

**SENATE BILL NO. 2110**

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 two new sections to chapter 54-60 of the North Dakota  
2 Century Code, relating to the rural development office and the North Dakota rural development  
3 council; to amend and reenact sections 10-30.5-04, 54-34.3-01, 54-34.3-03, and 54-34.3-04,  
4 subsection 2 of section 54-34.3-13, sections 54-34.3-15, 54-34.4-01, and 54-34.4-02,  
5 subsection 1 of section 54-34.4-03, subsection 3 of section 54-60-04, and sections 54-60-06  
6 and 54-60-17 of the North Dakota Century Code, relating to the powers of the North Dakota  
7 Development Fund, Incorporated, the department of commerce division of economic  
8 development and finance, the department of commerce division of tourism, the state tourism  
9 policy, the North Dakota economic development foundation, the North Dakota commerce  
10 cabinet, and the department of commerce division of workforce development; and to repeal  
11 sections 54-34.3-05, 54-34.4-04, and 54-60-11 of the North Dakota Century Code, relating to  
12 the finance office, the motion picture development office, and target industries.

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

14 **SECTION 1. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **10-30.5-04. ~~(Effective through July 31, 2009) Powers.~~** The corporation must be  
17 organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the  
18 corporation may:

- 19 1. Cooperate and contract with any private or public entity.
- 20 2. Receive appropriations from the legislative assembly and other public moneys as  
21 well as contributions from other private or public contributors.
- 22 3. ~~Borrow funds not to exceed ten million dollars from the Bank of North Dakota for~~  
23 ~~the purpose of investing in North Dakota alternative and venture capital~~  
24 ~~investments and early stage capital funds. The corporation may provide Provide~~

1 management services for the Bank's alternative and venture capital investments  
2 and early-stage capital funds.

3 ~~(Effective after July 31, 2009) Powers. The corporation must be organized as a~~  
4 ~~nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:~~

- 5 1. ~~Cooperate and contract with any private or public entity.~~  
6 2. ~~Receive appropriations from the legislative assembly and other public moneys as~~  
7 ~~well as contributions from other private or public contributors.~~

8 **SECTION 2. AMENDMENT.** Section 54-34.3-01 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **54-34.3-01. Department of commerce division of economic development and**

11 **finance established - Mission.** The department of commerce division of economic  
12 development and finance is established to assume the functions, powers, and duties of the  
13 department of economic development and finance with respect to programs and other efforts  
14 intended to enhance the economic development of the state. The mission of the division is to  
15 develop strategies and programs to:

- 16 1. Facilitate the growth, diversification, and expansion of existing enterprises and the  
17 attraction and creation of new wealth-generating enterprises in the state;  
18 2. Promote economic diversification and innovation within the basic industries and  
19 economic sectors of this state, including strategies and programs designed to  
20 specialize and focus the state's economy on ~~advanced agriculture and food~~  
21 ~~processing, energy byproduct development, export services and tourism, and~~  
22 ~~advanced manufacturing~~ identified target industries;  
23 3. Promote increased productivity and value-added products, processes, and  
24 services in the state, and the export of those goods and services by North Dakota  
25 enterprises to the nation and to the world;  
26 4. Maintain and revitalize economically depressed rural areas by working in close  
27 collaboration with local communities and by encouraging communities to enter into  
28 cooperative relationships for more efficient and effective education, health care,  
29 government service, and infrastructure maintenance;  
30 5. Forge a supportive partnership with the Bank of North Dakota, the board of higher  
31 education and the state's institutions of higher education, regional planning

1                   councils, local development organizations and authorities, the ~~Myron G. Nelson~~  
2                   ~~Fund, Incorporated,~~ the state's nonprofit development corporations, and other  
3                   appropriate private and public sector organizations in achieving the economic  
4                   goals of the state; and

5                   6. Identify those statutes, administrative rules, and policies that impede the attraction,  
6                   creation, and expansion of businesses and job creation in this state.

7                   **SECTION 3. AMENDMENT.** Section 54-34.3-03 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9                   **54-34.3-03. Division structure.** The division consists of:

- 10                   1. ~~A finance office;~~  
11                   2. ~~An international business and trade office;~~  
12                   3. Offices established by statute; and  
13                   4. 2. Offices the director organizes and establishes as necessary to carry out most  
14                   efficiently and effectively the mission and duties of the division.

