

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2018

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 commerce; to create and enact a new chapter to title 6, a new section to chapter 10-30.5,
3 section 54-45.5-10, and three new sections to chapter 54-65 of the North Dakota Century Code,
4 relating to a loan guarantee program, the research North Dakota venture program, the energy
5 conservation fund, and the research North Dakota program; to amend and reenact sections
6 4-14.1-02, 4-14.1-03, 4-44-03, 17-02-05, 54-17-07.3, 54-17-40, 54-18-21, 57-43.1-03,
7 57-43.1-03.1, 57-43.1-03.3, and 57-43.1-08 of the North Dakota Century Code, relating to the
8 agricultural fuel tax fund, ethanol production incentive fund, the agricultural research fund,
9 housing finance programs, and the housing incentive fund; to provide exemptions; to provide for
10 transfers; to provide a continuing appropriation; to provide for an upper great plains
11 transportation institute study; to provide for legislative management studies; and to declare an
12 emergency.

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

14 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
15 as may be necessary, are appropriated out of any moneys in the general fund in the state
16 treasury, not otherwise appropriated, and from special funds derived from federal funds and
17 other income, to the department of commerce for the purpose of defraying the expenses of the
18 department of commerce, for the biennium beginning July 1, 2013, and ending June 30, 2015,
19 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
20			
21			
22	Salaries and wages	\$1,800,217	\$12,658,468
23	Operating expenses	2,557,951	16,434,601
24	Capital assets	(60,018)	10,000

Sixty-third
Legislative Assembly

1	Grants	59,977,994	1,669,956	61,647,950
2	Discretionary funds	928,082	0	928,082
3	Workforce enhancement fund	0	2,000,000	2,000,000
4	Economic development initiatives	186,846	0	186,846
5	Flood impact grants/loans	0	11,782,866	11,782,866
6	Agricultural products utilization commission	2,739,767	506,769	3,246,536
7	Research North Dakota	0	12,000,000	12,000,000
8	North Dakota trade office	2,613,400	0	2,613,400
9	Partner programs	2,022,044	0	2,022,044
10	Federal fiscal stimulus funds	0	796,770	796,770
11	North Dakota planning initiative	0	1,000,000	1,000,000
12	Total all funds	\$93,273,052	\$34,054,511	\$127,327,563
13	Less estimated income	<u>69,666,470</u>	<u>1,134,709</u>	<u>70,801,179</u>
14	Total general fund	\$23,606,582	\$32,919,802	\$56,526,384
15	Full-time equivalent positions	68.25	1.00	69.25

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

20	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
21	Workforce enhancement fund	\$375,000	\$2,000,000
22	Electronic portfolio pilot project	150,000	0
23	2020 and beyond	50,000	0
24	American Indian business office	50,000	0
25	Flood impact grants/loans	235,000,000	11,782,866
26	Centers of research excellence	12,000,000	0
27	Research North Dakota	0	12,000,000
28	Unmanned aircraft system	0	5,000,000
29	Base retention grants	0	1,500,000
30	Tourism large infrastructure grants	0	1,325,000
31	Child care facility grants	0	5,000,000

1	Transportation study	0	350,000
2	North Dakota planning initiative	0	1,000,000
3	Federal fiscal stimulus	24,496,750	796,770
4	Enhanced use lease grant	<u>0</u>	<u>2,500,000</u>
5	Total all funds	\$272,121,750	\$43,254,636
6	Less estimated income	<u>259,496,750</u>	<u>19,079,636</u>
7	Total general fund	\$12,625,000	\$24,175,000

8 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
9 2015-17 biennium. The department of commerce shall report to the appropriations committees
10 of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium
11 beginning July 1, 2013, and ending June 30, 2015.

