

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1018

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 amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04,
 3 6-09.18-05, 6-09.18-06, and 6-09.18-07, subsection 4 of section 21-10-13, sections 54-60-22,
 4 54-60-28, 54-60-29, 54-60-29.1, and 54-60.2-02 of the North Dakota Century Code and
 5 subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to
 6 the legacy investment for technology program, the workforce enhancement council, the
 7 administration of uncrewed aircraft system programs, workforce development grants to tribally
 8 controlled community colleges, and a North Dakota development fund grant program; to provide
 9 a transfer; to provide an exemption; and to provide for a report.

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

11 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 12 as may be necessary, are appropriated out of any moneys in the general fund in the state
 13 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 14 other income, to the department of commerce for the purpose of defraying the expenses of the
 15 department of commerce, for the biennium beginning July 1, 2023, and ending June 30, 2025,
 16 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
19 Salaries and wages	\$12,835,431	\$3,929,103	\$16,764,534
20 Operating expenses	17,317,760	16,226,440	33,544,200
21 Grants	50,232,330	126,115,351	176,347,681
22 Discretionary funds	2,150,000	350,000	2,500,000
23 COVID-19 response	0	16,167,553	16,167,553
24 Partner programs	1,562,531	0	1,562,531

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1	Entrepreneurship grants and vouchers	<u>948,467</u>	<u>0</u>	<u>948,467</u>
2	Total all funds	\$85,046,519	\$162,788,447	\$247,834,966
3	Less estimated income	<u>53,544,379</u>	<u>118,005,090</u>	<u>171,549,469</u>
4	Total general fund	\$31,502,140	\$44,783,357	\$76,285,497
5	Full-time equivalent positions	58.80	4.00	62.80

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

7 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
8 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
9 one-time funding items included in the appropriation in section 1 of this Act:

10	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
11	Unmanned aircraft system	\$1,000,000	\$0
12	Beyond visual line of sight uncrewed aircraft system	20,000,000	30,000,000
13	Enhanced use lease grant	7,000,000	28,000,000
14	Workforce grants to tribally controlled community colleges	500,000	5,000,000
15	Workforce safety grant	1,500,000	1,500,000
16	Job development and economic growth grant	1,500,000	0
17	Tourism marketing	7,000,000	5,000,000
18	Tourism destination development initiative	0	25,000,000
19	Technical skills training grants	6,000,000	2,000,000
20	Motion picture production and recruitment grant	100,000	0
21	Travel agent and tour operator emergency resiliency grants	2,000,000	0
22	Event center emergency resiliency grants	2,000,000	0
23	Tourism transportation improvement grant	565,432	0
24	Discretionary funds	1,000,000	350,000
25	Small business credit initiative	56,234,176	0
26	Workforce community service Americorps program	1,074,888	785,000
27	Community development planning grants	1,000,000	0
28	Workforce innovation network grant program	100,000	0
29	North Dakota development fund	5,000,000	0
30	Autonomous agriculture grant program	10,000,000	0
31	Local workforce development incentive grant program	15,000,000	0

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1	Rural workforce housing grant program	0	7,000,000
2	Workforce talent attraction initiative	0	8,000,000
3	Workforce investment grant program	0	15,000,000
4	Automation workforce training grants	0	5,000,000
5	Automation workforce equipment grants	0	5,000,000
6	Main street initiative community development grants	0	400,000
7	New Americans workforce training grants	0	2,000,000
8	Parks and recreation grants	0	1,550,000
9	Energy conservation grant program	0	14,081,719
10	Heating and cooling grant program	<u>0</u>	<u>1,172,250</u>
11	Total all funds	\$138,574,496	\$156,838,969
12	Less estimated income	<u>135,409,064</u>	<u>116,088,969</u>
13	Total general fund	\$3,165,432	\$40,750,000

14 The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for
 15 the 2025-27 biennium. The department of commerce shall report to the appropriations
 16 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
 17 biennium beginning July 1, 2023, and ending June 30, 2025.

18 **SECTION 3. TRANSFER - INTERNSHIP FUND.** The office of management and budget
 19 shall transfer \$1,006,896 of the amount appropriated in the operating expenses line item in
 20 section 1 of this Act to the internship fund for the purpose of administering the operation intern
 21 program, for the biennium beginning July 1, 2023, and ending June 30, 2025.

