11.8160.02000

Sixty-second
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

(At the request of the Governor)

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact section 15-69-07, a new chapter to title 17, and a new section to chapter 54-60 of the North Dakota Century Code, relating to the centers of excellence program, biofuel blender pump incentive program, and the internship fund; to amend and reenact sections 10-30.5-02, 15-69-01, 15-69-04, and 15-69-05 of the North Dakota Century Code, relating to the North Dakota development fund, incorporated, and centers of excellence program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of excellence program; to provide a continuing appropriation; to provide exemptions; to provide for transfers; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$10,020,840	$851,139	$10,871,979
Operating expenses	14,478,272	(595,012)	13,883,260
Capital assets	25,000	45,018	70,018
Grants	65,411,058	851,936	66,262,994
North Dakota development fund	0	250,000	250,000

Discretionary funds	928,083	(1)	928,082
Workforce enhancement	0	2,000,000	2,000,000
Economic development initiatives	186,846	0	186,846
Agricultural products utilization	2,536,630	203,137	2,739,767
North Dakota trade office	2,064,000	489,000	2,553,000
Partner programs	2,022,044	0	2,022,044
Federal fiscal stimulus funds	0	24,496,750	24,496,750
Total all funds	$97,672,773	$28,591,967	$126,264,740
Less estimated income	69,666,470	18,968,467	88,634,937
Total general fund	$28,006,303	$9,623,500	$37,629,803
Full-time equivalent positions	68.00	.25	68.25

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2009-11	2011-13
Workforce enhancement fund	$1,000,000	$2,000,000
Biofuel blender pumps	1,000,000	0
Promotion and marketing of U.S.S. North Dakota	100,000	0
Lewis and Clark foundation grants	1,500,000	0
Theodore Roosevelt Medora foundation grant	500,000	0
Tourism infrastructure grant	0	1,000,000
Child care grants and loans	1,820,000	370,338
Child care service providers recruitment, training, and retention grants	0	4,935,000
Centers of excellence	19,500,000	0
Great plains applied energy research center	5,000,000	0
Minot air force base realignment grant	0	250,000
Equine processing study	50,000	0
Federal fiscal stimulus	68,594,635	24,496,750
Total all funds	$99,064,635	$33,052,088

Less estimated income	68,594,635	24,496,750
Total general fund	$30,470,000	$8,555,338

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of commerce shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. AMENDMENT. Section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-02. (Effective through July 31, ~~2011~~2013) Purpose and fund uses.

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.
4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to

implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.

5. Moneys in the development fund may be used to provide financing to early childhood facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or loans to match grants or loans made by county-authorized or city-authorized development corporations, job development authorities created under chapter 11-11.1 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real estate facilities or for acquiring equipment for establishing or expanding a licensed early childhood facility. In providing financing under this subsection, the corporation shall ensure funds are distributed fairly among for-profit early childhood facilities, nonprofit early childhood facilities, and public early childhood facilities. An award under this subsection may not exceed ~~one~~two hundred thousand dollars per award.

(Effective after July 31, ~~2011~~2013) Purpose and fund uses.

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate

facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.

4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.

SECTION 4. AMENDMENT. Section 15-69-01 of the North Dakota Century Code is amended and reenacted as follows:

15-69-01. ~~(Effective through July 31, 2011)~~ Definitions.

In this chapter, unless the context otherwise requires:

1. "Board" means the state board of higher education.
2. "Center" means a center of excellence relating to economic development which has been designated or named under this chapter.
3. "Commission" means the centers of excellence commission.
4. "Department" means the department of commerce.
5. "Foundation" means the North Dakota economic development foundation.
~~5. "Industry cluster" means one of the following industries:~~
   ~~a. Advanced manufacturing;~~
   ~~b. Energy;~~
   ~~c. Information and technology;~~
   ~~d. Tourism;~~
   ~~e. Value-added agriculture; or~~
   ~~f. An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.~~
6. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.

SECTION 5. AMENDMENT. Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

15-69-04. ~~(Effective through July 31, 2011) Application - Eligibility requirements~~Centers of excellence program.

