



COMMERCE COMMITTEE

Thursday, July 16, 2020
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Scott Louser, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Scott Louser, Pamela Anderson, Thomas Beadle, Claire Cory, Jim Kasper, Jeffery J. Magrum, Corey Mock, Mike Nathe, Emily O'Brien, Shannon Roers Jones, Randy A. Schobinger, Denton Zubke; Senators Randy Burckhard, Jim Dotzenrod, Scott Meyer, Ronald Sorvaag, Shawn Vedaa

Member absent: Representative Terry B. Jones

Others present: Representative Karen M. Rohr, Mandan, member of the Legislative Management
See [Appendix A](#) for additional persons present.

It was moved by Representative Nathe, seconded by Senator Meyer, and carried on a voice vote that the minutes of the January 15, 2020, meeting be approved as distributed.

UNMANNED AIRCRAFT SYSTEMS STUDY

Chairman Louser called on Mr. Nicholas Flom, Executive Director, Northern Plains Unmanned Aircraft Systems Test Site, to provide updates ([Appendix B](#)) on the status of the development of the beyond visual line of sight (BVLOS) unmanned aircraft systems (UAS) program and the UAS test site. Mr. Flom said the Coronavirus (COVID-19) pandemic has not slowed the UAS industry. He said the Federal Aviation Administration reached out regarding how drones could help during the COVID-19 pandemic, and package delivery was identified as an area for which drones could provide support. He said Flytrex, a UAS package delivery company, has started conducting routine operations in south Grand Forks by supplying groceries and other on-demand food options to a launch neighborhood.

In response to a question from Representative Nathe, Mr. Flom said there is a need for the BVLOS network in the Watford City area due to the oil and gas industry. He said the goal is to implement a single infrastructure that will benefit multiple users.

DISTRIBUTION OF FOOD IN RURAL COMMUNITIES STUDY

Chairman Louser called on Ms. Lori Capouch, Rural Development Director, North Dakota Association of Rural Electric Cooperatives, to provide an update ([Appendix C](#)) on rural food access in the state. Ms. Capouch said COVID-19 may have had a positive impact on rural grocery stores as many stores experienced a sales surge, some of more than 100 percent.

In response to a question from Senator Vedaa, Ms. Capouch said rural grocery stores were running out of similar items that urban areas were having shortages of during the COVID-19 pandemic, such as meat, produce, paper products, and sanitation products. She said some individuals in urban areas were driving to rural grocery stores to purchase those types of products.

In response to a question from Senator Dotzenrod, Ms. Capouch said three communities were interested in combining purchasing power to help reduce costs, and a financial assessment was conducted. She said the financial assessment has to be redone because more communities have indicated a desire to join.

In response to a question from Senator Vedaa, Ms. Capouch said one grocery store in the state is considering implementing grocery lockers at a cost of approximately \$38,000.

Ms. Karen Ehrens submitted written testimony ([Appendix D](#)).

SEWAGE TREATMENT SYSTEM REGULATION STUDY

Chairman Louser called on Mr. David Glatt, Director, Department of Environmental Quality, for a presentation ([Appendix E](#)) regarding the regulation of onsite sewage treatment systems and the potential for increased state involvement. Mr. Glatt said the department cannot support the significant expansion of onsite regulatory responsibilities by the department due to upcoming budget concerns and the current economic climate.

In response to a question from Chairman Louser, Mr. Glatt said if the department was tasked with licensing or training onsite sewage treatment system installers, the department would need two additional full-time employees.

In response to a question from Representative Magrum, Mr. Glatt said the department's budget would need an additional \$400,000 for the additional employees' salary, benefits, and travel expenses.

In response to a question from Representative Magrum, Mr. Glatt said uniform licensing of sewage treatment system installers likely would reduce some confusion, but local regulators still might interpret uniform rules differently. He said if a uniform statewide code is desired, the Legislative Assembly needs to support it, and full support of a uniform code may be difficult as this largely is seen as a local issue.

Chairman Louser called on Mr. Aaron Birst, Legal Counsel and Assistant Director - Policy, North Dakota Association of Counties, to present a bill draft ([Appendix F](#)) prepared by Mr. Birst regarding septic system regulation. Mr. Birst said the counties support legislative action regarding this issue.

In response to a question from Chairman Louser, Mr. Birst said the main difference between the bill he brought to the committee to this meeting ("July bill") versus the bill he presented at the January 15, 2020, meeting ("January bill") is the Department of Environmental Quality would operate as a state agency overseeing the licensing and training of onsite sewage treatment system installers in the January bill, and the July bill does not have that department oversight. He said the July bill would create an onsite wastewater recycling technical advisory board that would create uniform, statewide standards and would require local public health units to adopt those standards. He said the July bill also would allow the technical advisory board to help with dispute resolution if a dispute arose between a licensed installer and the local regulatory body.