15                   **SECTION 4. AMENDMENT.** Section 54-34.3-04 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17                   **54-34.3-04. Director - Compensation - Duties.** A director shall supervise and control  
18 the division. The director shall:

- 19                   1. Manage the internal operations of the division and establish policies that promote  
20                   the orderly and efficient administration of the division;  
21                   2. Appoint personnel as may be determined necessary to carry out this chapter and  
22                   fix their compensation within the limits of legislative appropriations;  
23                   3. Assume central responsibility to develop, implement, and coordinate within state  
24                   government a comprehensive program of economic development consistent with  
25                   the mission of the division;  
26                   4. Coordinate that program of economic development with all other appropriate state  
27                   and local government departments, agencies, institutions, and organizations that  
28                   perform research, develop and administer programs, gather statistics, or perform  
29                   other functions relating to economic development, and those government entities  
30                   shall advise, cooperate, and provide reasonable assistance to the director in  
31                   carrying out this chapter;

- 1           5. Advise, and cooperate with, departments and agencies of the federal government  
2           and of other states, private business and agricultural organizations and  
3           associations, research institutions, and any individual or other private or public  
4           entity, and call upon those entities or individuals for consultation and assistance in  
5           their respective fields of endeavor or interest in order that the division and the state  
6           may benefit from up-to-date technical advice, information, and assistance;
- 7           6. Cooperate with individuals and both public and private entities, including the state's  
8           congressional delegation, in identifying and pursuing potential sources of funding  
9           and to receive those funds to be expended for purposes consistent with this  
10          chapter;
- 11          7. Have authority to enter into contracts upon terms and conditions as determined by  
12          the director to be reasonable and to effectuate the purposes of this chapter; ~~and~~
- 13          8. Identify and coordinate sources of capital and financial assistance, including  
14          lending programs of the Bank of North Dakota, and administer programs of  
15          financial assistance placed under the administration of the division, to business  
16          and industry, local governments, and other entities and individuals in the state  
17          consistent with the mission of the division; and
- 18          9. Have authority to do any and all other things necessary and proper to carry out this  
19          chapter.

20           **SECTION 5. AMENDMENT.** Subsection 2 of section 54-34.3-13 of the North Dakota  
21 Century Code is amended and reenacted as follows:

- 22           2. The department shall designate an applicant city as a rural growth incentive city  
23           eligible for a loan if the city raises funds in the amount of a dollar-for-dollar match  
24           for the amount requested in the loan, ~~prepares an economic development strategie~~  
25           ~~plan~~, and meets any additional program requirements provided by rule. The  
26           source of city funds used for loan matching funds may be any combination of  
27           public and private funds. If the department designates a city as a rural growth  
28           incentive city eligible for a loan under this section, subject to the availability of  
29           funds, the state shall make a loan to the city in an amount not less than twenty-five  
30           thousand dollars and not more than seventy-five thousand dollars. The  
31           department shall establish the amount of the interest rate for loans provided to a

1 city under this subsection. The funding source of the state loan is the North  
2 Dakota development fund. The city shall distribute the city and state funds to  
3 qualifying new or expanded primary sector businesses in the city. A qualifying  
4 business in the city includes a business that provides essential services to the city.  
5 For purposes of this subsection, a business that provides essential services does  
6 not include a public utility. The governing body of the city determines whether a  
7 new or expanded primary sector business qualifies for funding, and the director of  
8 the department determines whether a business that provides essential services to  
9 the city qualifies for funding. The state shall distribute a loan to a rural growth  
10 incentive city once the city establishes the city has chosen a specified qualified  
11 business to receive funding.

12 **SECTION 6. AMENDMENT.** Section 54-34.3-15 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **54-34.3-15. Local economic developer ~~certification~~ education program.** The  
15 director shall implement a ~~certification~~ an education program through which the division  
16 provides training to assist local economic developers and community leaders in meeting the  
17 needs of businesses. The director may contract with a third-party service provider to assist in  
18 implementing the program. The director may set and charge a fee for the receipt of services  
19 under this program.

20 **SECTION 7. AMENDMENT.** Section 54-34.4-01 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22 **54-34.4-01. Division of tourism - Director.** The division of tourism is established to  
23 foster and promote tourism to, and within, the state and the full development of the state's  
24 tourism resources and to serve as a planning and coordinating agency for tourism-related  
25 programs of the state and the state's ~~political subdivisions~~ tourism partners. The director shall  
26 supervise and control the division of tourism.