22 **SECTION 4. TRANSFER - LEGACY EARNINGS FUND TO LEGACY INVESTMENT FOR**
 23 **TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS.** Pursuant to the designation of
 24 funding for other legislative purposes under subdivision c of subsection 4 of section 21-10-13,
 25 the office of management and budget shall transfer the sum of \$20,000,000 from the legacy
 26 earnings fund to the legacy investment for technology fund for the purpose of providing legacy
 27 investment technology loans, for the biennium beginning July 1, 2023, and ending June 30,
 28 2025.

29 **SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
 30 **NORTH DAKOTA DEVELOPMENT FUND.** The office of management and budget shall transfer
 31 the sum of \$30,000,000 from strategic investment and improvements fund to the North Dakota

1 development fund for programs under chapter 10-30.5, during the biennium beginning July 1,
2 2023, and ending June 30, 2025.

3 **SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
4 **NORTH DAKOTA DEVELOPMENT FUND - FERTILIZER DEVELOPMENT ADVISORY**
5 **COUNCIL - EXEMPTION.**

- 6 1. The office of management and budget shall transfer the sum of \$120,000,000 from the
7 strategic investment and improvements fund to the North Dakota development fund
8 under chapter 10-30.5 for the purpose of a fertilizer development grant program,
9 during the biennium beginning July 1, 2023, and ending June 30, 2025.
- 10 2. Notwithstanding any other provision under chapter 10-30.5, the board of directors shall
11 distribute grant funding to entities to support the development of fertilizer plants in the
12 state based on recommendations from the fertilizer development advisory board. In
13 consultation with the advisory board, the board of directors shall develop program
14 guidelines including eligibility criteria.
- 15 3. To be eligible for a grant, a fertilizer development project must be located within the
16 state, and the owner of the fertilizer development project must be an entity domiciled
17 in the United States or Canada. Fifty percent of the grant awards must be designated
18 for one or more fertilizer development projects that use hydrogen produced by the
19 electrolysis of water, and fifty percent of the grant awards must be designated for one
20 or more fertilizer development projects that use natural gas or lignite resources.
- 21 4. The fertilizer development advisory board consists of the following members:
- 22 a. The commissioner of commerce or the commissioner's designee to serve as
23 chairman;
- 24 b. The agriculture commissioner or the commissioner's designee;
- 25 c. A representative of the soybean industry appointed by the agriculture
26 commissioner;
- 27 d. A representative of the corn industry appointed by the agriculture commissioner;
- 28 e. A representative of the hydrogen or wind industry appointed by the agriculture
29 commissioner;
- 30 f. A representative of the ethanol industry appointed by the agriculture
31 commissioner;

- 1 g. A representative of the grain growers industry appointed by the agriculture
2 commissioner;
- 3 h. A representative of the petroleum industry appointed by the governor; and
- 4 i. A representative of the lignite industry appointed by the governor.
- 5 5. a. To the extent the board of directors, fertilizer development advisory board, or
6 department of commerce determines any materials or data consist of trade
7 secrets or commercial, financial, or proprietary information of entities applying for
8 a fertilizer development grant, materials and data submitted to, made by, or
9 received by the board of directors, fertilizer development advisory board, or
10 department of commerce, are not public records subject to section 44-04-18 and
11 section 6 of article XI of the Constitution of North Dakota, but are subject to
12 section 44-04-18.4.
- 13 b. A person may file a request with the board of directors, fertilizer development
14 advisory board, or department of commerce to have material designated as
15 confidential under subdivision a. The request must contain any information
16 required by the board of directors, fertilizer development advisory board, or
17 department of commerce and must include at least the following:
- 18 (1) A general description of the nature of the information sought to be
19 protected.
- 20 (2) An explanation of why the information derives independent economic value,
21 actual or potential, from not being generally known to other persons.
- 22 (3) An explanation of why the information is not readily ascertainable by proper
23 means of other persons.
- 24 (4) A general description of any person that may obtain economic value from
25 disclosure or use of the information, and how the person may obtain this
26 value.
- 27 (5) A description of the efforts used to maintain the secrecy of the information.
- 28 c. Any request under subdivision b is confidential. The board of directors, fertilizer
29 development advisory board, or department of commerce shall examine the
30 request and determine whether the information is relevant to the matter at hand
31 and is a trade secret under the definition in section 44-04-18.4 or 47-25.1-01. If

1 the board of directors, fertilizer development advisory board, or department of
2 commerce determines the information is either not relevant or not a trade secret,
3 the board of directors, fertilizer development advisory board, or department of
4 commerce shall notify the requester and the requester may ask for the return of
5 the information and the request within ten days of the notice. If no return is
6 sought, the information and request are open records.

