

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1137

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Commerce)

1 A BILL for an Act to create and enact three new sections to chapter 54-60 of the North Dakota
2 Century Code, relating to the North Dakota American Indian business development office, the
3 North Dakota women's business development office, and the international business and trade
4 office; to amend and reenact sections 4-14.1-03, 10-30.5-03, 26.1-50-02, 54-34.3-06,
5 54-34.3-12, 54-60-04, and 55-01-01 of the North Dakota Century Code, relating to the
6 composition of the agricultural products utilization commission, the North Dakota development
7 fund, incorporated, board of directors, the North Dakota low-risk incentive fund governing
8 board, the division of economic development and finance offices, the value-added agriculture
9 promotion program, the North Dakota economic development foundation, the state historical
10 board; and to repeal chapter 21-11 and sections 54-34.3-14 and 54-60-10 of the North Dakota
11 Century Code, relating to the natural resources development bond issue, the international
12 business and trade office, and the career guidance and job opportunities web site.

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

14 **SECTION 1.** Three new sections to chapter 54-60 of the North Dakota Century Code
15 are created and enacted as follows:

16 **North Dakota American Indian business development office.** A North Dakota
17 American Indian business development office is established within the department to assist
18 North Dakota American Indian tribal and individual economic development representatives,
19 businesses, and entrepreneurs with access to state and federal programs designed to assist
20 these business interests. The office shall provide services to assist in the formation of
21 partnerships between American Indian and non-American Indian businesses. The
22 commissioner may contract with a third party for the provision of services for the office. If the
23 commissioner contracts with a third party under this subsection, all data and data bases

collected and created by the third party in performing services for the office are the property of the department and the third party.

North Dakota women's business development office. A North Dakota women's business development office is established within the department to develop and administer the North Dakota women's business program, to establish and fund the women's business leadership council, certify women-owned businesses for federal or state contracting, and to recruit, train, and assist women entrepreneurs to develop and diversify their businesses. The office must have an administrator and staff sufficient to implement the office's programs. The commissioner may contract with a third party for the provision of services for the office. If the commissioner contracts with a third party under this subsection, all data and data bases collected and created by the third party in performing services for the office are the property of the department and the third party.

International business and trade office - Advisory board.

1. The commissioner shall administer the international business and trade office.

The purpose of the office is to assist North Dakota businesses expand exports to international markets by:

- a. Advocating for exporters;
- b. Offering export educational opportunities to North Dakota businesses;
- c. Researching and raising awareness of export opportunities, issues, and challenges impacting North Dakota businesses;
- d. Assisting North Dakota businesses in identifying, developing, and cultivating international markets for products; and
- e. Organizing and carrying out trade missions that seek to facilitate contact and communication between North Dakota businesses and international markets.

2. The commissioner may contract with a third party for the provision of services for the international business and trade office. If the commissioner contracts with a third party under this subsection, all data and data bases collected and created by the third party in performing services for the office are the property of the department and the third party.

- 1 3. The department may seek and accept any gift, grant, or donation of funds,
2 property, services, or other assistance from public or private sources for the
3 purpose of furthering the objectives of the international business and trade office.
4 4. The commissioner may establish an international business and trade office
5 advisory board with which the director may consult in administering the
6 international business and trade office. Each member of the advisory board
7 created under this subsection is entitled to receive per diem compensation at a
8 rate established by the director not exceeding sixty-two dollars and fifty cents and
9 reimbursement of expenses as provided by law for state officers, while attending
10 meetings or performing duties directly related to board membership, except that
11 per diem compensation under this section may not be paid to any member who
12 receives compensation or salary as a regular state employee or official.

13 **SECTION 2. AMENDMENT.** Section 4-14.1-03 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **4-14.1-03. Agricultural products utilization commission - Composition -**
16 **Appointment.** The agricultural fuel tax fund must be administered by the agricultural products
17 utilization commission. The commission consists of nine members, five of whom must be
18 appointed by the governor for terms of two years each, arranged so that two terms expire in
19 odd-numbered years and three terms expire in even-numbered years. Three members
20 appointed by the governor must be actively engaged in farming in this state and two members
21 appointed by the governor must be actively engaged in business in this state. The agriculture
22 commissioner shall appoint one member for a term of two years which expires in
23 odd-numbered years. The member appointed by the commissioner must be actively engaged
24 in farming in this state. Commission members may be reappointed to the commission. Terms
25 of commissioners shall run from the first day of July. The ~~director of the department~~
26 commissioner of commerce ~~division of economic development and finance~~, the president of
27 North Dakota state university, and the agriculture commissioner, or their designees, are
28 members of the commission. The commission shall elect one of its members as chairman.