12 **SECTION 3. AMENDMENT.** Section 4-14.1-02 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **4-14.1-02. Agricultural fuel tax products utilization fund - Purposes - Continuing**
15 **appropriation.**

16 There is created in the state treasury a fund known as the agricultural ~~fuel tax~~products
17 utilization fund which must be used to fund programs for the enhancement of agricultural
18 research, development, processing, technology, and marketing. ~~The fund must be used to~~
19 ~~defray~~All moneys in the fund are appropriated to the department of commerce on a continuing
20 basis for the purpose of defraying the expenses of the North Dakota agricultural products
21 utilization commission necessary to implement the purposes of this chapter. Interest earned on
22 moneys in the fund must be credited to the fund.

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

25 **4-14.1-03. Agricultural products utilization commission - Composition - Appointment.**

26 The agricultural ~~fuel tax~~products utilization fund must be administered by the agricultural
27 products utilization commission. The commission consists of nine members, five of whom must
28 be appointed by the governor for terms of two years each, arranged so that two terms expire in
29 odd-numbered years and three terms expire in even-numbered years. Three members
30 appointed by the governor must be actively engaged in farming in this state and two members
31 appointed by the governor must be actively engaged in business in this state. The agriculture

1 commissioner shall appoint one member for a term of two years which expires in odd-numbered
2 years. The member appointed by the commissioner must be actively engaged in farming in this
3 state. Commission members may be reappointed to the commission. Terms of commissioners
4 shall run from the first day of July. The commissioner of commerce, the president of North
5 Dakota state university, and the agriculture commissioner, or their designees, are members of
6 the commission. The commission shall elect one of its members as chairman.

7 **SECTION 5. AMENDMENT.** Section 4-44-03 of the North Dakota Century Code is amended
8 and reenacted as follows:

9 **4-44-03. (Effective through June 30, 2015) Crop insurance development board -**
10 **Duties.**

- 11 1. The crop insurance development board shall assess the feasibility and desirability of
12 proposals submitted by individuals and by public and nonpublic entities pertaining to
13 the development and implementation of crop insurance instruments. The board may
14 authorize the awarding of grants to assist with future actuarial and development costs.
- 15 2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars
16 and up to fifty percent of the costs thereafter.
- 17 3. The board shall establish conditions pertaining to the receipt of grants, including the
18 repayment of some or all of the grants with moneys received by the applicant from the
19 federal crop insurance corporation for continued development of the proposal. The
20 board shall forward any moneys received as repayments under this section to the
21 state treasurer for deposit in the agricultural ~~fuel tax~~products utilization fund.

22 **SECTION 6.** A new chapter to title 6 of the North Dakota Century Code is created and
23 enacted as follows:

24 **Definitions.**

25 As used in this chapter, unless the context otherwise requires:

- 26 1. "Child care provider" means a child care home, group, or center licensed by the
27 department of human services.
- 28 2. "Lender" means any lending institution that is regulated or funded under the laws of
29 this state or the United States and which has provided financing to a child care
30 provider for a child care facility.

1 3. "Loan guarantee" means an agreement that in the event of default by a child care
2 facility under a note and mortgage or other loan or financing agreement, the Bank of
3 North Dakota shall pay the lender the amount agreed upon up to a percentage to be
4 determined by the Bank of the amount of principal due the lender on a loan at the time
5 the claim is approved from the loan guarantee fund.

6 **Loan guarantee fund - Administration.**

7 A child care facility loan guarantee fund is created to be used by the Bank of North Dakota
8 to administer a child care facility loan guarantee program in conjunction with other loan
9 programs. The fund includes moneys appropriated by the legislative assembly for administration
10 of the program and all earnings, less any administrative charges, from the investment of those
11 moneys. The Bank may retain any administrative charges necessary for the administration of
12 the program established by this chapter. The fund is not subject to section 54-44.1-11.

13 **Application for guarantee - Term - Annual fee.**

14 A lender may apply to the Bank of North Dakota for a loan guarantee for a loan amount to
15 be determined by the Bank. The Bank may approve a guarantee of a loan of up to fifteen
16 thousand dollars to a child care provider for use by the child care provider for purchasing,
17 constructing, or remodeling a facility to provide child care services. The term of a loan
18 guarantee may not exceed five years. The Bank may charge a lender an annual fee during the
19 term of a loan guarantee.

