

Fifty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2019

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 economic development and finance and to the Bank of North Dakota for economic  
3 development; to provide for transfers of funds; to provide for the allocation of funds; and to  
4 amend and reenact sections 4-01-19, 4-14.1-04, subsection 4 of section 10-30.5-02, and  
5 section 10-30.5-05 of the North Dakota Century Code, relating to the pride of Dakota program,  
6 the agricultural products utilization commission, and administration and management of the  
7 North Dakota development fund.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
10 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in  
11 the state treasury, not otherwise appropriated, and from special funds derived from federal  
12 funds and other income, to the department of economic development and finance for the  
13 purpose of defraying its expenses, for the biennium beginning July 1, 1997, and ending  
14 June 30, 1999, as follows:

15 Salaries and wages	\$ 1,634,811
16 Operating expenses	1,591,673
17 Equipment	34,000
18 Grants	958,141
19 Technology transfer, incorporated	1,410,380
20 Agricultural products utilization	5,598,107
21 Pride of Dakota	<u>150,000</u>
22 Total all funds	\$11,377,112
23 Less estimated income	<u>4,812,671</u>
24 Total general fund appropriation	\$ 6,564,441

**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

**SECTION 3. TRANSFERS - ECONOMIC DEVELOPMENT FUNDS.** Of the general fund amount appropriated in section 1 of this Act, \$1,410,380 must be transferred to the technology transfer fund. The transfers must be in amounts and at such times as requested by the director of the office of management and budget.

**SECTION 4. NORTH DAKOTA DEVELOPMENT FUND ALLOCATIONS.** The \$1,909,875 transferred to the North Dakota development fund must be dedicated for projects as follows: forty percent businesses in rural areas, forty percent businesses in urban areas, and twenty percent North Dakota American Indian businesses. Any unused funds in any category may be transferred to another category during the second year of the biennium under rules adopted by the president of the Bank of North Dakota. The president of the Bank of North Dakota may reallocate up to twenty percent of any region's available remaining balance of regional rural development revolving loan funds to another region or regions for the biennium beginning July 1, 1997, and ending June 30, 1999. 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.

**SECTION 5. ECONOMIC DEVELOPMENT FUNDS - WAGE REQUIREMENTS.** Any political subdivision or economic development authority may adopt a minimum wage

1 requirement for any new business or business expansion in which a majority of the capital is  
2 provided by the North Dakota development fund and its own local development funds. These  
3 wage requirements may be imposed on all or any portion of the employees and may exceed  
4 federal minimum wage requirements.

5 **SECTION 6. LEGISLATIVE INTENT - TECHNOLOGY TRANSFER, INC. - PROJECT**  
6 **FUNDS.** It is the intent of the legislative assembly that project funds be distributed by  
7 technology transfer, inc., consistent with the mission and policies established by the technology  
8 transfer, inc., board and that project funds be distributed, to the extent practical and efficient,  
9 directly to businesses and individuals receiving project funding approval. Funding recipients  
10 may use the project funds to purchase services, on a fee-for-service basis, from business and  
11 industry development centers located on the campuses of the institutions of higher education.

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

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

18 **4-01-19. Marketing bureau.** The commissioner of agriculture ~~of this state~~ shall  
19 establish and maintain a marketing bureau for the purpose of gathering and disseminating  
20 statistical information on agricultural marketing problems of the state and engaging in marketing  
21 services of agricultural products. ~~Any moneys received or generated by the pride of Dakota~~  
22 ~~program must be deposited in the general fund in the state treasury.~~

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

25 **4-14.1-04. Agricultural products utilization commission - Meetings - Personnel -**  
26 **Reports.** The agricultural products utilization commission, which is a division of the  
27 department of economic development and finance, shall meet as necessary and shall report to  
28 each session of the legislative assembly. The commission may secure office space ~~and,~~  
29 employ needed personnel for the performance of its duties, ~~may~~ hire consultants, spend any  
30 funds appropriated to the commission, and ~~may~~ contract with public entities or private parties  
31 for services.

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

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

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

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

14           All investments, contracts, partnerships, limited liability companies, and business  
15 transactions of the corporation are the responsibility of the ~~deputy director~~ chief executive  
16 officer and the board of directors. The board may provide that normal operating costs  
17 anticipated in an approved budget may be incurred and paid without prior board approval.