29 **SECTION 3. AMENDMENT.** Section 10-30.5-03 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **10-30.5-03. Organization.** A board of directors shall manage the corporation. The
2 board of directors shall adopt and amend articles of incorporation and bylaws consistent with
3 the purposes detailed in this chapter. The board of directors consists of eight members who
4 shall serve three-year terms. The terms must be staggered so that no more than three
5 positions require reappointment in any one year. The governor shall appoint the members and
6 shall only consider representatives who serve in executive capacities from the following areas
7 in making the selections: private sector manufacturing, finance, exported services, including
8 tourism, and industrial technology and research. There must be at least one member who is
9 enrolled in a federally recognized North Dakota Indian tribe who need not serve in an executive
10 capacity, the ~~director of the department~~ commissioner of commerce ~~division of economic~~
11 ~~development and finance~~ or the commissioner's designee, and one member from a rural area
12 on the board of directors. Members may be reappointed for additional terms.

13 **SECTION 4. AMENDMENT.** Section 26.1-50-02 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **26.1-50-02. Establishment - Organization.** Any insurer or group of insurers may
16 establish a corporation or limited liability company to own and operate the North Dakota
17 low-risk incentive fund. Except as provided in this chapter, all authority regarding the articles of
18 incorporation or articles of organization is the province of the governing board, which must
19 include a representative of the Bank of North Dakota and the ~~director of the department~~
20 commissioner of commerce ~~division of economic development and finance~~ or the
21 commissioner's designee. The Bank of North Dakota shall administer the fund; however, the
22 governing board is responsible for adopting fund policies and procedures. The governing
23 board may not distribute more than seventy-five percent of the net profit of the fund in any of
24 the first five years of operation.

25 **SECTION 5. AMENDMENT.** Section 54-34.3-06 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **54-34.3-06. Division offices.** The director shall organize and establish other offices as
28 necessary to carry out most efficiently and effectively the mission and duties of the division;
29 ~~except that the division must contain:~~

- 30 ~~1. A North Dakota American Indian business development office to assist North~~
31 ~~Dakota American Indian tribal and individual economic development~~

1 ~~representatives, businesses, and entrepreneurs with access to state and federal~~
2 ~~programs designed to assist these business interests. The office shall provide~~
3 ~~services to assist in the formation of partnerships between American Indian and~~
4 ~~non-American Indian businesses.~~

- 5 2. ~~A North Dakota women's business development office to develop and administer~~
6 ~~the North Dakota women's business program, to establish and fund the women's~~
7 ~~business leadership council, certify women-owned businesses for federal or state~~
8 ~~contracting and to recruit, train, and assist women entrepreneurs to develop and~~
9 ~~diversify their businesses. The office must have an administrator and staff~~
10 ~~sufficient to implement the office's programs.~~

11 **SECTION 6. AMENDMENT.** Section 54-34.3-12 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **54-34.3-12. Value-added agriculture promotion program board.**

- 14 1. The value-added agriculture promotion board is established. The board consists
15 of ~~eight~~ a minimum of nine and a maximum of eleven members as follows: the
16 ~~director of the department~~ commissioner of commerce ~~division of economic~~
17 ~~development and finance~~ or the ~~director's representative~~ commissioner's
18 designee; the agriculture commissioner or the commissioner's ~~representative~~
19 designee; a representative of the state board of agricultural research and
20 education, appointed by the governor; a representative of the North Dakota state
21 university extension service, appointed by the governor; a representative of the
22 Bank of North Dakota, appointed by the governor; a minimum of two and a
23 maximum of four representatives of the private sector, appointed by the governor;
24 ~~and~~ a representative of the farm credit system, appointed by the governor; and a
25 representative of the agricultural products utilization commission.
- 26 2. The board shall ~~administer the value-added agriculture promotion program and~~
27 ~~shall review business plans for value-added agriculture projects. The board shall~~
28 ~~adopt procedures and guidelines for administering the program. The board shall~~
29 ~~meet on a regular schedule to review project proposals and prioritize projects~~
30 ~~based on the projects' likelihood for success. The board shall promote the~~

formation, development, and growth of these projects and take steps to improve the projects' chances for success:

- a. Serve in an advisory role to the commissioner of commerce on issues related to value-added agriculture.
- b. Meet at times determined by the commissioner of commerce.
- c. Promote the formation, development, and growth of value-added agriculture projects across the state.

