

**HOUSE BILL NO. 1122**

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Commerce)

1 A BILL for an Act to amend and reenact sections 54-34.4-03, 54-44.5-04, 54-60-02, 54-60-04,  
2 54-60-16, and 54-60-25 of the North Dakota Century Code, relating to the state tourism policy,  
3 division of community services, department of commerce, North Dakota economic development  
4 foundation, North Dakota international business and trade office, and North Dakota rural  
5 development council; to repeal sections 4-14.1-01.1 and 54-34.3-12 of the North Dakota  
6 Century Code, relating to the definition of eligible facility and the value-added agriculture  
7 promotion board; to provide an effective date; and to declare an emergency.

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

9 **SECTION 1. AMENDMENT.** Section 54-34.4-03 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **54-34.4-03. State tourism policy.**

- 12 1. The legislative assembly declares that:
- 13 a. This state is endowed with scenic beauty, historical sites, cultural resources, local  
14 festivals, attractions, recreational facilities, and a population whose ethnic  
15 diversity and traditions are attractive to visitors;
- 16 b. ~~These human and physical resources should be preserved and nurtured, not only~~  
17 ~~because they are appreciated by other Americans and by visitors from other~~  
18 ~~lands, but because they are valued by the state's residents;~~
- 19 c. Tourism contributes to economic well-being by creating job opportunities,  
20 generating revenues for local businesses, and creating new wealth in the  
21 economy;
- 22 d. ~~Tourism is an educational and informational medium for personal growth which~~  
23 ~~informs residents about their state's geography and history, their political~~  
24 ~~institutions, their cultural resources, their environment, and about each other;~~

- 1           ~~e.-c.~~   Tourism instills state pride and a sense of common interest among the state's
- 2                               residents;
- 3           ~~f.-d.~~   Tourism enhances the quality of life and well-being of the state's residents by
- 4                               affording opportunities for recreation, new experiences, and relief from job stress;
- 5           ~~g.-e.~~   Tourism advertising and marketing improves the image of North Dakota and
- 6                               helps expose and educate residents and visitors alike;
- 7           ~~h.-f.~~   Tourism promotes international understanding and good will, and contributes to
- 8                               intercultural appreciation;
- 9           ~~i.~~   ~~Tourism engenders appreciation of the state's cultural, architectural,~~
- 10                              ~~technological, agricultural, and industrial achievements and is helpful in attracting~~
- 11                              ~~new residents;~~
- 12           ~~j.~~   ~~The development and promotion of tourism to and within the state is in the~~
- 13                              ~~interest of the people of this state;~~
- 14           ~~k.~~   ~~Tourism should develop in an orderly manner in order to provide the maximum~~
- 15                              ~~benefit to the state and its residents;~~
- 16           ~~l.-g.~~   The development of a strong and competitive state visitor industry depends upon
- 17                              the availability of trained personnel, necessary infrastructure, and a receptive
- 18                              climate for tourism investment; and
- 19           ~~m.-h.~~   A comprehensive tourism policy is essential if tourism in the state is to grow in an
- 20                              orderly manner.
- 21       2.   The legislative assembly declares it is the policy of this state to:
- 22           a.   ~~Encourage~~Promote and encourage the orderly growth and development of
- 23                              tourism to, and within, the state;
- 24           b.   ~~Promote the availability of public tourism training to increase the skills and~~
- 25                              ~~productivity of the tourism labor force and to broaden access to employment~~
- 26                              ~~opportunities and the visitor industry;~~
- 27           c.   ~~Encourage a healthy competitiveness in the visitor industry;~~
- 28           d.   Promote the availability of reliable public highways and transport services
- 29                              between the state's principal tourism destinations and the main tourism
- 30                              generating markets;

- 1           e.   ~~Expand off-season tourism to the state and thereby increase the productivity of~~

2           ~~the accommodation sector and reduce seasonal layoffs within the visitor and~~

3           ~~visitor-related industries;~~
- 4           f.c.   Promote a sense of history in the state's young people by encouraging family

5           visits to state historic sites, and promoting the preservation and restoration of

6           historic sites, trails, buildings, and districts;
- 7           g.d.   Promote the mental, emotional, and physical well-being of the American people

8           by encouraging outdoor recreational activities within the state;
- 9           ~~h.~~    ~~Encourage the talents and strengthen the economic independence of the state's~~

10          ~~residents by encouraging the preservation of traditional craft skills, the production~~

11          ~~of handicrafts and native and folk art by private artisans and crafts people, and~~

12          ~~the holding of craft demonstrations;~~
- 13          ~~i.~~    ~~Encourage an optimum of satisfaction and high quality service to visitors;~~
- 14          ~~j.~~    ~~Promote a tourist environment that respects our visitors' rights as consumers;~~
- 15          ~~k.~~    ~~Afford visitors and residents the best possible conditions of public sanitation;~~
- 16          l.e.   Facilitate tourism to, and within, the state by developing an essential tourism

