23.0247.02003

Sixty-eighth
Legislative Assembly
of North Dakota

Introduced by

Appropriations Committee

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1018

A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04, 6-09.18-05, 6-09.18-06, ~~and~~ 6-09.18-07, ~~subsection 4 of section 21-10-13, sections~~10-30.5-04, 10-30.5-05, 54-60-22, 54-60-28, 54-60-29, 54-60-29.1, 54-60.2-01, and 54-60.2-02 of the North Dakota Century Code and subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to the legacy investment for technology program, the North Dakota development fund, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; ~~and~~ to provide for a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
~~Salaries and wages~~	~~$12,835,431~~	~~$3,929,103~~	~~$16,764,534~~
~~Operating expenses~~	~~17,317,760~~	~~16,226,440~~	~~33,544,200~~
~~Grants~~	~~50,232,330~~	~~126,115,351~~	~~176,347,681~~
~~Discretionary funds~~	~~2,150,000~~	~~350,000~~	~~2,500,000~~
~~COVID-19 response~~	~~0~~	~~16,167,553~~	~~16,167,553~~

~~Partner programs~~	~~1,562,531~~	~~0~~	~~1,562,531~~
~~Entrepreneurship grants and vouchers~~	~~948,467~~	~~0~~	~~948,467~~
~~Total all funds~~	~~$85,046,519~~	~~$162,788,447~~	~~$247,834,966~~
~~Less estimated income~~	~~53,544,379~~	~~118,005,090~~	~~171,549,469~~
~~Total general fund~~	~~$31,502,140~~	~~$44,783,357~~	~~$76,285,497~~
~~Full-time equivalent positions~~	~~58.80~~	~~4.00~~	~~62.80~~
Salaries and wages	$12,835,431	$2,622,805	$15,458,236
Operating expenses	17,317,760	7,410,202	24,727,962
Grants	50,232,330	79,065,351	129,297,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	28,500,000	28,500,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	120,000,000	120,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	948,467	0	948,467
Total all funds	$85,046,519	$253,683,443	$338,729,962
Less estimated income	53,544,379	223,013,053	276,557,432
Total general fund	$31,502,140	$30,670,390	$62,172,530
Full-time equivalent positions	58.80	5.00	63.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Unmanned aircraft system	$1,000,000	$0
~~Beyond visual line of sight uncrewed aircraft system~~	~~20,000,000~~	~~30,000,000~~
~~Enhanced use lease grant~~	~~7,000,000~~	~~28,000,000~~
~~Workforce grants to tribally controlled community colleges~~	~~500,000~~	~~5,000,000~~
~~Workforce safety grant~~	~~1,500,000~~	~~1,500,000~~
~~Job development and economic growth grant~~	~~1,500,000~~	~~0~~
~~Tourism marketing~~	~~7,000,000~~	~~5,000,000~~

~~Tourism destination development initiative~~	~~0~~	~~25,000,000~~
~~Technical skills training grants~~	~~6,000,000~~	~~2,000,000~~
~~Motion picture production and recruitment grant~~	~~100,000~~	~~0~~
Beyond visual line of sight uncrewed aircraft system	20,000,000	26,000,000
Enhanced use lease grant	7,000,000	10,000,000
Workforce grants to tribally controlled community colleges	500,000	0
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	40,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	600,000
Creamery assistance grant	0	250,000
Travel agent and tour operator emergency resiliency grants	2,000,000	0
Event center emergency resiliency grants	2,000,000	0
Tourism transportation improvement grant	565,432	0
~~Discretionary funds~~	~~1,000,000~~	~~350,000~~
~~Small business credit initiative~~	~~56,234,176~~	~~0~~
Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143
Workforce community service Americorps program	1,074,888	785,000
Community development planning grants	1,000,000	0
Workforce innovation network grant program	100,000	0
North Dakota development fund	5,000,000	0
Autonomous agriculture grant program	10,000,000	0
Local workforce development incentive grant program	15,000,000	0
~~Rural workforce housing grant program~~	~~0~~	~~7,000,000~~
~~Workforce talent attraction initiative~~	~~0~~	~~8,000,000~~
~~Workforce investment grant program~~	~~0~~	~~15,000,000~~
~~Automation workforce training grants~~	~~0~~	~~5,000,000~~
~~Automation workforce equipment grants~~	~~0~~	~~5,000,000~~

