

PROPOSED AMENDMENTS TO SENATE BILL NO. 2019

Page 1, line 2, after "finance" insert "and to the Bank of North Dakota for economic development" and remove the second "and"

Page 1, line 3, replace "reallocation" with "allocation" and after "funds" insert "; and to amend and reenact sections 4-01-19, 4-14.1-04, subsection 4 of section 10-30.5-02, and section 10-30.5-05 of the North Dakota Century Code, relating to the pride of Dakota program, the agricultural products utilization commission, and administration and management of the North Dakota development fund"

Page 1, line 11, replace "2,421,849" with "1,634,811"

Page 1, line 14, replace "1,313,141" with "958,141"

Page 1, remove line 15

Page 1, remove line 17

Page 1, line 20, replace "15,154,715" with "11,377,112"

Page 1, line 22, replace "10,342,044" with "6,564,441"

Page 1, after line 22, insert:

**"SECTION 2. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from Bank of North Dakota earnings to the Bank of North Dakota for the purpose of economic development funding, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$ 490,577
North Dakota development fund	1,909,875
Grants	<u>1,080,690</u>
Total appropriation from Bank of North Dakota earnings	\$3,481,142"

Page 1, line 24, remove "\$1,909,875 must be transferred to the North"

Page 2, line 1, remove "Dakota development fund and"

Page 2, line 5, replace "available in" with "transferred to"

Page 2, line 9, replace the first "director" with "president", replace "department" with "Bank", replace "economic development and finance" with "North Dakota", and replace the second "director" with "president"

Page 2, line 10, replace "department" with "Bank" and replace "economic development and finance" with "North Dakota"

Page 2, line 12, after the period insert "Of the amount available in the North Dakota development fund, \$4,000,000 or the unobligated balance on July 1, 1997, relating to

the transfer of regional rural development revolving loan fund moneys, must continue to be dedicated for the purpose of providing financial assistance, research and development assistance, and loans or equity or debt financing on a matching basis to new or expanded primary sector businesses in areas of the state which are not within five miles [8.05 kilometers] of any city with a population of more than eight thousand. These funds must be allocated for the benefit of each of the areas delineated as regions by executive order of the governor pursuant to section 54-40.1-02."

Page 2, remove lines 13 through 17

Page 2, after line 30, insert:

**"SECTION 7. LEGISLATIVE INTENT - DEVELOPMENT SPECIALIST.** It is the intent of the fifty-fifth legislative assembly that the Bank of North Dakota employ a development specialist to administer the North Dakota development fund and promote economic development.

**SECTION 8. AMENDMENT.** Section 4-01-19 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-01-19. Marketing bureau.** The commissioner of agriculture ~~of this state~~ shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. ~~Any moneys received or generated by the pride of Dakota program must be deposited in the general fund in the state treasury.~~

**SECTION 9. AMENDMENT.** Section 4-14.1-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-14.1-04. Agricultural products utilization commission - Meetings - Personnel - Reports.** The agricultural products utilization commission, which is a division of the department of economic development and finance, shall meet as necessary and shall report to each session of the legislative assembly. The commission may secure office space ~~and~~, employ needed personnel for the performance of its duties, ~~may~~ hire consultants, spend any funds appropriated to the commission, and ~~may~~ contract with public entities or private parties for services.

**SECTION 10. AMENDMENT.** Subsection 4 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

4. The ~~director~~ president of the ~~department~~ Bank of economic development and finance North Dakota shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.

**SECTION 11. AMENDMENT.** Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

**10-30.5-05. Management.** The ~~deputy director~~ president of the ~~finance division~~ Bank of the department ~~must be~~ North Dakota shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.

All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the ~~deputy director~~ chief executive officer and the board of directors. The board may provide that normal

operating costs anticipated in an approved budget may be incurred and paid without prior board approval."

Renumber accordingly

# **STATEMENT OF PURPOSE OF AMENDMENT:**

## **DEPARTMENT 601 - DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE**

SENATE - This amendment makes the following changes:

	1997-99 EXECUTIVE RECOMMENDATION	TRANSFER ECONOMIC DEVELOPMENT FUNDING TO BANK OF NORTH DAKOTA	POSITIONS DELETED	SENATE VERSION
Salaries and wages	\$ 2,421,849	\$ (490,577)	\$(296,461)	\$ 1,634,811
Operating expenses	1,591,673			1,591,673
Equipment	34,000			34,000
Grants	1,313,141	(355,000)		958,141
General allocation grants	725,690	(725,690)		
Technology Transfer, Inc.	1,410,380			1,410,380
Development fund	1,909,875	(1,909,875)		
Agricultural Products Utilization	5,598,107			5,598,107
Pride of Dakota	<u>150,000</u>	<u>                    </u>	<u>                    </u>	<u>150,000</u>
Total	\$15,154,715	\$(3,481,142)	\$(296,461)	\$11,377,112
Special funds	\$ 4,812,671			\$ 4,812,671
General fund	10,342,044	\$(3,481,142)	\$(296,461)	6,564,441
FTE positions	30	(5)	(4)	21

## **DEPARTMENT 471 - BANK OF NORTH DAKOTA**

SENATE - This amendment transfers from the Department of Economic Development and Finance to the Bank of North Dakota, the North Dakota development fund and funding for five FTE positions relating to the fund (\$490,577). This amendment also deletes general fund appropriation authority from the Department of Economic Development and Finance and provides an appropriation to the Bank of North Dakota from the Bank's earnings for the following programs: miscellaneous grants (\$275,500). Native American business grants (\$27,500), women's business grants (\$52,000), general allocation grants (\$725,690), and the North Dakota development fund line item. This amendment also deletes the authority for four FTE positions and related general fund appropriation authority of \$296,461.

This amendment also removes Section 4 of the bill which allowed the reallocation of funds between Technology Transfer, Inc., and the North Dakota development fund. This authority is no longer necessary because of the transfer of the North Dakota development fund to the Bank of North Dakota.

This amendment also changes Section 4 to provide that the balance in the North Dakota development fund relating to the regional rural development revolving loan fund of approximately \$4,000,000 must be dedicated for providing assistance to new or expanding primary sector businesses in rural areas.