

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

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

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and
7 other income, to the department of commerce for the purpose of defraying the expenses of the
8 department of commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019,
9 as follows:

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
10				
11				
12	Salaries and wages	\$13,015,999	(\$7,148)	\$13,008,851
13	Operating expenses	16,384,623	(1,397,001)	14,987,622
14	Grants	48,134,795	12,292,417	60,427,212
15	Discretionary funds	784,152	30,688	814,840
16	Agricultural products utilization commission	3,118,611	34,719	3,153,330
17	North Dakota trade office	2,556,694	(275,196)	2,281,498
18	Partner programs	2,173,829	(233,984)	1,939,845
19	Entrepreneurship grants and vouchers	<u>1,500,000</u>	<u>0</u>	<u>1,500,000</u>
20	Total all funds	\$87,668,703	\$10,444,495	\$98,113,198
21	Less estimated income	<u>53,809,604</u>	<u>12,478,979</u>	<u>66,288,583</u>
22	Total general fund	\$33,859,099	(\$2,034,484)	\$31,824,615
23	Full-time equivalent positions	69.40	(3.00)	66.40

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

2 **SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
3 items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

4	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
5	Workforce enhancement fund	\$960,069	\$0
6	Flood impact grants/loans	12,859,869	0
7	Research North Dakota	4,353,542	0
8	Unmanned aircraft system	2,662,105	2,000,000
9	Base retention grants	1,500,000	1,000,000
10	Tourism large infrastructure grants	586,000	0
11	Enhanced use lease grant	7,500,000	3,000,000
12	Child care facility grants	2,131,267	0
13	Homeless shelter grants	1,500,000	0
14	Tribal community college grants	2,837,130	0
15	Workforce recruitment campaign	300,000	0
16	Tourism midwest markets	848,481	0
17	Entrepreneurship grants and vouchers	1,716,830	0
18	Tourism international	227,836	0
19	Educators and industry externships	<u>40,000</u>	<u>0</u>
20	Total all funds	\$40,023,129	\$6,000,000
21	Less estimated income	<u>21,359,869</u>	<u>6,000,000</u>
22	Total general fund	\$18,663,260	\$0

23 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
24 the 2019-21 biennium. The department of commerce shall report to the appropriations
25 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
26 biennium beginning July 1, 2017, and ending June 30, 2019.

27 **SECTION 3. EXEMPTION.** The amount appropriated for the agricultural products utilization
28 commission in section 1 of chapter 18 of the 2015 Session Laws is not subject to section
29 54-44.1-11 and any unexpended funds from this line item for grants are available for grants
30 during the biennium beginning July 1, 2017, and ending June 30, 2019.

1 **SECTION 4. EXEMPTION.** The amount appropriated for the discretionary funds line item in
2 section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any
3 unexpended funds from this line item are available during the biennium beginning July 1, 2017,
4 and ending June 30, 2019.

5 **SECTION 5. EXEMPTION.** The amount appropriated for the unmanned aircraft systems
6 program in section 1 of chapter 18 of the 2015 Session Laws is not subject to section
7 54-44.1-11 and any unexpended funds from this program are available during the biennium
8 beginning July 1, 2017, and ending June 30, 2019.

9 **SECTION 6. EXEMPTION.** The amount appropriated for prekindergarten community grants
10 in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any
11 unexpended funds from these grants are available for grants during the biennium beginning
12 July 1, 2017, and ending June 30, 2019.

13 **SECTION 7. TRANSFER - INTERNSHIP FUND.** The office of management and budget
14 shall transfer \$1,275,000 of the amount appropriated in the operating expenses line item in
15 section 1 of this Act to the internship fund for the purpose of administering the operation intern
16 program, for the period beginning with the effective date of this Act and ending June 30, 2019.

17 **SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - BASE**
18 **RETENTION GRANT PROGRAM.** The grants line item and the estimated income line item in
19 section 1 of this Act include the sum of \$1,000,000 from the strategic investment and
20 improvements fund for a base retention grant program to be developed by the department of
21 commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019. The grant
22 program must award direct grants and not cost reimbursement grants.

23 **SECTION 9. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNMANNED**
24 **AIRCRAFT SYSTEMS PROGRAM.** The grants line item and the estimated income line item in
25 section 1 of this Act include the sum of \$2,000,000 from the strategic investment and
26 improvements fund for operations of the unmanned aircraft systems test site, for the biennium
27 beginning July 1, 2017, and ending June 30, 2019.

28 **SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**
29 **USE LEASE GRANT PROGRAM.** The grants line item and the estimated income line item in
30 section 1 of this Act include the sum of \$3,000,000 from the strategic investment and
31 improvements fund for an enhanced use lease grant program for the operations of the

1 unmanned aircraft systems test site, for the biennium beginning July 1, 2017, and ending
2 June 30, 2019. Grants must be awarded for initiatives related to the unmanned aircraft system
3 industry in North Dakota, including for the purposes of infrastructure, research, development,
4 the creation of software, and the purchase of equipment benefiting the unmanned aircraft
5 system. The department of commerce shall require grant recipients to provide matching funds in
6 the form of cash, property, or in-kind consideration, totaling \$1,000,000 for the grants awarded
7 under this program.

8 **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North
9 Dakota trade office line item and the general fund appropriation in section 1 of this Act include
10 \$2,281,498 of funding relating to the North Dakota trade office. The department of commerce
11 may spend seventy percent of this amount without requiring any matching funds from the trade
12 office. Any additional amounts may be spent only to the extent the North Dakota trade office
13 provides one dollar of matching funds from private or other public sources for each one dollar
14 provided by the department for the biennium beginning July 1, 2017, and ending June 30, 2019.
15 Matching funds may include money spent by businesses or organizations to pay salaries to
16 export assistants, provide training to export assistants, or buy computer equipment as part of
17 the North Dakota trade office's export assistance program.

18 **SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** Section 1 of
19 this Act includes the sum of \$1,500,000, of which \$1,350,000 is from the general fund and
20 \$150,000 from special funds, for an entrepreneurship grants and voucher program to be
21 developed and administered by the department of commerce, for the biennium beginning
22 July 1, 2017, and ending June 30, 2019. The department shall establish guidelines to provide
23 grants to entrepreneurial centers certified by the department. The department also shall
24 establish guidelines to award vouchers to entrepreneurs to procure business development
25 assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working
26 with an entrepreneurial center. The amount appropriated for entrepreneurship grants in
27 section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this
28 line item are available during the biennium beginning July 1, 2019, and ending June 30, 2021.

29 **SECTION 13. EMERGENCY.** Funding of \$1,275,000 in the operating expenses line item in
30 section 1 and 7 of this Act, relating to the operation intern program, are declared to be an
31 emergency measure.