~~Main street initiative community development grants~~	~~0~~	~~400,000~~
Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	12,000,000
Workforce investment grant program	0	12,500,000
Weatherization and energy assistance program	0	120,000,000
New Americans workforce training grants	0	2,000,000
Parks and recreation grants	0	1,550,000
Energy conservation grant program	0	14,081,719
~~Heating and cooling grant program~~	~~0~~	~~1,172,250~~
~~Total all funds~~	~~$138,574,496~~	~~$156,838,969~~
~~Less estimated income~~	~~135,409,064~~	~~116,088,969~~
~~Total general fund~~	~~$3,165,432~~	~~$40,750,000~~
Heating and cooling grant program	0	3,258,084
Total all funds	$138,574,496	$252,596,946
Less estimated income	135,409,064	223,246,946
Total general fund	$3,165,432	$29,350,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 3. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $1,006,896 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 4. TRANSFER - ~~LEGACY EARNINGS~~STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS. ~~Pursuant to the designation of funding for other legislative purposes under subdivision c of subsection 4 of section 21-10-13, the~~The office of management and budget shall transfer the sum of ~~$20,000,000~~$10,000,000 from the ~~legacy earnings~~strategic investment and improvements fund to the legacy investment for technology

fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND. The office of management and budget shall transfer the sum of ~~$30,000,000~~$65,000,000 from strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

~~**SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - FERTILIZER DEVELOPMENT ADVISORY COUNCIL - EXEMPTION.**~~

~~1. The office of management and budget shall transfer the sum of $120,000,000 from the strategic investment and improvements fund to the North Dakota development fund under chapter 10-30.5 for the purpose of a fertilizer development grant program, during the biennium beginning July 1, 2023, and ending June 30, 2025.~~

~~2. Notwithstanding any other provision under chapter 10-30.5, the board of directors shall distribute grant funding to entities to support the development of fertilizer plants in the state based on recommendations from the fertilizer development advisory board. In consultation with the advisory board, the board of directors shall develop program guidelines including eligibility criteria.~~

~~3. To be eligible for a grant, a fertilizer development project must be located within the state, and the owner of the fertilizer development project must be an entity domiciled in the United States or Canada. Fifty percent of the grant awards must be designated for one or more fertilizer development projects that use hydrogen produced by the electrolysis of water, and fifty percent of the grant awards must be designated for one or more fertilizer development projects that use natural gas or lignite resources.~~

~~4. The fertilizer development advisory board consists of the following members:~~

~~a. The commissioner of commerce or the commissioner's designee to serve as chairman;~~

~~b. The agriculture commissioner or the commissioner's designee;~~

~~c. A representative of the soybean industry appointed by the agriculture commissioner;~~

~~d. A representative of the corn industry appointed by the agriculture commissioner;~~

~~e. A representative of the hydrogen or wind industry appointed by the agriculture commissioner;~~

~~f. A representative of the ethanol industry appointed by the agriculture commissioner;~~

~~g. A representative of the grain growers industry appointed by the agriculture commissioner;~~

~~h. A representative of the petroleum industry appointed by the governor; and~~

~~i. A representative of the lignite industry appointed by the governor.~~

~~5. a. To the extent the board of directors, fertilizer development advisory board, or department of commerce determines any materials or data consist of trade secrets or commercial, financial, or proprietary information of entities applying for a fertilizer development grant, materials and data submitted to, made by, or received by the board of directors, fertilizer development advisory board, or department of commerce, are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota, but are subject to section 44-04-18.4.~~