7 6. A fertilizer development grant is not a business incentive under chapter 54-60.1.

8 **SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**

9 **FUND - LEGISLATIVE INTENT.** The estimated income line item in section 1 of this Act includes
10 the sum of \$98,500,000 from the strategic investment and improvements fund, of which
11 \$7,000,000 is for the rural workforce housing grant program, \$5,000,000 is for the tourism
12 marketing awareness initiative, \$25,000,000 is for the tourism destination development initiative
13 grant program, \$30,000,000 is for the beyond visual line of sight uncrewed aircraft system
14 program, \$28,000,000 is for the enhanced use lease grant program, \$2,000,000 is for new
15 Americans workforce development and training grants, and \$1,500,000 is for a workforce safety
16 grant to an organization that provides workforce safety. It is the intent of the sixty-eighth
17 legislative assembly that the department of commerce not hire a third-party consultant when
18 determining how funding for the tourism destination development initiative grant program will be
19 spent.

20 **SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM.** The grants line item
21 in section 1 of this Act includes the sum of \$6,500,000 from the general fund for the purpose of
22 providing rural workforce housing grants. The department of commerce shall develop guidelines
23 for the grants, including eligibility criteria, maximum grant awards, and reporting requirements.
24 Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant
25 funding may be used to:

- 26 1. Conduct a housing study in the city to identify workforce housing needs, blighted
27 property, and vacant lots within the city;
- 28 2. Purchase blighted properties or vacant lots;
- 29 3. Remove hazards or structures from blighted properties or vacant lots; and
- 30 4. Provide up to \$10,000 per business for repairs or improvements if the business is
31 located in a mixed-use property that will be used for rural workforce housing.

1 **SECTION 9. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS**

2 **REQUIREMENT.** The grants line item in section 1 of this Act includes \$444,000 from the
3 general fund for providing matching funds to an organization assisting in the recruitment,
4 distribution, and supply, and enhancing the quality and efficiency of personnel providing health
5 services in rural areas of the state. The department of commerce may spend the funds
6 appropriated in this section only to the extent the organization has secured matching funds from
7 nonstate sources on a dollar-for-dollar basis.

8 **SECTION 10. DISCRETIONARY FUNDS - STATE MAGAZINE.** Of the funding
9 appropriated from the general fund in the discretionary funds line item in section 1 of this Act,
10 \$150,000 is designated for supporting the continuation of the North Dakota state magazine.

11 **SECTION 11. WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED**
12 **COMMUNITY COLLEGES - LEGISLATIVE MANAGEMENT REPORT.** The grants line item in
13 section 1 of this Act includes \$5,000,000 from the general fund for workforce development
14 grants to tribally controlled community colleges. To be eligible for a grant under this section, a
15 tribally controlled community college must partner with at least one high school in the state for
16 programs under section 54-60.2-02. During the 2023-24 interim, each tribally controlled
17 community college receiving funding under this program shall report to the department of
18 commerce by August 1, 2024, regarding the use of grant funds and the department of
19 commerce shall provide a report to the legislative management by October 1, 2024, regarding
20 the use of grant funds.

21 **SECTION 12. AMENDMENT.** Section 6-09.18-01 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **6-09.18-01. Definitions.**

24 In this chapter, unless the context otherwise requires:

- 25 1. "Commissioner" means the commissioner of the department of commerce.
- 26 2. "Committee" means the ~~innovation loan fund to support technology~~
27 ~~advancement~~legacy investment for technology committee.
- 28 3. "Diversification sectors" means the following industries:
- 29 a. Advanced computing and data management;
- 30 b. Agriculture technology;
- 31 c. Autonomous and ~~unmanned~~uncrewed vehicles and related technologies;

- 1 d. Energy;
- 2 e. Health care;
- 3 f. Value-added agriculture;
- 4 g. Value-added energy; and
- 5 h. Any industry or area specifically identified by the committee as an industry that
- 6 will contribute to the diversification of the state's economy.