27 **SECTION 8. AMENDMENT.** Section 54-34.4-02 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **54-34.4-02. Duties of director.** The director of the department of commerce division of  
30 tourism, within the limits of legislative appropriations, shall:

31 1. Implement the state's tourism policy;

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Legislative Assembly

- 1           2. Prepare and update annually a tourism ~~master~~ marketing plan for the ~~development~~  
2           promotion and expansion of tourism in the state which identifies the state's tourism  
3           resources, estimates the impact of tourism on the state's economy, and proposes a  
4           ~~five-year plan~~ marketing strategy for activities of the division;
- 5           3. Work with industry groups to prepare a long-term strategic plan each biennium.
- 6           4. Measure and forecast visitor volume, receipts, and related social and economic  
7           impacts;
- 8       4. 5. Work with the private sector and local, state, and federal agencies to develop the  
9           state's tourism-related infrastructure, facilities, services, and attractions, including  
10          the state's highways ~~and~~, parks, and historic sites;
- 11       5. 6. Organize and coordinate programs designed to promote tourism to, and within, the  
12          state through various means. Those means may include:
  - 13           a. ~~Display~~ Print advertising in magazines ~~and~~, newspapers, and direct mail;
  - 14           b. Advertising on radio ~~and~~, on television, online, in displays, or using other  
15           advertising media;
  - 16           c. Publishing pamphlets, brochures, and other graphic and pictorial materials;  
17           and
  - 18           d. Designing the tourism side of the state highway map;
  - 19           e. Aiding and assisting representatives of the media to ensure greater coverage  
20           of the state's visitor attractions, events, and recreational opportunities; and
  - 21           f. Other marketing activities and events aimed at increasing visitor volume.
- 22       6. ~~Participate in travel shows~~;
- 23       7. ~~Supervise and administer visitor information centers that receive funding from the~~  
24          state Work with the department of transportation to improve visitor services along  
25          highways in the state and in state rest areas;
- 26       8. Develop opportunities for professional and technical education and training in the  
27          visitor industry;
- 28       9. Foster an understanding among the state's residents of the economic importance  
29          to the state of hospitality and tourism;
- 30       10. ~~Cooperate with local, state, and federal agencies and organizations and the private~~  
31          sector for the promotion and development of tourism to, and within, the state;





- 1           3. ~~Develop and make available before each regular session of the legislative~~  
2                     ~~assembly a list that identifies economic development moneys included in budget~~  
3                     ~~requests of cabinet agencies.~~

4           **SECTION 12. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **54-60-17. Division of workforce development - ~~Higher education internships~~**  
7 **Internships, apprenticeships, and work experience opportunities.** The division of  
8 workforce development shall administer a program to increase use of ~~higher education~~  
9 ~~internships, apprenticeships, and work experience opportunities for higher education students~~  
10 ~~and high school students enrolled in grade eleven or twelve.~~ The primary focus of this program  
11 must be higher education internships in target industries. This program shall provide services  
12 to employers, communities, and business organizations to increase ~~higher education~~ internship,  
13 ~~apprenticeship, and work experience opportunities.~~

14           **SECTION 13.** A new section to chapter 54-60 of the North Dakota Century Code is  
15 created and enacted as follows:

16           **Rural development office.**

- 17           1. The commissioner shall administer the rural development office. The purpose of  
18                     the office is to assist in the development of rural North Dakota communities.  
19           2. The commissioner may contract with a third party for the provision of services for  
20                     the rural development office. If the commissioner contracts with a third party under  
21                     this subsection, all data and databases collected and created by the third party in  
22                     performing services for the office are the property of the department and the third  
23                     party.  
24           3. The department may seek and accept any gift, grant, or donation of funds,  
25                     property, services, or other assistance from public or private sources for the  
26                     purpose of furthering the objectives of the rural development office.

27           **SECTION 14.** A new section to chapter 54-60 of the North Dakota Century Code is  
28 created and enacted as follows:

29           **North Dakota rural development council - Composition.** The North Dakota rural  
30 development council is created.

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

27           **SECTION 15. REPEAL.** Sections 54-34.3-05, 54-34.4-04, and 54-60-11 of the North  
28           Dakota Century Code are repealed.