of the commissioner and is entitled to receive
17 a salary set by the commissioner within the limits of legislative appropriations.
18 ~~Until August 1, 2003, the governor shall appoint the directors of the division of~~
19 ~~community services, division of economic development and finance, and division~~
20 ~~of workforce development and until August 1, 2005, the governor shall appoint the~~
21 ~~director of the division of tourism. The individuals appointed by the governor shall~~
22 ~~serve at the pleasure of the governor and are entitled to receive a salary set by the~~
23 ~~governor within the limits of legislative appropriations.~~

24 **SECTION 32. AMENDMENT.** Section 54-60-09 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **54-60-09. Division of workforce development - Duties.** The division of workforce
27 development shall ~~actively~~:

- 28 1. Actively monitor local, regional, and national private and public workforce
29 development initiatives.
- 30 2. Develop and implement the state's talent strategy.
- 31 3. Develop and implement a statewide intelligence coordination strategy.

1 **SECTION 33. AMENDMENT.** Section 54-60-12 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-60-12. North Dakota image information program.** The commissioner shall
4 implement a program for use by state agencies and the private sector to assist state agencies
5 ~~and~~, state agencies' employees, private businesses, and private businesses' employees to
6 present to the public a positive image of the state. ~~The commissioner may expand the program~~
7 ~~to include use of the program by the private sector.~~

8 **SECTION 34.** Two new sections to chapter 54-60 of the North Dakota Century Code
9 are created and enacted as follows:

10 **Division of workforce development - Higher education internships and work**
11 **experience opportunities.** The division of workforce development shall administer a program
12 to increase use of higher education internships and work experience opportunities for higher
13 education students. The primary focus of this program must be higher education internships in
14 target industries. This program shall provide services to employers, communities, and
15 business organizations to increase higher education internship and work experience
16 opportunities.

17 **Division of workforce development - Career specialist.** The division of workforce
18 development, in consultation with the department of career and technical education, job service
19 North Dakota, and the superintendent of public instruction, shall develop and implement a
20 program to assist public schools in promoting North Dakota career opportunities to students in
21 grades nine through twelve.

22 **SECTION 35.** A new section to chapter 54-60 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Beginning again North Dakota pilot program - Continuing appropriation - Report**
25 **to legislative council.**

26 1. The department shall implement and administer a beginning again North Dakota
27 pilot program. The purpose of the program is to develop a data base of skills and
28 other assets of communities and residents to be used to advance the internal and
29 external attitude and image of this state and the communities in this state. The
30 department shall implement this program in one city with a population of not more

- 1 than one thousand five hundred and one city with a population of more than one
2 thousand five hundred but not more than three thousand five hundred.
- 3 2. The department shall assemble state and local asset data from a broad range of
4 sources. The sources for data may include the department, Bank of North Dakota,
5 game and fish department, state historical society, Indian affairs commission, job
6 service North Dakota, parks and recreation department, superintendent of public
7 instruction, North Dakota university system, workforce safety and insurance, and
8 state and local public and private entities. The nature of the data regarding skills
9 and other assets may cover a broad range of information that may be valuable to
10 advance the attitude or image of the state and communities in the state. The data
11 may include natural resources, real estate, educational resources, cultural
12 resources, vocational resources, financial resources, and infrastructure resources.
- 13 3. The department shall use the information assembled in the data base to assist in
14 strategic plans for development. Additionally, the department may use the
15 information in the data base to assist local developers in strategic plans for
16 development.
- 17 4. The department may contract with a public or private third party to provide any or
18 all of the services necessary to implement and administer the program. The
19 department may solicit support and contributions from public and private sources
20 for the purpose of furthering the program. The department may charge a fee for
21 the services provided to the community. The department shall deposit in a special
22 account in the state treasury all funds collected under this subsection. All funds
23 deposited under this section are appropriated to the department on a continuing
24 basis for the purpose of furthering the program.
- 25 5. The two cities shall be willing to participate and provide significant financial
26 resources to provide for the costs of the pilot program.
- 27 6. During the 2007-08 interim, the commissioner shall provide a report to the
28 legislative council regarding the implementation of the program, successes and
29 failures of the program, and whether the program should be continued or be
30 continued and expanded to additional communities.