7 **SECTION 13. AMENDMENT.** Section 6-09.18-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **6-09.18-02. Innovation loan fund to support technology advancement Legacy**
10 **investment for technology committee - Membership - Meetings.**

- 11 1. The innovation loan fund to support technology advancement legacy investment for
12 technology committee consists of:
 - 13 a. The commissioner or the commissioner's designee who shall serve as the
 - 14 chairperson of the committee and is a nonvoting member of the committee;
 - 15 b. Three members representing active venture capital firms, private entities, or
 - 16 angel capital funds;
 - 17 c. One member with finance-related experience, knowledge, or education; and
 - 18 d. Three members from the private sector with expertise in the diversification
 - 19 sectors.
- 20 2. The commissioner, in consultation with the president of the Bank of North Dakota,
21 shall appoint the members of the committee. The term of office of the appointed
22 members of the committee is four years, and the terms must be staggered so that no
23 more than one of the members' terms appointed under subdivisions b and c of
24 subsection 1 expires each year, and so that no more than one of the members' terms
25 appointed under subdivision d of subsection 1 expires each year. Each term of office
26 commences on the first day of July. Members serve at the pleasure of the
27 commissioner and may be reappointed for additional terms. Members of the
28 committee may not invest or otherwise participate in applied research,
29 experimentation, or operational testing associated with a loan awarded under this
30 chapter. If a committee member appointed under subdivision b of subsection 1 ceases
31 to represent an active venture capital firm, private entity, or angel capital fund, that

1 individual's membership on the committee ceases immediately and the commissioner,
2 in consultation with the president of the Bank of North Dakota, shall appoint a new
3 member to the committee for the remainder of the term.

4 3. A committee member representing the private sector is eligible to receive
5 compensation in an amount not exceeding one hundred thirty-five dollars per day and
6 travel and expense reimbursement as provided by law for state officers for attending
7 meetings of the committee.

8 4. The committee shall meet as necessary to make loan recommendations and provide
9 ongoing review of research, development, and commercialization activities.

10 **SECTION 14. AMENDMENT.** Section 6-09.18-03 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **~~6-09.18-03. Innovation loan fund to support technology advancement--~~**
13 **InnovationLegacy investment technology loan program.**

14 The department of commerce shall administer the ~~innovation~~legacy investment technology
15 loan program in consultation with the Bank of North Dakota to provide loans for activities
16 identified in this chapter. The department of commerce shall provide administrative support for
17 the program, including the drafting of application forms, receiving applications, reviewing
18 applications for completeness and compliance with committee policy, and forwarding complete
19 applications to the committee in accordance with the guidelines established by the committee.
20 Program guidelines relating to ownership of intellectual property, inventions, and discoveries
21 must address activities and issues unique to technologies, patents, and companies created as a
22 result of a legacy ~~innovation~~investment technology loan.

23 **SECTION 15. AMENDMENT.** Section 6-09.18-04 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **~~6-09.18-04. InnovationLegacy investment technology loans - Eligibility.~~**

26 1. The committee shall establish guidelines for entities to qualify for an ~~innovation~~a
27 legacy investment technology loan under this section. The committee shall consider
28 and process applications in a timely manner that does not jeopardize an applicant's
29 opportunity to leverage other funds.

30 2. In determining whether to recommend approval of an application, the committee shall
31 consider the extent to which the proposal will:

- 1 a. Deliver applied research, experimentation, or operational testing in one or more
- 2 of the diversification sectors to create information or data to enhance North
- 3 Dakota companies or industries or companies making investments in North
- 4 Dakota;
- 5 b. Lead to the commercialization or patent of an innovation technology solution; or
- 6 c. Result in the development of a new company or expansion of an existing
- 7 company that will diversify the state's economy through new products,
- 8 investment, or skilled jobs.
- 9 3. The Bank of North Dakota shall review the business plan, financial statements, and
- 10 other information necessary for the Bank to determine which applications
- 11 recommended for approval by the committee will be approved by the Bank for final
- 12 loan approval. The terms of the loan must include:
- 13 a. Zero percent interest for the first three years of the loan;
- 14 b. Two percent interest for the next two years of the loan; and
- 15 c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent
- 16 years.
- 17 4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of
- 18 North Dakota with information as requested by the Bank.

