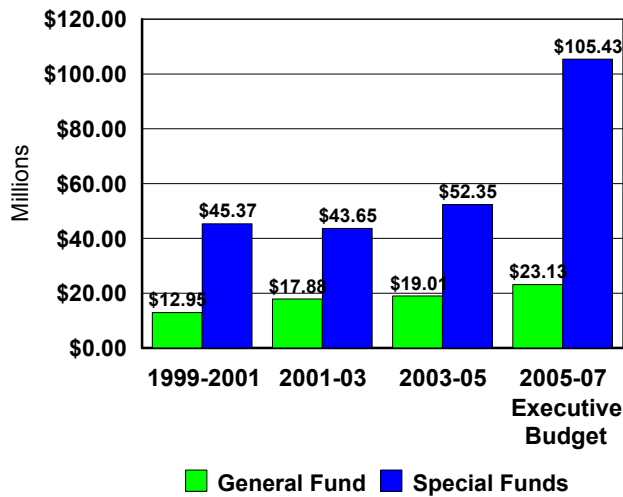


**Department 601 - Department of Commerce
 Senate Bill No. 2018**

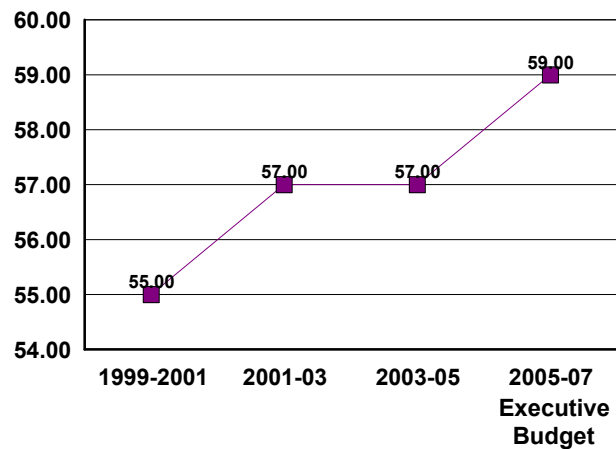
	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	59.00	\$23,129,164	\$105,432,496	\$128,561,660
2003-05 Legislative Appropriations	57.00	19,014,723	52,353,107 ¹	71,367,830 ¹
Increase (Decrease)	2.00	\$4,114,441	\$53,079,389	\$57,193,830

¹The 2003-05 appropriation amounts do not include \$5,397,389 of additional special funds authority resulting from Emergency Commission action during the 2003-05 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
1. Adds funding for 1 FTE economic analyst to provide information on the impact of economic development incentives on the state's economy	\$112,320		\$112,320
2. Authorizes an additional FTE position in Section 20 of the bill for the Development Fund. Funding for the position will be provided from the Development Fund pursuant to a continuing appropriation (NDCC Section 10-30.5-10); therefore, the position will be considered "off-budget."			
3. Removes funding for grants to the Lewis and Clark Interpretive Center in Washburn (\$150,000) and to Fort Abraham Lincoln in Mandan (\$150,000)	(\$300,000)		(\$300,000)
4. Increases funding for Lewis and Clark marketing due to estimated additional revenue from the 1 percent lodging tax during the 2005-07 biennium	\$176,610		\$176,610
5. Reduces funding for workforce development programs due to loss of federal funds		(\$987,033)	(\$987,033)

6. Provides funding from the general fund for grants to centers of excellence and authorizes the department to borrow up to \$50 million from the Bank of North Dakota for additional grants to centers of excellence. (The Senate reduced the general fund appropriation to \$2.5 million and removed the department's authority to borrow up to \$50 million from the Bank.)	\$5,000,000	\$50,000,000	\$55,000,000
7. Removes funding provided by the 2003 Legislative Assembly for transfer to the Development Fund	(\$1,550,000)		(\$1,550,000)
8. Requires the department to provide up to \$500,000 to the Trade Promotion Authority from the Development Fund to match other funds raised by the authority			
9. Provides \$400,000 from the general fund for a marketing grant to the Red River Valley Research Corridor compared to the \$200,000 provided for the second year of the 2003-05 biennium	\$200,000		\$200,000
10. Provides \$250,000 for the partners in marketing program compared to \$175,000 for the 2003-05 biennium	\$75,000		\$75,000
11. Adds funding for a grant to the Center for Technology	\$50,000		\$50,000
12. Adds funding for grants to recruit and retain dairy farmers in the state. (The Senate removed this funding.)	\$50,000		\$50,000
13. Reduces funding for Agricultural Product Utilization Commission grants from \$3.2 million to \$2.5 million	\$3,922	(\$724,664)	(\$720,742)

Centers of Excellence

The bill, as introduced, provided for the centers of excellence program being recommended by the Governor, including the statutory provisions for the centers of excellence program, authorization for the department to borrow up to \$50,000,000 from the Bank of North Dakota, a continuing appropriation to the department to spend the amount borrowed for grants to centers of excellence, and authorization for the department to carry over any unspent amounts of the \$5 million general fund appropriation for centers of excellence grants into the 2007-09 biennium. The Senate replaced these provisions with Section 21 of the engrossed bill providing the revised statutory provisions for the centers of excellence program. The Senate, in Section 9 of the engrossed bill, allows the department to carry over any unspent amounts of the \$2.5 million general fund appropriation for centers of excellence grants into the 2007-09 biennium.

Major Related Legislation

House Bill No. 1185 continues the department's rural growth incentive grant program that under current law will be discontinued on July 31, 2005.

House Bill No. 1203 provides for economic development accountability reporting.

Senate Bill No. 2032 addresses a number of economic development and business climate issues, including the creation of a division of international trade in the Department of Commerce.

Senate Bill No. 2147 allows the Agricultural Products Utilization Commission to provide technical assistance grants for value-added businesses.

Senate Bill No. 2270 allows existing ethanol plants that increase ethanol production by at least 10 million gallons or 50 percent of its production capacity within a 12-month period to be eligible for ethanol production incentive payments on its increased production.