In response to a question from Chairman Louser, Mr. Birst said to alleviate any potential conflict with the Department of Environmental Quality, the July bill proposed having a representative from the department serve on the technical advisory board.

Chairman Louser called on Mr. Tom Schimelfenig, President, North Dakota Onsite Wastewater Recycling Association, to provide comments on the future regulation of sewage treatment systems ([Appendix G](#)).

DISCLOSURE OF CONSUMERS' PERSONAL DATA STUDY

Chairman Louser called on Representative Kasper to discuss consumer data privacy. Representative Kasper said privacy continues to be an issue but he does not have a bill draft to put forward to the committee at this time. He said it is incumbent on the committee not to proceed with legislation at this time.

DEPARTMENT OF COMMERCE UPDATE

Chairman Louser called on Ms. Michelle Kommer, Commissioner, Department of Commerce, for a presentation ([Appendix H](#)) on the Department of Commerce's COVID-19 response, including loan and grant programs and an audit update.

In response to a question from Representative Nathe, Ms. Kommer said the Department of Commerce is aiming for the Economic Resiliency Grant program to go live on July 31, 2020, but the program will not go live until receiving approval from the Attorney General's office. She said the department is attempting to do 4 months of work in approximately 30 days.

In response to a question from Chairman Louser, Ms. Kommer said legislators can help promote the loan and grant programs by advising local officials and constituents of these opportunities. She said the department's goal is to spread grant dollars statewide across multiple industries.

In response to a question from Representative Magrum, Ms. Kommer said the department has learned rural communities think of economic development differently than urban communities. She said rural communities think of economic development as establishing and maintaining fundamental businesses and services, such as day care and grocery stores. She said North Dakota residents likely are looking to the department for rural solutions, and the department may come to the Legislative Assembly to request additional resources to assist with rural development.

In response to a question from Senator Dotzenrod, Ms. Kommer said funding from the Economic Resiliency Grant program likely would not be able to be used to improve aging infrastructure in rural grocery stores, such as updating refrigerating equipment, because the program is specifically for businesses in the state which would use the grant funding for business improvements to reduce the spread of COVID-19 and to instill consumer confidence in the marketplace.

Ms. Katie Ralston, Director, Workforce Division, Department of Commerce, provided written testimony ([Appendix I](#)). Ms. Ralston said the Department of Commerce received \$1 million to launch the North Dakota Smart Restart Technical Skills Training grant program, which is designed to support accelerated, skills-based workforce training programs for displaced workers to develop the technical skills necessary to make a career change and remain gainfully employed in the state.

REPORTS

Chairman Louser called on Ms. Brenda Zastoupil, Director of Financial Aid, North Dakota University System, for reports ([Appendix J](#)) regarding the skilled workforce scholarship program and the skilled workforce student loan repayment program.

In response to a question from Senator Burckhard, Ms. Zastoupil said COVID-19 affected the programs' administration particularly from February 2020 to April 2020 as businesses were focusing attention elsewhere, but the programs are beginning to pick up.

In response to a question from Representative Beadle, Ms. Zastoupil said the rationale for qualifying programs being a 4-semester or 6-quarter or less program was to get a worker into a high-needs occupation quickly.

In response to a question from Senator Sorvaag, Ms. Zastoupil said applications are taken on a first-come, first-served basis and as funding is available. She said the maximum amount an individual can receive is \$17,000.

In response to a question from Representative Nathe, Ms. Zastoupil said the high-need and emerging occupations list is established by the North Dakota Workforce Development Council and Job Service North Dakota, and the creation of the list is objective and driven by data.

In response to a question from Representative Rohr, Ms. Zastoupil said no tribal colleges have students participating at this time. She said institutions do not need to apply as all state institutions qualify.

In response to a question from Senator Burckhard, Ms. Zastoupil said if a student's cumulative grade point average (GPA) falls below 2.5, the statutorily required GPA for the scholarship program, the student is required to pay back the funds. She said a payment plan is set up, but no interest or fees are charged.

COMMITTEE DISCUSSION

It was moved by Representative Magrum, seconded by Senator Vedaa, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and to present the report to the Legislative Management.

It was moved by Senator Burckhard, seconded by Representative Roers Jones, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Louser adjourned the committee sine die at 2:10 p.m.

Jill Grossman
Counsel

ATTACH:10