1 **SECTION 36. AMENDMENT.** Subdivision I of subsection 2 of section 54-60.1-01 of
2 the North Dakota Century Code is amended and reenacted as follows:

3 I. ~~Except for a center of excellence award under chapter 15-69, assistance~~
4 Assistance for a collaboration between a North Dakota institution of higher
5 education and a business.

6 **SECTION 37.** Section 57-38-01.24 of the North Dakota Century Code is created and
7 enacted as follows:

8 **57-38-01.24. Internship employment tax credit.**

9 1. A taxpayer that is an employer within this state is entitled to a credit as determined
10 under this section against state income tax liability under section 57-38-29,
11 57-38-30, or 57-38-30.3 for qualified compensation paid to an intern employed in
12 this state by the taxpayer. To qualify for the credit under this section, the
13 internship program must meet the following qualifications:

14 a. The intern must be an enrolled student in an institution of higher education or
15 vocational technical education program who is seeking a degree or a
16 certification of completion in a major field of study closely related to the work
17 experience performed for the taxpayer;

18 b. The internship must be taken for academic credit or count toward the
19 completion of a vocational technical education program;

20 c. The intern must be supervised and evaluated by the taxpayer; and

21 d. The internship position must be located in this state.

22 2. The amount of the credit to which a taxpayer is entitled is ten percent of the
23 stipend or salary paid to a college intern employed by the taxpayer. A taxpayer
24 may not receive more than three thousand dollars in total credits under this section
25 for all taxable years combined.

26 a. The tax credit under this section applies to a stipend or salary for not more
27 than five interns employed at the same time.

28 b. A partnership, subchapter S corporation, or limited liability company that for
29 tax purposes is treated like a partnership that is entitled to the credit under
30 this section must be considered to be the taxpayer for purposes of calculating
31 the credit. The amount of the allowable credit must be determined at the

1 passthrough entity level. The total credit determined at the entity level must
2 be passed through to the partners, shareholders, or members in proportion to
3 their respective interests in the passthrough entity.

4 **SECTION 38.** Section 57-38-01.25 of the North Dakota Century Code is created and
5 enacted as follows:

6 **57-38-01.25. Workforce recruitment credit for hard-to-fill employment positions.**

7 A taxpayer that is an employer in this state is entitled to a credit as determined under this
8 section against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3 for
9 costs the taxpayer incurred during the tax year to recruit and hire employees for hard-to-fill
10 employment positions within this state for which the annual salary for the position meets or
11 exceeds the state average wage.

12 1. The amount of the credit to which a taxpayer is entitled is five percent of the salary
13 paid for the first twelve consecutive months to the employee hired for the
14 hard-to-fill employment position. To qualify for the credit under this section, the
15 employee must be employed by the taxpayer in the hard-to-fill employment
16 position for twelve consecutive months.

17 2. For purposes of this section:

18 a. "Extraordinary recruitment methods" means using three or more of the
19 following:

20 (1) A person with the exclusive business purpose of recruiting employees
21 and for which a fee is charged by that recruiter.

22 (2) An advertisement in a professional trade journal, magazine, or other
23 publication, the main emphasis of which is providing information to a
24 particular trade or profession.

25 (3) A web site, the sole purpose of which is to recruit employees and for
26 which a fee is charged by the web site.

27 (4) Participation in job or career fair.

28 (5) Payment for professional licensing or certification required for the
29 position.

30 (6) Payment of a signing bonus, moving expenses, or nontypical fringe
31 benefits.

- 1 b. "Hard-to-fill employment position" means a job that requires the employer to
2 use extraordinary recruitment methods.
- 3 c. "State average wage" means the state average wage published annually by
4 job service North Dakota and which is in effect at the time the employee is
5 hired.
- 6 3. The taxpayer may claim the credit in the first tax year beginning after the employee
7 hired for the hard-to-fill position has completed the employee's first twelve
8 consecutive months of employment in the hard-to-fill position with the taxpayer.
- 9 4. The credit under this section may not exceed a taxpayer's liability for the taxable
10 year as determined under this chapter. Any amount of unused credit may be
11 carried forward for up to four taxable years after the taxable year in which the
12 credit could initially be claimed.
- 13 5. A partnership, subchapter S corporation, or limited liability company that for tax
14 purposes is treated like a partnership that is entitled to the credit under this section
15 must be considered to be the taxpayer for purposes of this section and the amount
16 of the credit allowed must be determined at the passthrough entity level. The
17 amount of the total credit determined at the passthrough entity level must be
18 allowed to the members in proportion to their respective interests in the
19 passthrough entity.

