

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; to provide for a report; and to  
3 declare an emergency.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
13 <del>Salaries and wages</del>	<del>\$13,015,999</del>	<del>(\$7,148)</del>	<del>\$13,008,851</del>
14 <del>Operating expenses</del>	<del>16,384,623</del>	<del>(1,397,001)</del>	<del>14,987,622</del>
15 <del>Grants</del>	<del>48,134,795</del>	<del>12,292,417</del>	<del>60,427,212</del>
16 <del>Discretionary funds</del>	<del>784,152</del>	<del>30,688</del>	<del>814,840</del>
17 <del>Agricultural products utilization commission</del>	<del>3,118,611</del>	<del>34,719</del>	<del>3,153,330</del>
18 <del>North Dakota trade office</del>	<del>2,556,694</del>	<del>(275,196)</del>	<del>2,281,498</del>
19 <del>Partner programs</del>	<del>2,173,829</del>	<del>(233,984)</del>	<del>1,939,845</del>
20 <del>Entrepreneurship grants and vouchers</del>	<del>1,500,000</del>	<del>0</del>	<del>1,500,000</del>
21 <del>Total all funds</del>	<del>\$87,668,703</del>	<del>\$10,444,495</del>	<del>\$98,113,198</del>
22 <del>Less estimated income</del>	<del>53,809,604</del>	<del>12,478,979</del>	<del>66,288,583</del>
23 <del>Total general fund</del>	<del>\$33,859,099</del>	<del>(\$2,034,484)</del>	<del>\$31,824,615</del>
24 <u>Salaries and wages</u>	<u>\$13,015,999</u>	<u>(\$20,211)</u>	<u>\$12,995,788</u>

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1	Operating expenses	16,384,623	(1,107,001)	15,277,622
2	Grants	48,134,795	4,175,621	52,310,416
3	Discretionary funds	784,152	715,848	1,500,000
4	Flood impact grants/loans	0	5,201,752	5,201,752
5	Agricultural products utilization commission	3,118,611	34,304	3,152,915
6	North Dakota trade office	2,556,694	(775,196)	1,781,498
7	Partner programs	2,173,829	(233,984)	1,939,845
8	Entrepreneurship grants and vouchers	1,500,000	(750,000)	750,000
9	Total all funds	\$87,668,703	\$7,241,133	\$94,909,836
10	Less estimated income	53,809,604	11,176,054	64,985,658
11	Total general fund	\$33,859,099	(\$3,934,921)	\$29,924,178
12	Full-time equivalent positions	69.40	(3.00)	66.40

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries line item in section 1 of this Act includes the sum of \$172,554, of which \$135,102 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

**SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

19	One-Time Funding Description	2015-17	2017-19
20	Workforce enhancement fund	\$960,069	\$0
21	<del>Flood impact grants/loans</del>	<del>12,859,869</del>	<del>0</del>
22	Flood impact grants/loans	12,859,869	5,201,752
23	Research North Dakota	4,353,542	0
24	Unmanned aircraft system	2,662,105	2,000,000
25	<del>Base retention grants</del>	<del>1,500,000</del>	<del>1,000,000</del>
26	Base retention grants	1,500,000	200,000
27	Tourism large infrastructure grants	586,000	0
28	<del>Enhanced use lease grant</del>	<del>7,500,000</del>	<del>3,000,000</del>
29	Enhanced use lease grant	7,500,000	2,000,000
30	Child care facility grants	2,131,267	0
31	Homeless shelter grants	1,500,000	0

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1	Tribal community college grants	2,837,130	0
2	Workforce recruitment campaign	300,000	0
3	Tourism midwest markets	848,481	0
4	Entrepreneurship grants and vouchers	1,716,830	0
5	Tourism international	227,836	0
6	Educators and industry externships	40,000	0
7	<del>Total all funds</del>	<del>\$40,023,129</del>	<del>\$6,000,000</del>
8	<del>Less estimated income</del>	<del>21,359,869</del>	<del>6,000,000</del>
9	<del>Total general fund</del>	<del>\$18,663,260</del>	<del>\$0</del>
10	Total all funds	\$40,023,129	\$9,401,752
11	Less estimated income	21,359,869	9,401,752
12	Total general fund	\$18,663,260	\$0

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

17 **SECTION 4. EXEMPTION.** The amount appropriated for the agricultural products utilization  
 18 commission in section 1 of chapter 18 of the 2015 Session Laws is not subject to section  
 19 54-44.1-11 and any unexpended funds from this line item for grants are available for grants  
 20 during the biennium beginning July 1, 2017, and ending June 30, 2019.