3. ~~If a project is selected for promotion by the board, the board shall appoint a financing advisory group for the project. The financing advisory group may include representatives of the private sector, a representative of the Bank of North Dakota, and an individual experienced in capital formation. The financing advisory group, with active assistance provided by any of the state's institutions of higher education and the local or regional economic development organization, shall assist the project in completing a feasibility study and a business plan for the project and in seeking early stage money. The financing advisory group shall assist the project in pursuing equity investors, establishing an initial board of directors, locating professional services for completion of the business plan, and in approaching lenders to fund the project development.~~

4. ~~The value-added agriculture promotion program board is located in the department of commerce division of economic development and finance. The department shall provide any necessary administrative assistance. Members of the value-added agriculture promotion board and members of a financing advisory group are entitled to reimbursement for mileage and travel as specified in section 54-06-09 and expenses as specified in section 44-08-04 for performing their duties.~~

5. ~~The board may impose a fee of not more than one thousand dollars per project for review and assistance provided for the project. Fees collected under this section must be deposited in the operating fund of the department of commerce division of economic development and finance and may be expended for expenses of members of the board and the financing advisory group for review and assistance provided for the project.~~

1 **SECTION 7. AMENDMENT.** Section 54-60-04 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-60-04. North Dakota economic development foundation - Executive committee**

4 **- Duties.** The North Dakota economic development foundation is created.

- 5 1. The foundation is composed of a minimum of fifteen and a maximum of thirty
6 members appointed by the governor for two-year terms, except the governor shall
7 appoint approximately one-half of the initial foundation members to one-year terms
8 in order to initiate a cycle of staggered terms. Appointment of the foundation
9 members must ensure a cross section of business, tourism, and economic
10 development representation, and must ensure that at least one member
11 represents rural concerns.
- 12 2. The foundation members shall elect an executive committee with a minimum of
13 five and a maximum of seven foundation members. ~~The executive committee~~
14 ~~members shall elect, which shall include a chairman, vice chairman, and a~~
15 ~~secretary, treasurer, and up to three members at large.~~
- 16 3. The foundation shall seek funding for administrative expenses from private sector
17 sources and shall seek and distribute private sector funds for use in
18 commerce-related activities in the state.
- 19 4. The foundation shall:
 - 20 a. Provide the governor advice and counsel in selecting the commissioner.
 - 21 b. Serve in an advisory role to the commissioner.
 - 22 c. Develop a strategic plan for economic development in the state and set
23 accountability standards, measurements, and benchmarks to evaluate the
24 effectiveness of the department in implementing the strategic plan.
 - 25 d. Develop a strategic plan for the development of value-added agriculture in the
26 state.
 - 27 e. Monitor tourism and economic development activities and initiatives of the
28 department.
 - 29 f. Recommend state and federal legislation relating to strengthening the state's
30 economy and increasing the state's population.

g. Monitor state and federal legislation and initiatives that may impact the state's economy and population.

h. Serve as a source of expertise for developing public and private initiatives to strengthen the state's economy and increase the state's population.

SECTION 8. AMENDMENT. Section 55-01-01 of the North Dakota Century Code is amended and reenacted as follows:

55-01-01. State historical board. The board consists of twelve members, seven of whom are appointed by the governor. Each member appointed to the board must be a citizen and resident of the state. Appointments are for a term of three years from the first day of July to the thirtieth day of June of the third year or until a successor has been appointed and qualified. Vacancies occurring other than by the expiration of an appointive term must be filled by appointment for the remainder of the term only in the same manner as regular appointments. The remaining five members of the board are the secretary of state, director of the parks and recreation department, director of the department of transportation, ~~director of the department~~ commissioner of commerce ~~division of tourism~~, and state treasurer, each of whom may appoint a designee to attend meetings with full voting privileges. The board shall select from its membership a president, vice president, and secretary to serve as officers of the board.

SECTION 9. REPEAL. Chapter 21-11 and sections 54-34.3-14 and 54-60-10 of the North Dakota Century Code are repealed.