20 **SECTION 39.** A new subsection to section 57-38-30.3 of the North Dakota Century
21 Code is created and enacted as follows:

22 A taxpayer filing a return under this section is entitled to the credits provided under
23 sections 57-38-01.24, 57-38-01.25, and 57-38-30.5.

24 **SECTION 40. AMENDMENT.** Section 57-38-30.5 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **57-38-30.5. ~~Corporate income~~ Income tax credit for research and experimental**
27 **expenditures.** ~~Any corporation~~ A taxpayer is allowed a credit against the tax imposed under
28 ~~this chapter~~ section 57-38-29, 57-38-30, or 57-38-30.3 for the taxable year equal to ~~eight~~
29 twenty-five percent of the first one ~~and one-half million~~ hundred thousand dollars of the
30 qualified research expenses for the taxable year in excess of the base period research
31 expenses and equal to ~~four~~ twenty percent of all qualified research expenses for the taxable

1 year more than one ~~and one-half million~~ hundred thousand dollars in excess of the base period
2 research expenses.

3 1. For purposes of this section:

4 a. "Base period research expenses" means base period research expenses as
5 defined in section 41(c) of the Internal Revenue Code [26 U.S.C. 41(c)],
6 except it does not include research conducted outside the state of North
7 Dakota.

8 b. "Qualified research" means qualified research as defined in section 41(d) of
9 the Internal Revenue Code [26 U.S.C. 41(d)], except it does not include
10 research conducted outside the state of North Dakota.

11 c. "Qualified research expenses" means qualified research expenses as defined
12 in section 41(b) of the Internal Revenue Code [26 U.S.C. 41(b)], except it
13 does not include expenses incurred for basic research conducted outside the
14 state of North Dakota.

15 2. The credit allowed under this section for the taxable year may not exceed the
16 liability for tax under this chapter.

17 3. In the case of a ~~corporation which~~ taxpayer that is a partner in a partnership or a
18 member in a limited liability company, the credit allowed for the taxable year may
19 not exceed an amount separately computed with respect to the ~~corporation's~~
20 taxpayer's interest in the trade, business, or entity equal to the amount of tax
21 attributable to that portion of the ~~corporation's~~ taxpayer's taxable income which is
22 allocable or apportionable to the ~~corporation's~~ taxpayer's interest in the trade,
23 business, or entity.

24 4. If the amount of the credit determined under this section for any taxable year
25 exceeds the limitation under subsection 2, the excess may be used as a research
26 credit carryback to each of the three preceding taxable years and a research credit
27 carryover to each of the fifteen succeeding taxable years or the taxpayer may
28 assign or transfer, for consideration, the excess to another taxpayer. ~~The~~ If the
29 taxpayer elects to carry back or carry over the credit, the entire amount of the
30 excess unused credit for the taxable year must be carried first to the earliest of the
31 taxable years to which the credit may be carried and then to each successive year

- 1 to which the credit may be carried.—~~The~~ and the amount of the unused credit which
2 may be added under this subsection may not exceed the taxpayer's liability for tax
3 less the research credit for the taxable year.
- 4 a. A taxpayer's total credit assignment under this section may not exceed one
5 hundred thousand dollars over any combination of taxable years.
- 6 b. If the taxpayer elects to assign or transfer an excess credit under this
7 subsection, the tax credit transferor and the tax credit purchaser jointly shall
8 file with the tax commissioner a copy of the purchase agreement and a
9 statement containing the names, addresses, and taxpayer identification
10 numbers of the parties to the transfer, the amount of the credit being
11 transferred, the gross proceeds received by the transferor, and the tax year or
12 years for which the credit may be claimed. The taxpayer and the purchaser
13 also shall file a document allowing the tax commissioner to disclose tax
14 information to either party for the purpose of verifying the correctness of the
15 transferred tax credit. The purchase agreement, supporting statement, and
16 waiver must be filed within thirty days after the date the purchase agreement
17 is fully executed.
- 18 c. The purchaser of the tax credit shall claim the credit beginning with the tax
19 year in which the credit purchase agreement was fully executed by the
20 parties. A purchaser of a tax credit under this section has only such rights to
21 claim and use the credit under the terms that would have applied to the tax
22 credit transferor, except the credit purchaser may not carry back the credit as
23 otherwise provided in this section. This subsection does not limit the ability of
24 the tax credit purchaser to reduce the tax liability of the purchaser, regardless
25 of the actual tax liability of the tax credit transferor.
- 26 d. The original purchaser of the tax credit may not sell, assign, or otherwise
27 transfer the credit purchased under this section.
- 28 e. If the amount of the credit available under this section is changed as a result
29 of an amended return filed by the transferor, or as the result of an audit
30 conducted by the internal revenue service or the tax commissioner, the
31 transferor shall report to the purchaser the adjusted credit amount within thirty