19 **SECTION 16. AMENDMENT.** Section 6-09.18-05 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **6-09.18-05. Innovation loan fund to support technology advancementLegacy**
22 **investment for technology fund - Continuing appropriation.**

23 The ~~innovation loan fund to support technology advancement~~legacy investment for
24 technology fund is a special fund in the state treasury and must be administered by the
25 department of commerce. All moneys in the fund are appropriated to the department of
26 commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment
27 technology loans and for administrative expenses. The department of commerce shall deposit in
28 the ~~innovation loan fund to support technology advancement~~legacy investment for technology
29 fund all principal and interest paid on loans made from the fund. Interest earned on moneys in
30 the fund must be credited to the fund.

1 **SECTION 17. AMENDMENT.** Section 6-09.18-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **6-09.18-06. Use of loan funds.**

4 Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance
5 capacity and, to the extent possible, leverage state, federal, and private sources of funding. An
6 entity receiving a loan under this chapter may not use the funds for capital or building
7 investments or for research or other activities not identified in this chapter. The funds may not
8 be used for academic or instructive programming, workforce training, administrative costs, or to
9 supplant funding for regular operations of institutions of higher education. Unless otherwise
10 approved by the committee, loan recipients may use funding only to conduct applied research,
11 experimentation, or operational testing within the state. If an entity awarded a loan no longer
12 conducts its activities in the state, the interest rate of the loan shall default to the rate of a
13 standard Bank of North Dakota loan.

14 **SECTION 18. AMENDMENT.** Section 6-09.18-07 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **6-09.18-07. ~~Innovation loan fund to support technology advancement~~ - Postaward
17 monitoring.**

18 Upon completion of work performed from funding provided by a legacy investment
19 technology loan, the department of commerce shall provide an independent review of the
20 results. Evaluation criteria may include:

- 21 1. How the work performed has contributed to the development of a company or the
22 expansion of an existing company, has enhanced the ability of a company to make
23 investments in the state, or otherwise enticed a company to invest or move to the
24 state.
- 25 2. How the work performed has led to additional economic investment of capital from
26 public and private sector entities within and outside North Dakota.
- 27 3. How the work performed has led to or may lead to a patent or research that is
28 commercially viable.

29 **SECTION 19. AMENDMENT.** Subsection 4 of section 21-10-13 of the North Dakota
30 Century Code is amended and reenacted as follows:

- 1 4. On July first of each odd-numbered year, from the amount available for appropriation
2 or transfer from the legacy earnings fund for the biennium, the state treasurer shall
3 transfer funding in the following order:
- 4 a. The first one hundred fifty million dollars to the legacy sinking and interest fund
5 under section 6-09.4-10.1.
- 6 b. The next sixty million dollars to the highway tax distribution fund for allocations
7 under section 54-27-19.
- 8 c. Any remaining funds for other purposes as designated by the legislative
9 assembly, including:
- 10 (1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers
11 authorized by the legislative assembly;
- 12 (2) Up to thirty million dollars to the clean sustainable energy fund pursuant to
13 appropriations or transfers authorized by the legislative assembly; and
- 14 (3) Up to thirty million dollars for university research programs, the ~~innovation-~~
15 ~~loan fund to support technology advancement~~legacy investment for
16 technology fund, and workforce enrichment initiatives pursuant to
17 appropriations or transfers authorized by the legislative assembly.

18 **SECTION 20. AMENDMENT.** Section 54-60-22 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-60-22. Workforce enhancement council - Grants.**

21 The workforce enhancement council shall recommend to the commissioner the approval of
22 grants to training providers, businesses, and institutions of higher education assigned primary
23 responsibility for workforce training in this state to be used to create or enhance training
24 programs that address workforce needs of private sector companies. A grant made under this
25 section may be used for curriculum development, equipment, recruitment of participants, and
26 training and certification for instructors but may not be used to supplant funding for current
27 operations. The department may distribute funds under this section after:

- 28 1. The division of workforce development certifies that a proposed training program
29 meets a critical workforce shortage in a target industry or other high-demand
30 occupation and is expected to lead to employment in this state; and

- 1 2. The proposed recipient provides the department with detailed documentation of
2 private sector participation, including the availability of one dollar of matching funds for
3 each dollar of state funds.