~~b. A person may file a request with the board of directors, fertilizer development advisory board, or department of commerce to have material designated as confidential under subdivision a. The request must contain any information required by the board of directors, fertilizer development advisory board, or department of commerce and must include at least the following:~~

~~(1) A general description of the nature of the information sought to be protected.~~

~~(2) An explanation of why the information derives independent economic value, actual or potential, from not being generally known to other persons.~~

~~(3) An explanation of why the information is not readily ascertainable by proper means of other persons.~~

~~(4) A general description of any person that may obtain economic value from disclosure or use of the information, and how the person may obtain this value.~~

~~(5) A description of the efforts used to maintain the secrecy of the information.~~

~~c. Any request under subdivision b is confidential. The board of directors, fertilizer development advisory board, or department of commerce shall examine the request and determine whether the information is relevant to the matter at hand and is a trade secret under the definition in section 44-04-18.4 or 47-25.1-01. If the board of directors, fertilizer development advisory board, or department of commerce determines the information is either not relevant or not a trade secret, the board of directors, fertilizer development advisory board, or department of commerce shall notify the requester and the requester may ask for the return of the information and the request within ten days of the notice. If no return is sought, the information and request are open records.~~

~~6. A fertilizer development grant is not a business incentive under chapter 54-60.1.~~

SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS. The estimated income line item in section 1 of this Act includes $120,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, three positions are for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions.

SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LEGISLATIVE INTENT. The estimated income line item in section 1 of this Act includes the sum of ~~$98,500,000~~$83,000,000 from the strategic investment and improvements fund, of which ~~$7,000,000~~$2,000,000 is for the rural workforce housing grant program, $5,000,000 is for the tourism marketing awareness initiative, ~~$25,000,000~~$40,000,000 is for the tourism destination development initiative ~~grant~~ program, ~~$30,000,000~~$26,000,000 is for the beyond visual line of sight uncrewed aircraft system program, ~~$28,000,000~~and $10,000,000 is for the enhanced use lease grant program~~, $2,000,000 is for new Americans workforce development and training grants, and $1,500,000 is for a workforce safety grant to an organization that provides workforce safety~~. It is the intent of the sixty-eighth legislative assembly that the department of commerce not hire a third-party consultant when determining how funding for the

tourism destination development initiative ~~grant~~ program will be spent. The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns but may not award more than $20,000,000 for a project under this program.

SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM. The grants line item in section 1 of this Act includes ~~the sum of $6,500,000~~$1,500,000 from the ~~general~~strategic investment and improvements fund as identified in section 7 of this Act for the purpose of providing rural workforce housing grants. The department of commerce shall develop guidelines for the grants, including eligibility criteria, maximum grant awards, and reporting requirements. Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant funding may be used to:

1. Conduct a housing study in the city to identify workforce housing needs, blighted property, and vacant lots within the city;
2. Purchase blighted properties or vacant lots;
3. Remove hazards or structures from blighted properties or vacant lots; and
4. Provide up to $10,000 per business for repairs or improvements if the business is located in a mixed-use property that will be used for rural workforce housing.

SECTION 9. WORKFORCE PROGRAMS. The workforce programs line item in section 1 of this Act includes $28,500,000 from the general fund for workforce-related programs, of which $12,000,000 is for the workforce talent attraction initiative, $12,500,000 is for the workforce investment grant program, $2,000,000 is for technical skills training grants, and $2,000,000 is for new Americans workforce development and training grants.

SECTION 10. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes $444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds ~~appropriated~~identified in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 11. DISCRETIONARY FUNDS ~~- STATE MAGAZINE~~. Of the funding appropriated from the general fund in the discretionary funds line item in section 1 of this Act, $150,000 is

designated for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine, $350,000 is designated for supporting an organization dedicated to assisting native American small businesses in North Dakota, and $350,000 is designated for providing base retention grant funding to eligible organizations in Minot.