~~1.~~ The department of commerce shall ~~provide center application forms, accept applications, review applications for completeness and compliance with board and commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission. No more than two applications per campus of an institution of higher education under the control of the board may be submitted to the department of commerce for each round of center funding.~~

~~2.~~ ~~The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the department of commerce to~~administer the centers of excellence program; distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.

~~3.~~ ~~In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:~~

~~a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;~~

~~b. Create high-value private sector employment opportunities in this state;~~

~~c. Provide for public-private sector involvement and partnerships;~~

~~d. Leverage other funding, including cash from the private sector;~~

~~e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;~~

~~f. Foster and practice entrepreneurship;~~

~~g. Promote the commercialization of new products and services in industry clusters;~~

~~h. Become financially self-sustaining; and~~

~~i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.~~

~~4. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.~~

~~5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.~~

SECTION 6. AMENDMENT. Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

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

1. A center shall use funds awarded under this chapter to enhance capacity and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the ~~board~~department, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the ~~commission's~~department's postaward monitoring of the center. As a condition for receipt of funds under this

chapter, a center shall agree to provide the ~~commission~~department with the information necessary to monitor the postaward activities of the center. Effective on the effective date of this Act, the department shall assume the postaward monitoring duties previously fulfilled by the commission and the center shall provide the department, rather than the commission, with the information necessary to monitor the postaward activities of the center.

3. Before the ~~commission directs the~~ department of commerce ~~to distribute~~distributes funds awarded under this chapter, the center shall provide the ~~commission~~department with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. ~~In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.~~

4. The ~~commission shall direct the~~ department of commerce ~~to~~shall distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The ~~commission~~department may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.

5. If, before funds are distributed by the department of commerce, a center undergoes a change in the terms of or assertions made in its application, the ~~commission may direct that the~~ department of commerce may withhold all or a portion of any undistributed funds pending ~~commission~~department review of the changes.

6. The ~~commission~~department may use funds ~~appropriated for~~available within the centers of excellence ~~program~~fund to pay for the ~~commission's~~department's administrative expenses~~, which may include contracting for independent, expert~~

~~reviews of complete applications and centers of excellence forums~~related to this program. ~~The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the funds appropriated for the program that biennium.~~

SECTION 7. Section 15-69-07 of the North Dakota Century Code is created and enacted as follows:

15-69-07. Centers of excellence postaward monitoring.

1. For no fewer than six years and no more than ten years following center designation, the department shall monitor a center's activities in order to determine whether the center is having the desired economic impact.
2. Instead of requiring annual audits under subsection 2 of section 15-69-05, the department may require that the center be audited on all funds distributed to the center under this chapter at the halfway point of the postaward monitoring and at the end of the postaward monitoring and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under subsection 2 of section 15-69-05 or for an agreed-upon procedures engagement.
3. At a minimum, an agreed-upon procedures engagement under subsection 2 must include:
   a. Verification of the accuracy of jobs data regarding jobs claimed related by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
   b. Verification of compliance with the centers of excellence program matching fund requirements;
   c. Verification awarded center funds were used for authorized uses;
   d. Verification the center complied with the center's application timeline and any authorized revisions;
   e. Verification the center complied with the center's scope of activities as provided under the center’s application and any authorized revisions;

f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;

g. Verification of a sample of labor charged to the center;

h. Verification business incentive agreements comply with chapter 54-60.1; and

i. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.

SECTION 8. A new chapter to title 17 of the North Dakota Century Code is created and enacted as follows:

Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "Biodiesel" means any non-petroleum-based diesel fuel made from a renewable resource such as vegetable oil or animal fat.
2. "E85 fuel" means a petroleum product that:
   a. Is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline;
   b. Typically contains eighty-five percent ethanol by volume but must at a minimum contain sixty percent ethanol by volume; and
   c. Complies with the American society for testing materials specification D 5798-96.
3. "Motor fuel retailer" means a person that acquires motor vehicle fuel from a supplier or distributor for resale to a consumer at a retail location.
4. "Retail location" means a site at which motor vehicle fuel is dispensed through a pump from an underground or aboveground storage tank into the supply tank of a motor vehicle.