20 **Termination.**

21 The Bank of North Dakota may terminate a loan guarantee upon the sale, exchange,
22 assignment, or transfer of the child care provider's interest in the qualified child care facility. The
23 Bank shall terminate a loan guarantee if the Bank determines that the loan guarantee was
24 obtained by fraud or material misrepresentation of which the lender or seller has actual
25 knowledge.

26 **Rules.**

27 Notwithstanding any provision of this chapter, the Bank of North Dakota shall adopt rules to
28 implement this chapter. The rules may include a formula for determining the ratio of reserves in
29 the loan guarantee fund to the amount of guaranteed loans and the maximum allowable annual
30 interest rate on a loan eligible for a guarantee.

1 **SECTION 7.** A new section to chapter 10-30.5 of the North Dakota Century Code is created
2 and enacted as follows:

3 **Research North Dakota venture investment program.**

- 4 1. The corporation shall administer a research North Dakota venture investment program
5 that provides investments to startup or spinoff businesses that utilize technology
6 developed at a research university, as defined in section 54-65-01, or jointly developed
7 by a research university and the private sector.
- 8 2. A qualified applicant for a research North Dakota venture investment:
- 9 a. Must be a business operating in North Dakota that is in the startup or spinoff
10 state;
- 11 b. Must be utilizing technology that is licensed from a research university or a
12 nonprofit foundation affiliated with a research university; and
- 13 c. Must meet underwriting guidelines established by the corporation.
- 14 3. An investment under this section may not exceed two hundred fifty thousand dollars. A
15 recipient business may not receive more than one award under this section.
- 16 4. An investment under this section is not a business incentive under chapter 54-60.1.

17 **SECTION 8. AMENDMENT.** Section 17-02-05 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **17-02-05. Ethanol production incentive fund - Continuing appropriation.**

20 There is created in the state treasury a special fund known as the ethanol production
21 incentive fund. The fund consists of transfers made in accordance with section 39-04-39 and
22 ~~deposits made in accordance with section 57-43.1-03.1.~~ All moneys in the fund are appropriated
23 on a continuing basis to the office of renewable energy and energy efficiency for use in paying
24 ethanol production incentives under this chapter.

25 **SECTION 9. AMENDMENT.** Section 54-17-07.3 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **54-17-07.3. Housing finance programs.**

28 Acting in its capacity as a state housing finance agency, the industrial commission is
29 authorized to establish the following housing finance programs:

- 30 1. Home mortgage finance program. A program or programs to provide financing or
31 refinancing of loans made by lenders, including second mortgage loans and leasehold

1 mortgage loans on tribal trust or other reservation lands, and leasehold mortgage
2 loans that are insured or guaranteed through an affordable housing program, to
3 persons or families of low and moderate income for the purchase or substantial
4 rehabilitation of owner occupied, single-family residential dwelling units, which
5 includes mobile homes and manufactured housing.

6 2. Mobile home and manufactured housing finance program. A program or programs to
7 provide for the purchase or guaranty of a loan made by a lender to finance the
8 purchase of a mobile home or a manufactured housing unit other than on a real
9 property mortgage basis. A program authorized under this subsection may provide
10 assistance in the development of low-income to moderate-income housing or to
11 otherwise assist a developing community in the state address an unmet housing need
12 or alleviate a housing shortage.

13 3. Multifamily housing finance program. A program or programs to provide financing
14 directly or indirectly of construction, permanent, and combined construction and
15 permanent mortgage loans, including participations in mortgage loans, for the
16 acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of
17 multifamily housing facilities.

18 4. Mortgage loan financing program. A program or programs to provide for the purchase
19 or guaranty of a temporary or permanent mortgage loan originated by a lender on
20 residential real property or on land to be developed into residential real property, in
21 addition to a mortgage loan acquired or to be acquired under subsections 1 through 3.
22 A program authorized under this subsection may provide assistance in the
23 development of low to moderate income housing or to otherwise assist a developing
24 community in the state address an unmet housing need or alleviate a housing
25 shortage.