~~**SECTION 12. WORKFORCE DEVELOPMENT GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES - LEGISLATIVE MANAGEMENT REPORT.** The grants line item in section 1 of this Act includes $5,000,000 from the general fund for workforce development grants to tribally controlled community colleges. To be eligible for a grant under this section, a tribally controlled community college must partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, each tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2024, regarding the use of grant funds.~~

SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM. The entrepreneurship grants and voucher line item in section 1 of this Act includes $948,467, of which $740,956 is from the general fund and $207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program.

SECTION 13. AMENDMENT. Section 6-09.18-01 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the department of commerce.
2. "Committee" means the ~~innovation loan fund to support technology advancement~~legacy investment for technology committee.
3. "Diversification sectors" means the following industries:
   a. Advanced computing and data management;
   b. Agriculture technology;
   c. Autonomous and ~~unmanned~~uncrewed vehicles and related technologies;
   d. Energy;

e. Health care;

f. Value-added agriculture;

g. Value-added energy; and

h. Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

SECTION 14. AMENDMENT. Section 6-09.18-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-02. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology committee - Membership - Meetings.

1. The ~~innovation loan fund to support technology advancement~~legacy investment for technology committee consists of:
   a. The commissioner or the commissioner's designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee;
   b. Three members representing active venture capital firms, private entities, or angel capital funds;
   c. One member with finance-related experience, knowledge, or education; and
   d. Three members from the private sector with expertise in the diversification sectors.
2. The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee. The term of office of the appointed members of the committee is four years, and the terms must be staggered so that no more than one of the members' terms appointed under subdivisions b and c of subsection 1 expires each year, and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year. Each term of office commences on the first day of July. Members serve at the pleasure of the commissioner and may be reappointed for additional terms. Members of the committee may not invest or otherwise participate in applied research, experimentation, or operational testing associated with a loan awarded under this chapter. If a committee member appointed under subdivision b of subsection 1 ceases to represent an active venture capital firm, private entity, or angel capital fund, that individual's membership on the committee ceases immediately and the commissioner,

in consultation with the president of the Bank of North Dakota, shall appoint a new member to the committee for the remainder of the term.

3. A committee member representing the private sector is eligible to receive compensation in an amount not exceeding one hundred thirty-five dollars per day and travel and expense reimbursement as provided by law for state officers for attending meetings of the committee.

4. The committee shall meet as necessary to make loan recommendations and provide ongoing review of research, development, and commercialization activities.

SECTION 15. AMENDMENT. Section 6-09.18-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-03. ~~Innovation loan fund to support technology advancement -~~ ~~Innovation~~Legacy investment technology loan program.

The department of commerce shall administer the ~~innovation~~legacy investment technology loan program in consultation with the Bank of North Dakota to provide loans for activities identified in this chapter. The department of commerce shall provide administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy ~~innovation~~investment technology loan.

SECTION 16. AMENDMENT. Section 6-09.18-04 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-04. ~~Innovation~~Legacy investment technology loans - Eligibility.

1. The committee shall establish guidelines for entities to qualify for ~~an innovation~~a legacy investment technology loan under this section. The committee shall consider and process applications in a timely manner that does not jeopardize an applicant's opportunity to leverage other funds.

2. In determining whether to recommend approval of an application, the committee shall consider the extent to which the proposal will:

a. Deliver applied research, experimentation, or operational testing in one or more of the diversification sectors to create information or data to enhance North Dakota companies or industries or companies making investments in North Dakota;

b. Lead to the commercialization or patent of an innovation technology solution; or

c. Result in the development of a new company or expansion of an existing company that will diversify the state's economy through new products, investment, or skilled jobs.

3. The Bank of North Dakota shall review the business plan, financial statements, and other information necessary for the Bank to determine which applications recommended for approval by the committee will be approved by the Bank for final loan approval. The terms of the loan must include:

a. Zero percent interest for the first three years of the loan;

b. Two percent interest for the next two years of the loan; and

c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.

4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank.

SECTION 17. AMENDMENT. Section 6-09.18-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-05. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology fund - Continuing appropriation.