17          infrastructure, providing investment incentives to tourism businesses, and

18          encouraging city and county officials to plan for tourism needs and capitalize on

19          local tourism resources;
- 20          ~~m.~~   ~~Promote a better understanding among the state's residents of the social and~~

21          ~~economic importance of tourism through appropriate formal and informal learning~~

22          ~~experiences about tourism, and foster among all citizens the capacity for~~

23          ~~courtesy to visitors;~~
- 24          n.f.   Encourage the holding of conventions, trade shows, and expositions throughout

25          the state;
- 26          ~~o.~~    ~~Promote tourism in a manner that fosters visitors' understanding and respect for~~

27          ~~native and religious beliefs, customs, and ethnic traditions of the state's~~

28          ~~residents;~~
- 29          ~~p.~~    ~~Monitor tourist impact on the basic human rights of the state's residents and~~

30          ~~ensure equal access by visitors and residents to public recreational resources;~~

- g-g. Take measures to protect wildlife and natural resources in the preservation of geological, archaeological, and cultural treasures in tourist areas;
- h-h. Encourage, assist, and coordinate when possible the tourism activities of local and area promotional organizations and tribes; and
- i. Provide hospitality training opportunities for frontline employees and encourage law enforcement personnel, border security, transportation security administration officials, and all state employees to assist, whenever possible, the traveling public by providing the traveling public with a hospitable reception and appropriate information; and
- j-j. Ensure that the tourism interest of the state is considered fully by state agencies and the legislative assembly in their deliberations; and harmonize to the maximum extent possible, all state activities in support of tourism with the needs of the general public, the political subdivisions of the state, and the visitor industry.

**SECTION 2. AMENDMENT.** Section 54-44.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-44.5-04. Division of community services - Powers and duties.**

The division of community services shall:

1. Provide relevant information on pertinent topics and issues which relate to public policy development, interpretation, modification, and implementation.
2. Research, analyze, and recommend public policy for the office of management and budget and the executive office.
3. Coordinate public policy implementation within the state. Powers conferred upon departments, agencies, or instrumentalities of the state, counties, townships, or cities by any existing state or local law may not be derogated by this duty.
4. Develop state energy conservation policy and manage federal energy conservation program activities between all levels of the public and private sectors regarding the prudent and efficient use of energy resources.
- 5.3. Develop, implement, and administer federal categorical and block grant programs assigned to the division.

1     ~~6.4.~~ Advise, coordinate, and assist cities, political subdivisions, and the state in all phases  
2             of state and local planning for the physical development of the state.

3     ~~7.5.~~ Render financial assistance to any government planning agency within federal law or  
4             regulation.

5     ~~8.6.~~ Advise, consult, coordinate, assist, and contract with or on behalf of the various  
6             planning agencies in developing and harmonizing planning activities of the state.

7     ~~9.7.~~ Implement a state facility energy improvement program.

8             **SECTION 3. AMENDMENT.** Section 54-60-02 of the North Dakota Century Code is  
9     amended and reenacted as follows:

10            **54-60-02. Department of commerce - Divisions.**

11            The North Dakota department of commerce is created. ~~All records, materials, supplies, and~~  
12 ~~equipment used by the division of community services, department of economic development-~~  
13 ~~and finance, and the department of tourism are transferred to the department.~~

14            1. The department must consist of:

- 15               a. A division of community services;  
16               b. A division of economic development and finance;  
17               c. A division of tourism;  
18               d. A division of workforce development; and  
19               e. Any division or office the commissioner determines necessary to carry out this  
20               chapter.

21            2. The commissioner shall appoint the director of each division of the department. Each  
22               director appointed by the commissioner serves at the pleasure of the commissioner  
23               and is entitled to receive a salary set by the commissioner within the limits of  
24               legislative appropriations.

25            **SECTION 4. AMENDMENT.** Section 54-60-04 of the North Dakota Century Code is  
26     amended and reenacted as follows:

27            **54-60-04. North Dakota economic development foundation - Executive committee -**  
28 **Duties.**

29            The North Dakota economic development foundation is created.

30            1. The foundation is composed of a minimum of fifteen and a maximum of thirty  
31               members appointed by the governor for two-year terms, except the governor shall

1 appoint approximately one-half of the initial foundation members to one-year terms in  
2 order to initiate a cycle of staggered terms. Appointment of the foundation members  
3 must ensure a cross section of business, tourism, and economic development  
4 representation, and must ensure that at least one member represents rural concerns.

5 2. The foundation members shall elect an executive committee with a minimum of five  
6 and a maximum of seven foundation members, which shall include a chairman, vice  
7 chairman, secretary, treasurer, and up to three members at large.