4 **SECTION 21. AMENDMENT.** Section 54-60-28 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-60-28. UnmannedUncrewed aircraft systems program - Report to legislative**
7 **management.**

8 The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft
9 systems test site, contingent upon receiving official designation by the federal aviation
10 administration. The department ~~shall~~may cooperate and contract with the university of North
11 Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or
12 private parties appointed by the governor~~entities as determined by the commissioner~~ in the
13 operation and administration of the test site. The department may charge fees sufficient to
14 operate the test site. The department shall, to the extent possible, use competitive bidding in the
15 ~~establishment~~operation and administration of the test site. The commissioner may charter a
16 public corporation to operate the test site. The corporation must possess all of the powers of a
17 business corporation consistent with this chapter. The department shall report to the legislative
18 management semiannually on the status of the program.

19 **SECTION 22. AMENDMENT.** Section 54-60-29 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-60-29. UnmannedUncrewed aircraft systems program fund - Continuing**
22 **appropriation.**

- 23 1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed
24 aircraft systems fund, which may be used to defray the expenses of the:
25 a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially
26 designated by the federal aviation administration;
27 b. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program; and
28 c. Enhanced use lease grant program.
29 2. The fund consists of fees collected for the administration of the test site and other
30 funds appropriated by the legislative assembly. All moneys in the fund are
31 appropriated to the department of commerce on a continuing basis for the purpose of

1 defraying the expenses of the programs identified in subsection 1. Interest earned on
2 moneys in the fund must be credited to the fund.

3 **SECTION 23. AMENDMENT.** Section 54-60-29.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-60-29.1. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program -**
6 **Requirements - Report to legislative management.**

7 The department may establish and administer a beyond visual line of sight
8 ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and
9 operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The
10 department shall require any entity receiving funding for this program which is operating the
11 beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to
12 the state treasurer equal to three percent of the entity's gross income associated with the
13 operation of the beyond visual line of sight ~~unmanned~~ aircraft system as reported in the entity's
14 prior year financial statements based on a fee structure determined by the commissioner. The
15 state treasurer shall deposit any funds received under this section in the state general fund. The
16 department shall provide semiannual reports to the legislative management regarding the
17 development of the beyond visual line of sight ~~unmanned~~uncrewed aircraft system program and
18 the total amount deposited by the state treasurer in the state general fund.

19 **SECTION 24. AMENDMENT.** Section 54-60.2-02 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-60.2-02. Purpose of grants.**

- 22 1. ~~Any~~A grant awarded under section 54-60.2-01 may be used at the discretion of the
23 college:
- 24 a. ~~For development or enhancement of~~To develop or enhance programs that assist
25 in providing certificates or degrees to North Dakota students attending the
26 college that qualify the student to obtain jobs for which applicants are being
27 sought within the state, as identified by the department of commerce, job service
28 North Dakota, or any of the federally recognized Indian tribes within North
29 Dakota; ~~or~~

1 b. To assist any North Dakota student attending the college to establish, or to assist
2 in establishing, a new business operating within North Dakota that will employ
3 North Dakota citizens; or

4 c. To develop or enhance career and technical education programs.

5 2. Any funds provided to tribally controlled community colleges must be used to
6 supplement, not supplant, any existing program or funding source of the college.

7 **SECTION 25. AMENDMENT.** Subsection 35 of section 1 of chapter 550 of the 2021 Special
8 Session Session Laws is amended and reenacted as follows:

9 35. There is appropriated from federal funds derived from the state fiscal recovery
10 fund, not otherwise appropriated, the sum of \$5,000,000, which the office of
11 management and budget shall transfer to the North Dakota development fund
12 under chapter 10-30.5 for the purpose of a North Dakota development fund grant
13 program during the period beginning with the effective date of this Act, and
14 ending June 30, 2023.