The ~~innovation loan fund to support technology advancement~~legacy investment for technology fund is a special fund in the state treasury and must be administered by the department of commerce. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment technology loans and for administrative expenses. The department of commerce shall deposit in the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund all principal and interest paid on loans made from the fund. Interest earned on moneys in the fund must be credited to the fund.

SECTION 18. AMENDMENT. Section 6-09.18-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-06. Use of loan funds.

Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance capacity and, to the extent possible, leverage state, federal, and private sources of funding. An entity receiving a loan under this chapter may not use the funds for capital or building investments or for research or other activities not identified in this chapter. The funds may not be used for academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education. Unless otherwise approved by the committee, loan recipients may use funding only to conduct applied research, experimentation, or operational testing within the state. If an entity awarded a loan no longer conducts its activities in the state, the interest rate of the loan shall default to the rate of a standard Bank of North Dakota loan.

SECTION 19. AMENDMENT. Section 6-09.18-07 of the North Dakota Century Code is amended and reenacted as follows:

6-09.18-07. ~~Innovation loan fund to support technology advancement -~~ Postaward monitoring.

Upon completion of work performed from funding provided by a legacy investment technology loan, the department of commerce shall provide an independent review of the results. Evaluation criteria may include:

1. How the work performed has contributed to the development of a company or the expansion of an existing company, has enhanced the ability of a company to make investments in the state, or otherwise enticed a company to invest or move to the state.
2. How the work performed has led to additional economic investment of capital from public and private sector entities within and outside North Dakota.
3. How the work performed has led to or may lead to a patent or research that is commercially viable.

~~**SECTION 19. AMENDMENT.** Subsection 4 of section 21-10-13 of the North Dakota Century Code is amended and reenacted as follows:~~

~~4. On July first of each odd-numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order:~~

~~a. The first one hundred fifty million dollars to the legacy sinking and interest fund under section 6-09.4-10.1.~~

~~b. The next sixty million dollars to the highway tax distribution fund for allocations under section 54-27-19.~~

~~c. Any remaining funds for other purposes as designated by the legislative assembly, including:~~

~~(1) Up to fifty million dollars for tax relief pursuant to appropriations or transfers authorized by the legislative assembly;~~

~~(2) Up to thirty million dollars to the clean sustainable energy fund pursuant to appropriations or transfers authorized by the legislative assembly; and~~

~~(3) Up to thirty million dollars for university research programs, the innovation loan fund to support technology advancement~~legacy ~~investment for technology fund, and workforce enrichment initiatives pursuant to appropriations or transfers authorized by the legislative assembly.~~

SECTION 20. AMENDMENT. Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-04. Powers.

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate ~~and~~, contract with, and provide funding to any private or public entity.
2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.
3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

SECTION 21. AMENDMENT. Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-05. Management.

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.
2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.
3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval.

SECTION 22. AMENDMENT. Section 54-60-22 of the North Dakota Century Code is amended and reenacted as follows:

54-60-22. Workforce enhancement council - Grants.

The workforce enhancement council shall recommend to the commissioner the approval of grants to training providers, businesses, and institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high-demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

SECTION 23. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. ~~Unmanned~~Uncrewed aircraft systems program - Report to legislative management.

The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department ~~shall~~may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private ~~parties appointed by the governor~~entities as determined by the commissioner in the operation and administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the ~~establishment~~operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

SECTION 24. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. ~~Unmanned~~Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed aircraft systems fund, which may be used to defray the expenses of the:
   a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially designated by the federal aviation administration;
   b. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program; and
   c. Enhanced use lease grant program.
2. The fund consists of fees collected for the administration of the test site and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 25. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight ~~unmanned~~uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to the state treasurer ~~equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial statements~~based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight ~~unmanned~~uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 26. AMENDMENT. Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college~~.

SECTION 27. AMENDMENT. Section 54-60.2-02 of the North Dakota Century Code is amended and reenacted as follows:

54-60.2-02. Purpose of grants.