21 **SECTION 5. EXEMPTION.** The amount appropriated for the discretionary funds line item in  
 22 section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any  
 23 unexpended funds from this line item are available during the biennium beginning July 1, 2017,  
 24 and ending June 30, 2019.

25 **SECTION 6. EXEMPTION.** The amount appropriated for the unmanned aircraft systems  
 26 program in section 1 of chapter 18 of the 2015 Session Laws is not subject to section  
 27 54-44.1-11 and any unexpended funds from this program are available during the biennium  
 28 beginning July 1, 2017, and ending June 30, 2019.

29 ~~**SECTION 7. EXEMPTION.** The amount appropriated for prekindergarten community grants~~  
 30 ~~in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any~~

1 ~~unexpended funds from these grants are available for grants during the biennium beginning~~  
2 ~~July 1, 2017, and ending June 30, 2019.~~

3 **SECTION 7. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
4 shall transfer ~~\$1,275,000~~\$750,000 of the amount appropriated in the operating expenses line  
5 item in section 1 of this Act to the internship fund for the purpose of administering the operation  
6 intern program, for the period beginning with the effective date of this Act and ending June 30,  
7 2019.

8 **SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - BASE**  
9 **RETENTION GRANT PROGRAM.** The grants line item and the estimated income line item in  
10 section 1 of this Act include the sum of ~~\$1,000,000~~\$200,000 from the strategic investment and  
11 improvements fund for a base retention grant program to be developed by the department of  
12 commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019. The grant  
13 program must award direct grants and not cost reimbursement grants. The department may  
14 award grants to each community with an air force base or air national guard facilities.

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

20 **SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
21 **USE LEASE GRANT PROGRAM.** The grants line item and the estimated income line item in  
22 section 1 of this Act include the sum of ~~\$3,000,000~~\$2,000,000 from the strategic investment and  
23 improvements fund for an enhanced use lease grant program ~~for the operations of the~~  
24 ~~unmanned aircraft systems test site~~, for the biennium beginning July 1, 2017, and ending  
25 June 30, 2019. Grants must be awarded for initiatives related to the unmanned aircraft system  
26 industry in North Dakota, including for the purposes of infrastructure, research, development,  
27 the creation of software, and the purchase of equipment benefiting the unmanned aircraft  
28 system. The department of commerce shall require grant recipients to provide matching funds in  
29 the form of cash, property, or in-kind consideration, totaling \$1,000,000 for the grants awarded  
30 under this program.

1       **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
2 Dakota trade office line item and the general fund appropriation in section 1 of this Act include  
3 ~~\$2,281,498~~\$1,781,498 of funding relating to the North Dakota trade office. The department of  
4 commerce may spend ~~seventy~~fifty percent of this amount without requiring any matching funds  
5 from the trade office. Any additional amounts may be spent only to the extent the North Dakota  
6 trade office provides one dollar of matching funds from private or other public sources for each  
7 one dollar provided by the department for the biennium beginning July 1, 2017, and ending  
8 June 30, 2019. Matching funds may include money spent by businesses or organizations to pay  
9 salaries to export assistants, provide training to export assistants, or buy computer equipment  
10 as part of the North Dakota trade office's export assistance program.

11       **SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** Section 1 of  
12 this Act includes the sum of ~~\$1,500,000~~\$750,000, of which ~~\$1,350,000~~\$600,000 is from the  
13 general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher  
14 program to be developed and administered by the department of commerce, for the biennium  
15 beginning July 1, 2017, and ending June 30, 2019. The department shall establish guidelines to  
16 provide grants to entrepreneurial centers certified by the department. The department also shall  
17 establish guidelines to award vouchers to entrepreneurs to procure business development  
18 assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working  
19 with an entrepreneurial center. The amount appropriated for entrepreneurship grants in  
20 section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this  
21 line item are available during the biennium beginning July 1, 2019, and ending June 30, 2021.

22       **SECTION 13. NORTH DAKOTA TOURISM PROGRAM - RESEARCH NORTH DAKOTA**  
23 **FUND.** Notwithstanding section 54-65-08, the estimated income line item in section 1 of this Act  
24 includes \$500,000 from the research North Dakota fund for the North Dakota tourism program.

25       **SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE GENERAL**  
26 **FUND.** Notwithstanding section 54-65-08, the office of management and budget shall transfer  
27 \$4,000,000 from the research North Dakota fund to the general fund, for the biennium  
28 beginning July 1, 2017, and ending June 30, 2019.

29       **SECTION 15. EMERGENCY.** Funding of ~~\$1,275,000~~\$750,000 in the operating expenses  
30 line item in ~~section~~sections 1 and 7 of this Act, relating to the operation intern program, are  
31 declared to be an emergency measure.