1 days of the amended return or within thirty days of the final determination
2 made by the internal revenue service or the tax commissioner. The tax credit
3 purchaser shall file amended returns reporting the additional tax due or
4 claiming a refund as provided in section 57-38-38 or 57-38-40, and the tax
5 commissioner may audit these returns and assess or issue refunds, even
6 though other time periods prescribed in these sections may have expired for
7 the purchaser.

8 f. Gross proceeds received by the tax credit transferor must be assigned to
9 North Dakota. The amount assigned under this subsection cannot be
10 reduced by the taxpayer's income apportioned to North Dakota or any North
11 Dakota net operating loss of the taxpayer.

12 g. The tax commissioner has four years after the date of the credit assignment
13 to audit the returns of the credit transferor and the purchaser to verify the
14 correctness of the amount of the transferred credit and if necessary assess
15 the credit purchaser if additional tax is found due. This subdivision does not
16 limit or restrict any other time period prescribed in this chapter for the
17 assessment of tax.

18 h. The tax commissioner may adopt rules to permit verification of the validity and
19 timeliness of the transferred tax credit.

20 5. If a taxpayer acquires or disposes of the major portion of a trade or business or the
21 major portion of a separate unit of a trade or business in a transaction with another
22 taxpayer, the taxpayer's qualified research expenses and base period must be
23 adjusted in the manner provided by section 41(f)(3) of the Internal Revenue Code
24 [26 U.S.C. 41(f)(3)].

25 6. If a taxpayer entitled to the credit provided by this section is a member of a group
26 of corporations filing a North Dakota consolidated tax return using the combined
27 reporting method, the credit may be claimed against the aggregate North Dakota
28 tax liability of all the corporations included in the North Dakota consolidated return.
29 This section does not apply to tax credits received or purchased under
30 subsection 5.

1 7. An individual, estate, or trust that purchases a credit under this section is entitled
2 to claim the credit against state income tax liability under section 57-38-29 or
3 57-38-30.3.

4 **SECTION 41. AMENDMENT.** Section 57-38.5-05 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-38.5-05. Seed capital investment tax credit limits.** The aggregate amount of
7 seed capital investment tax credit allowed for investments under this chapter is limited to ~~two~~
8 five million five hundred thousand dollars for each calendar year. If investments in qualified
9 businesses reported to the commissioner under section 57-38.5-07 exceed the limits on tax
10 credits for investments imposed by this section, the credit must be allowed to taxpayers in the
11 chronological order of their investments in qualified businesses as determined from the forms
12 filed under section 57-38.5-07.

13 **SECTION 42. AMENDMENT.** Section 57-38.6-01 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **57-38.6-01. Definitions.** As used in this chapter, unless the context otherwise
16 requires:

- 17 1. "Agricultural commodity processing facility" means a:
- 18 a. A facility that through processing involving the employment of knowledge and
19 labor adds value to an agricultural commodity capable of being raised in this
20 state; or
- 21 b. A livestock feeding, handling, milking, or holding operation that uses as part
22 of its operation a byproduct produced at a biofuels production facility.
- 23 2. "Biofuels production facility" means a corporation, limited liability company,
24 partnership, individual, or association in this state:
- 25 a. Involved in production of diesel fuel containing at least five percent biodiesel
26 meeting the specifications adopted by the American society for testing and
27 materials;
- 28 b. Involved in the production of corn-based ethanol or cellulose-based ethanol;
29 or
- 30 c. Involved in a soybean or canola crushing facility.