26 5. Home improvement finance program. A program or programs to provide full or partial,
27 indirect financing of improvements to existing residential dwelling units.

28 6. Housing grant program. A program or programs to provide a grant other than those
29 authorized by section 54-17-07.6 to encourage and promote housing availability for
30 persons of low or moderate income or to otherwise assist a developing community in
31 this state address an unmet housing need or alleviate a housing shortage.

- 1 7. Child care facility finance program. A program or programs to provide financing directly
2 or indirectly of construction, permanent, and combined construction and permanent
3 mortgage loans, including participations in mortgage loans, for the acquisition,
4 construction, refurbishing, reconstruction, rehabilitation, or improvement of child care
5 facilities.

6 **SECTION 10. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-17-40. (Effective through June 30, ~~2013~~2015) Housing incentive fund - Continuing**
9 **appropriation.**

- 10 1. The housing incentive fund in an amount not to exceed fifty million dollars is created
11 as a special revolving fund at the Bank of North Dakota. The housing finance agency
12 may direct disbursements from the fund and a continuing appropriation from the fund
13 is provided for that purpose.
- 14 2. After a public hearing, the housing finance agency shall create an annual allocation
15 plan for the distribution of the fund. At least twenty-five percent of the fund must be
16 used to assist developing communities with a population of not more than ten
17 thousand individuals to address an unmet housing need or alleviate a housing
18 shortage. At least fifty percent of the fund must be used to benefit households with
19 incomes at not more than fifty percent of the area median income. The agency may
20 collect a reasonable administrative fee from the fund.
- 21 3. The housing finance agency shall adopt guidelines for the fund so as to address
22 unmet housing or child care needs in this state. Assistance from the fund may be used
23 solely for:
- 24 a. New construction, rehabilitation, or acquisition of a multifamily housing project;
25 b. Gap assistance, matching funds, and accessibility improvements;
26 c. Assistance that does not exceed the amount necessary to qualify for a loan using
27 underwriting standards acceptable for secondary market financing or to make the
28 project feasible; and
29 d. Rental assistance, emergency assistance, or targeted supportive services
30 designated to prevent homelessness.

1 4. Eligible recipients include units of local, state, and tribal government; local and tribal
2 housing authorities; community action agencies; regional planning councils; and
3 nonprofit organizations and for-profit developers of multifamily housing. Individuals
4 may not receive direct assistance from the fund.

5 5. Except for subdivision d of subsection 3, assistance is subject to repayment or
6 recapture under the guidelines adopted by the housing finance agency. Any
7 assistance that is repaid or recaptured must be deposited in the fund and is
8 appropriated on a continuing basis for the purposes of this section.

9 **SECTION 11. AMENDMENT.** Section 54-18-21 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **54-18-21. Annual transfer.**

12 Within thirty days after the conclusion of each fiscal year, the industrial commission shall
13 transfer five percent of the net income earned by the state mill and elevator association during
14 that fiscal year to the agricultural ~~fuel tax~~products utilization fund.

15 **SECTION 12.** Section 54-45.5-10 of the North Dakota Century Code is created and enacted
16 as follows:

17 **54-44.5-10. Energy conservation grant fund - Continuing appropriation.**

18 The energy conservation grant fund is a special fund in the state treasury. All funds in the
19 energy conservation grant fund are appropriated to the department on a continuing basis for the
20 purpose of providing grants to political subdivisions for energy conservation projects in
21 nonfederal public buildings. Interest earned by the fund must be credited to the fund.

22 **SECTION 13.** A new section to chapter 54-65 of the North Dakota Century Code is created
23 and enacted as follows:

24 **Research North Dakota grants.**

25 The department shall establish and administer a research North Dakota grant program to
26 provide grants to a research university for research, development, and commercialization
27 activities related to a private sector partner. The centers of excellence commission, established
28 under chapter 15-69, shall make grant award determinations under this section. The department
29 shall work with the centers of excellence commission in establishing guidelines to qualify for a
30 grant under this section. Before the commission directs the department to distribute funds
31 awarded under this section, the research university shall provide the commission with detailed

1 documentation of private sector participation and the availability of one dollar of matching funds
2 for each dollar of state funds to be distributed. Matching funds must be in the form of cash given
3 to the research university and may not include in-kind assets.

