

**FIRST ENGROSSMENT
with House Amendments
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:

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
11				
12				
13	Salaries and wages	\$13,015,999	(\$20,211)	\$12,995,788
14	Operating expenses	16,384,623	(1,107,001)	15,277,622
15	Grants	48,134,795	4,175,621	52,310,416
16	Discretionary funds	784,152	715,848	1,500,000
17	Flood impact grants/loans	0	5,201,752	5,201,752
18	Agricultural products utilization commission	3,118,611	34,304	3,152,915
19	North Dakota trade office	2,556,694	(775,196)	1,781,498
20	Partner programs	2,173,829	(233,984)	1,939,845
21	Entrepreneurship grants and vouchers	<u>1,500,000</u>	<u>(750,000)</u>	<u>750,000</u>
22	Total all funds	\$87,668,703	\$7,241,133	\$94,909,836
23	Less estimated income	<u>53,809,604</u>	<u>11,176,054</u>	<u>64,985,658</u>

Sixty-fifth
Legislative Assembly

1	Total general fund	\$33,859,099	(\$3,934,921)	\$29,924,178
2	Full-time equivalent positions	69.40	(3.00)	66.40

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

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

9	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
10	Workforce enhancement fund	\$960,069	\$0
11	Flood impact grants/loans	12,859,869	5,201,752
12	Research North Dakota	4,353,542	0
13	Unmanned aircraft system	2,662,105	2,000,000
14	Base retention grants	1,500,000	200,000
15	Tourism large infrastructure grants	586,000	0
16	Enhanced use lease grant	7,500,000	2,000,000
17	Child care facility grants	2,131,267	0
18	Homeless shelter grants	1,500,000	0
19	Tribal community college grants	2,837,130	0
20	Workforce recruitment campaign	300,000	0
21	Tourism midwest markets	848,481	0
22	Entrepreneurship grants and vouchers	1,716,830	0
23	Tourism international	227,836	0
24	Educators and industry externships	<u>40,000</u>	<u>0</u>
25	Total all funds	\$40,023,129	\$9,401,752
26	Less estimated income	<u>21,359,869</u>	<u>9,401,752</u>
27	Total general fund	\$18,663,260	\$0

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

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

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

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

13 **SECTION 7. TRANSFER - INTERNSHIP FUND.** The office of management and budget
14 shall transfer \$750,000 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 \$200,000 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. The department may
23 award grants to each community with an air force base or air national guard facilities.

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

29 **SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**
30 **USE LEASE GRANT PROGRAM.** The grants line item and the estimated income line item in
31 section 1 of this Act include the sum of \$2,000,000 from the strategic investment and

1 improvements fund for an enhanced use lease grant program, for the biennium beginning
2 July 1, 2017, and ending June 30, 2019. Grants must be awarded for initiatives related to the
3 unmanned aircraft system industry in North Dakota, including for the purposes of infrastructure,
4 research, development, the creation of software, and the purchase of equipment benefiting the
5 unmanned aircraft system. The department of commerce shall require grant recipients to
6 provide matching funds in the form of cash, property, or in-kind consideration, totaling
7 \$1,000,000 for the grants awarded 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 \$1,781,498 of funding relating to the North Dakota trade office. The department of commerce
11 may spend fifty 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 \$750,000, of which \$600,000 is from the general fund and \$150,000
20 from special funds, for an entrepreneurship grants and voucher program to be developed and
21 administered by the department of commerce, for the biennium beginning July 1, 2017, and
22 ending June 30, 2019. The department shall establish guidelines to provide grants to
23 entrepreneurial centers certified by the department. The department also shall establish
24 guidelines to award vouchers to entrepreneurs to procure business development assistance
25 from certified entrepreneurial centers or to provide grants to entrepreneurs working with an
26 entrepreneurial center. The amount appropriated for entrepreneurship grants in section 1 of this
27 Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are
28 available during the biennium beginning July 1, 2019, and ending June 30, 2021.

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

1 **SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE GENERAL**
2 **FUND.** Notwithstanding section 54-65-08, the office of management and budget shall transfer
3 \$4,000,000 from the research North Dakota fund to the general fund, for the biennium
4 beginning July 1, 2017, and ending June 30, 2019.

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