15 **SECTION 26. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
16 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
17 the biennium beginning July 1, 2023, and ending June 30, 2025:

18 1. The sum of \$320,000 that was continued into the 2021-23 biennium in section 17 of
19 chapter 46 of the 2021 Session Laws from the appropriation from the general fund for
20 the nonresident nurse employment recruitment program in section 27 of chapter 40 of
21 the 2019 Session Laws;

22 2. The sum of \$11,393,078 appropriated from federal funds derived from the Coronavirus
23 Aid, Relief, and Economic Security Act, of which \$3,000,000 was for the community
24 development block grant program, \$7,393,078 was for the community services block
25 grant program, and \$1,000,000 was for the emergency solutions grant program in
26 section 1 of chapter 27 of the 2021 Session Laws;

27 3. The sum of \$56,234,176 appropriated from federal funds derived from COVID-19
28 response funds for the state small business credit initiative program in section 2 of
29 chapter 28 of the 2021 Session Laws;

30 4. The sum of \$2,150,000 appropriated from the general fund for discretionary funds in
31 section 1 of chapter 46 of the 2021 Session Laws;

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- 1 5. The sum of \$1,000,000 appropriated from the general fund for discretionary funds in
2 section 10 of chapter 15 of the 2021 Session Laws;
- 3 6. The sum of \$3,000,000 appropriated from the general fund for the unmanned aircraft
4 system program in section 1 of chapter 46 of the 2021 Session Laws;
- 5 7. The sum of \$19,000,000 appropriated from the general fund for the beyond visual line
6 of sight unmanned aircraft system program in section 1 of chapter 46 of the
7 2021 Session Laws;
- 8 8. The sum of \$1,000,000 appropriated from the strategic investment and improvements
9 fund for beyond visual line of sight unmanned aircraft system program matching funds
10 in section 1 of chapter 46 of the 2021 Session Laws and amended in section 22 of
11 chapter 549 of the 2021 Special Session Session Laws;
- 12 9. The sum of \$7,000,000 appropriated from the strategic investment and improvements
13 fund for the enhanced use lease grant program in section 1 of chapter 46 of the
14 2021 Session Laws;
- 15 10. The sum of \$1,330,212 appropriated from the general fund for the homeless shelter
16 grant program in section 1 of chapter 46 of the 2021 Session Laws;
- 17 11. The sum of \$1,074,888 appropriated from federal funds for the workforce community
18 services Americorps program in section 19 of chapter 549 of the 2021 Special Session
19 Session Laws;
- 20 12. The sum of \$1,000,000 appropriated from federal funds for the community
21 development planning grant program in section 20 of chapter 549 of the 2021 Special
22 Session Session Laws;
- 23 13. The sum of \$10,000,000 appropriated from federal funds derived from the state fiscal
24 recovery fund for autonomous agriculture matching grants in subsection 37 of
25 section 1 of chapter 550 of the 2021 Special Session Session Laws, which shall be
26 awarded without any matching fund requirements;
- 27 14. The sum of \$15,000,000 appropriated from federal funds derived from the state fiscal
28 recovery fund for the workforce development incentive grant program in subsection 38
29 of section 1 of chapter 550 of the 2021 Special Session Session Laws; and

1 15. The sum of \$5,000,000 appropriated from federal funds derived from the state fiscal
2 recovery fund for the technical skills training grants program in subsection 39 of
3 section 1 of chapter 550 of the 2021 Special Session Session Laws.

4 **SECTION 27. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE**

5 **GRANT PROGRAMS.** During the 2023-24 interim, the department of commerce shall report to
6 the legislative management regarding the status of each grant program administered by the
7 department during the 2023-25 biennium, including funding spent to date, the number of
8 individuals or businesses awarded funding, the name and amount of funding awarded to each
9 individual and business, the date funding was awarded, criteria used when awarding funding, a
10 detailed listing of how the funding has been used, current and future estimated return on
11 investment statistics and the economic effect on the state's economy as a result of each
12 program, future plans for the use of remaining grant funds, any funding the department
13 anticipates requesting to continue into the 2025-27 biennium, and any anticipated requests to
14 the sixty-ninth legislative assembly for additional funding for each program. The department of
15 commerce shall provide information regarding actual and expected revenue received as a result
16 of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1.
17 The department of commerce shall provide one report by December 31, 2023, and no fewer
18 than two reports during the period beginning January 1, 2024, and ending October 31, 2024.