- 1 3. "Director" means the director of the department of commerce division of economic
2 development and finance.
- 3 ~~3.~~ 4. "Qualified business" means a cooperative, corporation, partnership, or limited
4 liability company that:
- 5 a. Is incorporated or organized in this state after December 31, 2000, for the
6 primary purpose of ~~processing and marketing~~ being an agricultural
7 ~~commodities capable of being raised in this state~~ commodity processing
8 facility;
- 9 b. Has been certified by the securities commissioner to be in compliance under
10 the securities laws of this state;
- 11 c. Has an agricultural commodity processing facility, or intends to locate one, in
12 this state; and
- 13 d. Is among the first ten businesses that meets the requirements of this
14 subsection, but not a business that was previously certified as a qualified
15 business under chapter 57-38.5.
- 16 ~~4.~~ 5. "Taxpayer" means an individual, estate, trust, corporation, partnership, or limited
17 liability company.

18 **SECTION 43. AMENDMENT.** Section 17 of chapter 151 of the 2005 Session Laws is
19 amended and reenacted as follows:

20 **SECTION 17. NORTH DAKOTA BUSINESS CLIMATE INITIATIVE - LEGISLATIVE**
21 **COUNCIL STUDY.** During the 2005-06 ~~and 2007-08 interims~~ interim, the legislative council
22 shall study the state's business climate through a business climate initiative. The business
23 climate initiative must include receipt of agency reports regarding economic development
24 legislation introduced by the legislative council during previous legislative sessions, active
25 participation in business climate focus groups across the state, and active participation in a
26 biennial business ~~congresses~~ congress. The focus groups shall discuss ways to enhance the
27 state's business climate to stimulate job growth and enhance economic prosperity for
28 employers and employees by encouraging the growth of existing businesses in the state,
29 creating new businesses in the state, and encouraging expansion or relocation of businesses to
30 this state. ~~Each~~ The business congress must receive a report on the activities of the focus
31 group discussions, shall identify methods to enhance the state's business climate to stimulate

1 job growth and enhance economic prosperity, shall identify methods to prepare the state for the
2 high-growth and high-demand jobs of the future, and shall evaluate the impact of existing state
3 economic development programs. The department of commerce shall organize the business
4 climate focus groups and the business ~~congresses~~ congress. Before ~~each~~ the business
5 congress, which must be held before June 1, 2006, ~~and before June 1, 2008~~, the department
6 shall hold a minimum of six focus group discussions, two of which specifically focus on local
7 economic developers and four of which specifically focus on private business needs. The
8 department shall consult with the legislative council in compiling focus group and business
9 congress participant invitation lists and drafting and distributing invitations, establishing focus
10 group and business congress dates and locations, and preparing agendas for focus groups and
11 the business ~~congresses~~ congress. The legislative council shall contract with a third party to
12 provide professional services to plan, facilitate, report on, and coordinate followup for the focus
13 groups and business ~~congresses~~ congress. The legislative council shall report its findings and
14 recommendations, together with any legislation required to implement the recommendations, to
15 the sixtieth ~~and sixty first~~ legislative ~~assemblies~~ assembly.

16 **SECTION 44. REPEAL.** Sections 57-38-71, 57-38-72, 57-38-73, and 57-38-74 of the
17 North Dakota Century Code are repealed.

18 **SECTION 45. EFFECTIVE DATE.** Sections 37, 38, 39, 40, 41, 42, and 44 of this Act
19 are effective for taxable years beginning after December 31, 2006. Section 40 of this Act is
20 effective for tax credits earned and assigned after December 31, 2006. However, rentals under
21 a lease entered before January 1, 2007, and eligible for the exemption under section 57-38-73
22 when the lease was entered continue to be eligible for the exemption for taxable years after
23 2006 on the same terms and conditions for the duration of the lease.

24 **SECTION 46. EXPIRATION DATE.** Section 35 of this Act is effective through June 30,
25 2009, and after that date is ineffective.

26 **SECTION 47. EMERGENCY.** Section 29 of this Act is declared to be an emergency
27 measure.