8 3. The foundation shall seek funding for administrative expenses from private sector  
9 sources and shall seek and distribute private sector funds for use in commerce-related  
10 activities of the state. The private sector funds are not public moneys for any purpose  
11 and are not subject to section 12 of article X of the Constitution of North Dakota.

12 4. The foundation shall:

13 a. Provide the governor advice and counsel in selecting the commissioner.

14 b. Serve in an advisory role to the commissioner.

15 c. Develop a strategic plan for economic development in the state and set  
16 accountability standards, measurements, and benchmarks to evaluate the  
17 effectiveness of the department in implementing the strategic plan.

18 ~~d. Develop a strategic plan for the development of value-added agriculture in the~~  
19 ~~state.~~

20 ~~e. Monitor tourism and economic development activities and initiatives of the~~  
21 ~~department.~~

22 ~~f.e.~~ Recommend state and federal legislation relating to strengthening the state's  
23 economy and increasing the state's population.

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

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

28 **SECTION 5. AMENDMENT.** Section 54-60-16 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1       **54-60-16. (~~Effective through June 30, 2011~~) International business and trade office -**  
2       **Advisory board.**

- 3       1. The commissioner shall administer the international business and trade office. The  
4       purpose of the office is to assist North Dakota businesses expand exports to  
5       international markets by:
- 6       a. Advocating for exporters;
  - 7       b. Offering export educational opportunities to North Dakota businesses;
  - 8       c. Researching and raising awareness of export opportunities, issues, and  
9       challenges impacting North Dakota businesses;
  - 10      d. Assisting North Dakota businesses in identifying, developing, and cultivating  
11      international markets for products; and
  - 12      e. Organizing and carrying out trade missions that seek to facilitate contact and  
13      communication between North Dakota businesses and international markets.
- 14      2. The commissioner may designate a nonprofit corporation incorporated in this state  
15      that has the primary purpose of assisting North Dakota exporters or contract with a  
16      third party for the provision of services for the international business and trade office. If  
17      the commissioner designates a nonprofit corporation or contracts with a third party  
18      under this subsection, all data and data bases collected and created by the third party  
19      in performing services for the office are the property of the department and the third  
20      party.
- 21      3. The department may seek and accept any gift, grant, or donation of funds, property,  
22      services, or other assistance from public or private sources for the purpose of  
23      furthering the objectives of the international business and trade office.
- 24      4. The commissioner may establish an international business and trade office advisory  
25      board with which the director may consult in administering the international business  
26      and trade office. Each member of the advisory board created under this subsection is  
27      entitled to receive per diem compensation at a rate established by the director not  
28      exceeding sixty-two dollars and fifty cents and reimbursement of expenses as  
29      provided by law for state officers, while attending meetings or performing duties  
30      directly related to board membership, except that per diem compensation under this

section may not be paid to any member who receives compensation or salary as a regular state employee or official.

**~~(Effective after June 30, 2011) 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.~~
- ~~3. The department may seek and accept any gift, grant, or donation of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the international business and trade office.~~
- ~~4. The commissioner may establish an international business and trade office advisory board with which the director may consult in administering the international business and trade office. Each member of the advisory board created under this subsection is entitled to receive per diem compensation at a rate established by the director not exceeding sixty two dollars and fifty cents and reimbursement of expenses as provided by law for state officers, while attending meetings or performing duties directly related to board membership, except that per diem compensation under this~~



section may not be paid to any member who receives compensation or salary as a regular state employee or official.

**SECTION 6. AMENDMENT.** Section 54-60-25 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-25. North Dakota rural development council - Composition.**

The North Dakota rural development council is created.

1. The North Dakota rural development council is composed of a minimum of nine and a maximum of seventeen members. The commissioner is an ex officio voting member of the council. The governor shall appoint council members for two-year terms, except the governor shall appoint approximately one-half of the initial council members to one-year terms in order to initiate a cycle of staggered terms. Appointment of the council members must ensure representation from ~~eight~~four regions designated by the commissioner. Members of the council serve at the pleasure of the governor.
2. The council shall select its own officers who shall serve for a term of two years commencing on October first of each year.
3. The council shall have at least two meetings each year and such additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the chairman on written request of any four members. A simple majority of the council constitutes a quorum and may act upon any matter coming before the council. Members of the council are entitled to reimbursement in the same manner and at the same rate provided by law for other state officials.
4. The council, in cooperation with the rural development office, shall:
  - a. Facilitate collaboration among federal, state, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the state;
  - b. Monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the state; and
  - c. Facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of federal, state, local, and tribal governments.

1       **SECTION 7. REPEAL.** Sections 4-14.1-01.1 and 54-34.3-12 of the North Dakota Century  
2 Code are repealed.

3       **SECTION 8. EFFECTIVE DATE.** Section 5 of this Act becomes effective on July 1, 2011.

4       **SECTION 9. EMERGENCY.** Sections 5 and 8 of this Act are declared to be an emergency  
5 measure.