1. ~~Any~~A grant awarded under section 54-60.2-01 may be used at the discretion of the college:
   a. ~~For development or enhancement of~~To develop or enhance programs that assist in providing certificates or degrees to North Dakota students attending the college that qualify the student to obtain jobs for which applicants are being sought within the state, as identified by the department of commerce, job service North Dakota, or any of the federally recognized Indian tribes within North Dakota; ~~or~~
   b. To assist any North Dakota student attending the college to establish, or to assist in establishing, a new business operating within North Dakota that will employ North Dakota citizens; or
   c. To develop or enhance career and technical education programs.
2. Any funds provided to tribally controlled community colleges must be used to supplement, not supplant, ~~any~~an existing program or funding source of the college.

SECTION 28. AMENDMENT. Subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of $5,000,000, which the office of management and budget shall transfer to the North Dakota development fund under chapter 10-30.5 for the purpose of a North Dakota development fund grant program during the period beginning with the effective date of this Act, and ending June 30, 2023.

SECTION 29. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of $320,000 that was continued into the 2021-23 biennium in section 17 of chapter 46 of the 2021 Session Laws from the appropriation from the general fund for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws;
2. The sum of $11,393,078 appropriated from federal funds derived from the Coronavirus Aid, Relief, and Economic Security Act, of which $3,000,000 was for the community

development block grant program, $7,393,078 was for the community services block grant program, and $1,000,000 was for the emergency solutions grant program in section 1 of chapter 27 of the 2021 Session Laws;

3. The sum of $56,234,176 appropriated from federal funds derived from COVID-19 response funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws;

4. The sum of $2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 46 of the 2021 Session Laws;

5. The sum of ~~$1,000,000~~$1,500,000 appropriated from the ~~general~~strategic investment and improvements fund for ~~discretionary funds in section 10 of chapter 15~~a job development and economic growth grant in section 1 of chapter 46 of the 2021 Session Laws;

6. The sum of $3,000,000 appropriated from the general fund for the unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

7. The sum of $19,000,000 appropriated from the ~~general~~strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;

8. The sum of $1,000,000 appropriated from the ~~strategic investment and improvements~~general fund for beyond visual line of sight unmanned aircraft system program matching funds in section 1 of chapter 46 of the 2021 Session Laws and amended in section 22 of chapter 549 of the 2021 Special Session Session Laws;

9. The sum of $7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 46 of the 2021 Session Laws;

10. The sum of $1,330,212 appropriated from the general fund for the homeless shelter grant program in section 1 of chapter 46 of the 2021 Session Laws;

11. The sum of $1,074,888 appropriated from federal funds for the workforce community services Americorps program in section 19 of chapter 549 of the 2021 Special Session Session Laws;

12. The sum of $1,000,000 appropriated from federal funds for the community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Session Laws;
13. The sum of $10,000,000 appropriated from federal funds derived from the state fiscal recovery fund for autonomous agriculture matching grants in subsection 37 of section 1 of chapter 550 of the 2021 Special Session Session Laws, which shall be awarded without any matching fund requirements;
14. The sum of $15,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws; and
15. The sum of $5,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the technical skills training grants program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

SECTION 30. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE GRANT PROGRAMS. During the 2023-24 interim, the department of commerce shall report to the legislative management regarding the status of each grant program ~~administered by the department during the 2023-25 biennium~~identified in section 2 of this Act derived from the general fund or state special funds, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, and a detailed listing of how the funding has been used~~, current and future estimated return on investment statistics and the economic effect on the state's economy as a result of each program, future plans for the use of remaining grant funds, any funding the department anticipates requesting to continue into the 2025-27 biennium, and any anticipated requests to the sixty-ninth legislative assembly for additional funding for each program. The department of commerce shall provide information regarding actual and expected revenue received as a result of the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1~~. The department of commerce shall provide one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024.

SECTION 31. EMERGENCY. The following are declared to be an emergency measure:

1. The $120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 of this Act; and
2. The $26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item and in the estimated income line item in section 1 of this Act.