Biofuel blender pump incentive program - Administration.

1. The department of commerce shall administer the biofuel blender pump incentive program to provide cost-share grants of up to fourteen thousand dollars per retail location to motor fuel retailers for the installation of biofuel blender pumps and associated equipment at retail locations, including the piping system and storage components.

2. In determining eligibility for grant funds, the department shall establish by rule criteria governing:
   a. The verification of costs for biofuel blender pumps and associated equipment, including the piping system and storage components;
   b. The eligibility of grant recipients;
   c. The application and grant award procedure; and
   d. Reporting and accountability procedures for grant recipients.
3. The amount of incentives payable to any retail location under this chapter may not exceed two percent of the total amount appropriated for the biofuel blender pump incentive program.

Blender pumps - Requirements.

1. To qualify for a grant under this chapter, a retailer must install an ethanol blender pump and an associated storage and piping system. The pump must be the type that:
   a. Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the purchaser;
   b. Is manufactured to an industry standard and carries a warranty for compatibility with dispenser components and storage and piping systems;
   c. Has at least four hoses and dispenses the following:
      (1) Either a blend of ten percent ethanol or the minimum blend percentage approved for all vehicles by the United States environmental protection agency;
      (2) A blend of at least twenty percent ethanol; and
      (3) E85 fuel; and
   d. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.
2. In order to qualify for a grant under this chapter, a retailer must install a biodiesel blender pump that:
   a. Dispenses at retail varying blends of biodiesel and mineral diesel in the ratio selected by the purchaser; and
   b. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.

Biofuel blender pump incentive program - Administrative costs.

The department may use up to five percent of any amount appropriated to the biofuel blender pump incentive program for administration, the dissemination of information regarding the biofuel blender pump incentive program, and the dissemination of information regarding the benefits of biofuels.

SECTION 9. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Internship fund - Continuing appropriation.

The internship fund is a special fund in the state treasury. All funds in the internship fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering section 54-60-17. Interest earned by the fund must be credited to the fund.

SECTION 10. GRANT - DIVISION OF TOURISM - TOURISM INFRASTRUCTURE GRANTS. The grants line item in section 1 of this Act includes the sum of $1,000,000 from the general fund for providing a tourism infrastructure grant.

SECTION 11. GRANT - MINOT AIR FORCE BASE REALIGNMENT GRANT. The grants line item in section 1 of this Act includes the sum of $250,000 from the general fund for providing a base realignment grant to enhance economic development and employment opportunities associated with the Minot air force base resulting from action by the federal defense base closure and realignment commission.

SECTION 12. CHILD CARE GRANTS - WORKFORCE DEVELOPMENT - QUALITY IMPROVEMENT - TECHNICAL ASSISTANCE - CAPACITY BUILDING. The grants line item in section 1 of this Act includes the sum of $4,935,000 from the general fund for providing grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building in collaboration with the department of human services under section 50-11.1-14.1.

SECTION 13. INNOVATION 2020 AWARD. The department may administer an innovation 2020 award program to provide proof-of-concept funding to a qualified entrepreneur to assist in moving a new technology from academia into the commercialization cycle, for the biennium beginning July 1, 2011, and ending June 30, 2013. The following provisions apply to an award under this section:

1. An applicant must be an individual who is associated with a North Dakota institution of higher education as a student, an employee, or other relationship the department may authorize.
2. The applicant must have an early-stage technology with high commercial potential.
3. The department shall establish the qualified uses of funds received under this section.
4. As a term for receipt of funds under this section, the recipient shall agree to the department's repayment terms equal to two times the amount of the award.
5. The department's repayment terms may include the department taking an equity position in, providing a loan to, or using any other innovative financing mechanism to provide the funds to the recipient. The terms of repayment may be conditioned on the new technology becoming income generating.
6. An award under this section may not exceed fifty thousand dollars. A recipient may not receive more than one award under this section.
7. An award under this section is not a business incentive under chapter 54-60.1.