4 **SECTION 14.** A new section to chapter 54-65 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Research North Dakota venture grants.**

7 The department shall establish and administer a research North Dakota venture grant
8 program to provide grants to a research university for pursuing further commercialization of
9 technology developed by the research university or developed jointly by the research university
10 and a startup or spinoff business operating in North Dakota. The department shall collaborate
11 with the centers of excellence commission in establishing guidelines to qualify for a grant under
12 this section.

13 **SECTION 15.** A new section to chapter 54-65 of the North Dakota Century Code is created
14 and enacted as follows:

15 **Research North Dakota fund - Continuing appropriation.**

16 The research North Dakota fund is a special fund in the state treasury. All moneys in the
17 research North Dakota fund are appropriated to the department of commerce on a continuing
18 basis for the purpose of implementing and administering this chapter. Interest earned on
19 moneys in the fund must be credited to the fund.

20 **SECTION 16. AMENDMENT.** Section 57-43.1-03 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **57-43.1-03. Refund of tax for fuel used for an industrial purpose - Reduction for**
23 **agricultural fuel taxproducts utilization fund.**

24 Any consumer who buys or uses any motor vehicle fuel for an industrial purpose on which
25 the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund
26 under this chapter. The amount of the tax refund provided for in this section must be reduced by
27 one-half cent per gallon [3.79 liters], except for those fuels used in aircraft or with respect to
28 refunds claimed by aircraft fuel users, and the one-half cent per gallon [3.79 liters] withheld from
29 the refund must be deposited in the agricultural ~~fuel tax~~products utilization fund.

30 **SECTION 17. AMENDMENT.** Section 57-43.1-03.1 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **57-43.1-03.1. Refund of tax for fuel used for agricultural purposes - Reductions.**

2 Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which
3 the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund
4 under this chapter. The amount of the tax refund under this section must be reduced by seven
5 cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds
6 claimed by aircraft fuel users. ~~Two cents per gallon [3.79 liters] withheld from the refund must be~~
7 ~~deposited in the agricultural fuel tax fund, one cent per gallon [3.79 liters] withheld from the~~
8 ~~refund must be deposited in the ethanol production incentive fund, and four cents~~The amount
9 per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research
10 fund.

11 **SECTION 18. AMENDMENT.** Section 57-43.1-03.3 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **57-43.1-03.3. Refund to emergency medical services operation.**

14 Upon application to the commissioner, the operator of an emergency medical services
15 operation licensed under chapter 23-27 is entitled to a refund of taxes paid under this chapter
16 for motor vehicle fuel purchased and used by the emergency medical services operation. The
17 refund provided for in this section is not subject to reduction for deposit in the agricultural fuel
18 ~~tax~~products utilization fund, ~~the ethanol production incentive fund,~~ or the agricultural research
19 fund.

20 **SECTION 19. AMENDMENT.** Section 57-43.1-08 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **57-43.1-08. Refund to state or political subdivision.**

23 When any construction, reconstruction, or maintenance of a public road, highway, street, or
24 airport is undertaken by the state or any political subdivision in the state and public funds of the
25 United States, state, or any political subdivision are directly used for the purchasing of motor
26 vehicle fuel to be used in publicly owned vehicles for such construction, reconstruction, or
27 maintenance, such motor vehicle fuel is subject to a refund of the tax paid on the fuel as
28 provided for in this chapter and under the same terms and conditions. The refund provided for in
29 this section may not be reduced for deposit to the agricultural ~~fuel tax~~products utilization fund.

30 **SECTION 20. EXEMPTION.** The amount appropriated for the agricultural products
31 utilization commission in section 1 of chapter 50 of the 2011 Session Laws is not subject to

1 section 54-44.1-11 and any unexpended funds from this line item for grants are available for
2 grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

3 **SECTION 21. EXEMPTION.** The amount appropriated for the discretionary funds line item
4 in section 1 of chapter 50 of the 2011 Session Laws is not subject to section 54-44.1-11 and any
5 unexpended funds from this line item are available during the biennium beginning July 1, 2013,
6 and ending June 30, 2015.

7 **SECTION 22. EXEMPTION.** The amount appropriated for the technology-based
8 entrepreneurship grant program contained in the grants line item in section 1 of chapter 50 of
9 the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this
10 line item are available during the biennium beginning July 1, 2013, and ending June 30, 2015.

11 **SECTION 23. EXEMPTION.** Any amount carried over pursuant to section 22 of chapter 50
12 of the 2011 Session Laws that is unexpended as of June 30, 2013, is not subject to section
13 54-44.1-11 and is available for promotion and marketing of the USS North Dakota during the
14 biennium beginning July 1, 2013, and ending June 30, 2015.

15 **SECTION 24. EXEMPTION.** Any amount carried over pursuant to section 18 of chapter 50
16 of the 2011 Session Laws, relating to the antiballistic missile site acquisition grant and base
17 realignment grant, that is unexpended as of June 30, 2013, is not subject to section 54-44.1-11
18 and is available for a grant to assist in the acquisition of the antiballistic missile site at the
19 Stanley R. Mickelson safeguard complex in Nekoma and for a base realignment grant to
20 enhance economic development and employment opportunities associated with the Minot air
21 force base resulting from action by the federal defense base closure and realignment
22 commission during the biennium beginning July 1, 2013, and ending June 30, 2015.

23 **SECTION 25. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of
24 management and budget shall transfer the amount appropriated in the workforce enhancement
25 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of
26 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning
27 July 1, 2013, and ending June 30, 2015.

28 **SECTION 26. TRANSFER - INTERNSHIP FUND.** The office of management and budget
29 shall transfer \$1,500,000 of the amount appropriated in the operating expenses line item in
30 section 1 of this Act to the internship fund for the purpose of administering the operation intern
31 program, for the period beginning with the effective date of this Act and ending June 30, 2015.

1 **SECTION 27. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of
2 management and budget shall transfer the amount appropriated in the research North Dakota
3 line item in section 1 of this Act to the research North Dakota fund for the purpose of
4 implementing and administering the research North Dakota program, for the biennium
5 beginning July 1, 2013, and ending June 30, 2015. The department of commerce may use up to
6 \$2,000,000 of the funds transferred to the research North Dakota fund for venture grants.

7 **SECTION 28. TRANSFER - BANK OF NORTH DAKOTA - CHILD CARE FACILITY LOAN**
8 **GUARANTEE FUND.** The Bank of North Dakota shall transfer the sum of \$200,000 from the
9 Bank's current earnings and undivided profits to the child care facility loan guarantee fund for
10 the biennium beginning July 1, 2013, and ending June 30, 2015.

11 **SECTION 29. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North
12 Dakota trade office special line item and the general fund appropriation in section 1 of this Act
13 include \$2,613,400 of funding relating to the North Dakota trade office. The department of
14 commerce may spend seventy percent of this amount without requiring any matching funds
15 from the trade office. Any additional amounts may be spent only to the extent that the North
16 Dakota trade office provides one dollar of matching funds from private or other public sources
17 for each one dollar provided by the department for the biennium beginning July 1, 2013, and
18 ending June 30, 2015. Matching funds may include money spent by businesses or
19 organizations to pay salaries to export assistant, provide training to export assistants, or buy
20 computer equipment as part of the North Dakota trade office's export assistance program.

21 **SECTION 30. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of
22 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant
23 program to be developed by the department of commerce, for the biennium beginning July 1,
24 2013, and ending June 30, 2015. The department may award grants of up to \$500,000 to each
25 community with an air force base or air national guard facilities.

26 **SECTION 31. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in
27 section 1 of this Act includes the sum of \$5,000,000 from the general fund for a child care
28 facility grant program to be developed by the department of commerce, for the biennium
29 beginning July 1, 2013, and ending June 30, 2015. The department shall establish guidelines to
30 qualify for a grant under this section which must include a matching requirement of one dollar of

1 matching funds for every three dollars of grant funds and a maximum grant amount of
2 \$187,500.