SECTION 14. TECHNOLOGY AWARD EQUITY INVESTMENT PROGRAM. The department may administer a technology award equity investment program that provides matching equity investments to technology-based businesses, for the biennium beginning July 1, 2011, and ending June 30, 2013. The following provisions apply to technology award equity investments:

1. An applicant must:
   a. Be a North Dakota business that is at the startup stage;
   b. Be a primary sector business in the technology field; and
   c. Have a legal structure that was established following comprehensive vetting, development of proof of concept, and a completed business plan.
2. Before funds are distributed under this section, the recipient shall provide the department with detailed documentation of the availability of two dollars of angel fund investment matching funds for each dollar of state funds distributed under this section. Matching funds must come from a North Dakota angel fund certified under section 57-38-01.26 and be in cash. Matching funds may not be in-kind assets.
3. An equity investment under this section may not exceed fifty thousand dollars. A recipient may not receive more than one award under this section.

4. An award equity investment under this section is not a business incentive under chapter 54-60.1.

SECTION 15. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 16. EXEMPTION. The amount appropriated for the discretionary funds line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 17. EXEMPTION - TRANSFER. The amount appropriated for internships contained in the operating expenses line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11. The office of management and budget shall transfer any unexpended funds from this appropriation to the internship fund at the end of the 2011-13 biennium.

SECTION 18. EXEMPTION - TRANSFER. Up to $665,000 of the amount appropriated for the great plains applied energy research center in section 1 of chapter 26 of the 2009 Session Laws is not subject to section 54-44.1-11. The department of commerce may spend these funds for the purposes provided for in this section, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department of commerce may use up to $600,000 of these funds for a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma. The department of commerce may use up to $65,000 of these funds for grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building in collaboration with the department of human services under section 50-11.1-14.1.

SECTION 19. EXEMPTION. The amount appropriated for the technology-based entrepreneurship grant program contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 20. EXEMPTION. The amount appropriated for early childhood facility grants in section 6 of chapter 108 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. EXEMPTION. The amount appropriated for the biofuel blender pump incentive program in sections 1 and 2 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 22. TRANSFER - WORKFORCE ENHANCEMENT FUND. The office of management and budget shall transfer the amount appropriated in the workforce enhancement line item in section 1 of this Act to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22 for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 23. TRANSFER - EARLY CHILDHOOD FACILITY LOANS. The office of management and budget shall transfer $250,000 of the amount appropriated in the North Dakota development fund line item in section 1 of this Act to the North Dakota development fund, incorporated, for the purpose of providing financing to early childhood facilities for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 24. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total North Dakota trade office special line and the general fund appropriation in section 1 of this Act include $2,553,000 of funding relating to the North Dakota trade office. The department of commerce may spend seventy percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides $1 of matching funds from private or other public sources for each $1 provided by the department for the biennium beginning July 1, 2011, and ending June 30, 2013. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 25. DEPARTMENT OF COMMERCE - GRANTS FOR EARLY CHILDHOOD FACILITIES.

1. During the biennium beginning July 1, 2011, and ending June 30, 2013, the department of commerce shall establish and implement a grant program to provide matching grants to North Dakota early childhood facilities.
2. A recipient of a grant under this section shall use the grant funds for technical assistance, a business plan, or infrastructure. A grant awarded under this section for infrastructure may not exceed $5,000 per recipient and a grant awarded under this section for technical assistance or a business plan may not exceed $10,000 per recipient.
3. To receive a grant under this section, an applicant shall establish the applicant has available $1 of matching funds for every $3 of grant funds. The matching funds must be in cash and may come from private or public sources, or from a combination of private and public sources.
4. In making awards under this program, the department shall ensure funds are fairly distributed between for-profit early childhood facilities, nonprofit early childhood facilities, and public early childhood facilities.

SECTION 26. REPEAL. Chapter 15-69 of the North Dakota Century Code is repealed.

SECTION 27. EFFECTIVE DATE. Section 26 of this Act becomes effective on August 1, 2023.

SECTION 28. EXPIRATION DATE. Section 8 of this Act is effective through July 31, 2013, and after that date is ineffective.

SECTION 29. EMERGENCY. Funding of $900,000 in the operating expenses line item in section 1 of this Act, relating to the operation intern program, and sections 8, 9, and 18 of this Act are declared to be an emergency measure.