3 **SECTION 32. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNMANNED**

4 **AIRCRAFT SYSTEMS PROGRAM.** The grants line item in section 1 of this Act includes the
5 sum of \$1,000,000 from the general fund for costs related to pursuing federal aviation
6 administration designation as an unmanned aircraft systems test site. The grants line item in
7 section 1 of this Act includes the sum of \$4,000,000 from the strategic investment and
8 improvements fund for operations of the test site, contingent upon receiving official designation
9 by the federal aviation administration as a national test site.

10 **SECTION 33. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**

11 **USE LEASE GRANT PROGRAM.** The grants line item in section 2 of this Act includes the sum
12 of \$2,500,000 from the strategic investment and improvements fund for an enhanced use lease
13 grant program to be developed by the department of commerce, for the biennium beginning
14 July 1, 2013, and ending June 30, 2015. Grants are available for constructing infrastructure
15 required for an enhanced use lease private sector business development project located on or
16 adjacent to the Grand Forks air force base, contingent upon certification from the department of
17 commerce verifying both a signed enhanced use lease agreement and a commitment by a
18 private sector business to locate in the development.

19 **SECTION 34. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND**

20 **BEYOND INITIATIVE - REPORT TO THE LEGISLATIVE MANAGEMENT.** Before
21 September 1, 2014, the North Dakota economic development foundation shall provide a report
22 to the legislative management regarding progress made toward the recommendations provided
23 as part of the 2020 and beyond initiative and any recommendations for future legislation.

24 **SECTION 35. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH**

25 **- RESEARCH NORTH DAKOTA - REPORT TO BUDGET SECTION.** Before June 1, 2014, the
26 department of commerce shall provide a progress report on the experimental program to
27 stimulate competitive research and research North Dakota, including the research North Dakota
28 venture investment program to the budget section of the legislative management.

29 **SECTION 36. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE STUDY -**

30 **REPORTS TO BUDGET SECTION.** The operating expenses line item in section 1 of this Act
31 includes the sum of \$350,000 from the general fund for the department of commerce to contract

1 with the upper great plains transportation institute for the purpose of updating and maintaining
2 reports for transportation infrastructure needs for all county roads and bridges in the state, for
3 the biennium beginning July 1, 2013, and ending June 30, 2015. While updating and
4 maintaining the reports, the upper great plains transportation institute shall review options to
5 most efficiently use resources through the integration of road and bridge projects identified in
6 the reports along with other associated infrastructure needs. During the 2013-14 interim, the
7 upper great plains transportation institute shall report at least annually to the budget section of
8 the legislative management regarding the status of the reports.

9 **SECTION 37. LEGISLATIVE MANAGEMENT STUDY - CHILD CARE SERVICES.** During
10 the 2013-14 interim, the legislative management shall consider studying child care services.
11 The study must include consideration of the current and potential needs for child care services
12 and the current and potential workforce needs related to child care. The study must include
13 consideration of the current quality of child care services. The legislative management shall
14 report its findings and recommendations, together with any legislation required to implement the
15 recommendations, to the sixty-fourth legislative assembly.

16 **SECTION 38. LEGISLATIVE INTENT - RESEARCH NORTH DAKOTA VENTURE**
17 **INVESTMENT PROGRAM.** It is the intent of the sixty-third legislative assembly that the North
18 Dakota development fund, incorporated, use funding transferred to the North Dakota
19 development fund, incorporated, in section 18 of chapter 50 of the 2011 Session Laws for
20 investments under the research North Dakota venture investment program.

21 **SECTION 39. EMERGENCY.** Funding of \$1,500,000 in the operating expenses line item in
22 section 1 of this Act, relating to the operation intern program, and funding of \$5,000,000 in the
23 grants line item of section 1 of this Act, relating to the unmanned aircraft systems program, and
24 sections 26 and 32 of this Act are declared to be an emergency.