10103.0300

Fifty-seventh Legislative Assembly of North Dakota Prepared by the Legislative Council staff for the Commerce and Labor Committee
October 2000

THIRD DRAFT:

Introduced by

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2 Code, relating to creation of a department of commerce; to amend and reenact sections 3 4-14.1-03, 4-14.1-04, and 6-12-02, subsection 6 of section 10-30-04, subsection 4 of section 4 10-30.5-02, section 10-30.5-05, subsection 6 of section 10-30.6-04, subsection 3 of section 5 20.1-02-17.1, sections 20.1-02-18.1, 21-11-02, 21-11-03, 21-11-04, 21-11-05, 21-11-06, and 6 24-03-21, subsection 4 of section 26.1-50-01, sections 26.1-50-02, 28-32-01, 40-57.1-04, and 7 49-10.1-17, subsection 4 of section 50-06-01.8, section 52-01-03, subsection 5 of section 8 52-02.1-01, section 54-01.1-08, subsection 1 of section 54-06-04, section 54-21.2-03, 9 subsection 1 of section 54-21.3-03, sections 54-21.3-04.1, 54-34-12, 54-34-15, 54-34.3-01, 10 54-34.3-02, 54-34.3-03, 54-34.3-04, 54-34.3-05, 54-34.3-06, 54-34.3-08, 54-34.3-10, 11 54-34.3-11, 54-34.4-01, 54-34.4-02, and 54-34.4-04, subsection 15 of section 54-44.3-20, 12 sections 54-44.5-01, 54-44.5-02, 54-44.5-03, 54-44.5-05, 54-53-02, 55-01-01, and 55-06-01, 13 subsection 1 of section 57-38.5-01, section 57-38.5-08, and subsection 6 of section 57-39.2-28 14 of the North Dakota Century Code, relating to merging the division of community services, 15 department of economic development and finance, department of labor, and tourism

A BILL for an Act to create and enact a new chapter to title 54 of the North Dakota Century

19 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

appropriation; and to provide an effective date.

SECTION 1. AMENDMENT. Section 4-14.1-03 of the 1999 Supplement to the North
Dakota Century Code is amended and reenacted as follows:

department into a department of commerce; to repeal section 54-34.3-09 of the North Dakota

Century Code, relating to the department of economic development and finance; to provide an

- 22 4-14.1-03. Agricultural products utilization commission Composition -
- 23 **Appointment.** The agricultural fuel tax fund must be administered by the agricultural products
- 24 utilization commission. The commission consists of nine members, five of whom must be

- appointed by the governor for terms of two years each, arranged so that two terms expire in
 odd-numbered years and three terms expire in even-numbered years. Three members
- 3 appointed by the governor must be actively engaged in farming in this state and two members
- 4 appointed by the governor must be actively engaged in business in this state. The
- 5 commissioner of agriculture shall appoint one member for a term of two years which expires in
- 6 odd-numbered years. The member appointed by the commissioner must be actively engaged
- 7 in farming in this state. Commission members may be reappointed to the commission. Terms
- 8 of commissioners shall run from the first day of July. The director of the department of
- 9 <u>commerce division of</u> economic development and finance, the president of North Dakota state
- 10 university, and the commissioner of agriculture, or their designees, are members of the
- 11 commission. The commission shall elect one of its members as chairman.
- 12 **SECTION 2. AMENDMENT.** Section 4-14.1-04 of the 1999 Supplement to the North
- 13 Dakota Century Code is amended and reenacted as follows:
- 14 4-14.1-04. Agricultural products utilization commission Meetings Personnel -
- 15 **Reports.** The agricultural products utilization commission, which is a division an office of the
- 16 department of commerce division of economic development and finance, shall meet as
- 17 necessary and shall report to each session of the legislative assembly. The commission may
- 18 secure office space, employ needed personnel for the performance of its duties, hire
- 19 consultants, spend any funds appropriated to the commission, and contract with public entities
- 20 or private parties for services.
- 21 **SECTION 3. AMENDMENT.** Section 6-12-02 of the 1999 Supplement to the North
- 22 Dakota Century Code is amended and reenacted as follows:
- 23 6-12-02. (Effective for first four taxable years beginning after December 31, 1998)
- 24 **Establishment Organization.** Any financial institution or group of financial institutions may
- 25 establish a corporation or a limited liability company to own and operate the housing
- 26 development fund. Except as provided in this chapter, all authority regarding the articles of
- 27 incorporation or articles of organization is the province of the governing board, which must
- 28 include a representative of the Bank of North Dakota and a representative of the department of
- 29 commerce division of economic development and finance. The fund administrator shall
- 30 maintain the fund as an account at the Bank of North Dakota. The governing board is
- 31 responsible for adopting policies and procedures governing activities in connection with the

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Century Code is amended and reenacted as follows:

- 1 fund. The governing board may not distribute more than seventy-five percent of the net profit of 2 the fund in any of the first five years of operation. 3 SECTION 4. AMENDMENT. Subsection 6 of section 10-30-04 of the North Dakota 4
 - Cooperate with and avail itself of the facilities of the department of commerce division of economic development and finance and any other similar governmental agencies; to cooperate with and assist, and otherwise encourage, local organizations in the various communities of the state the purpose of which are the promotion, assistance, and development of the business prosperity and economic welfare of such communities and of this state.
 - **SECTION 5. AMENDMENT.** Subsection 4 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:
 - The director commissioner of the department of economic development and finance commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.
 - **SECTION 6. AMENDMENT.** Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:
 - 10-30.5-05. Management. The deputy director of the finance division office of the department of commerce division of economic development and finance must be the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.
 - All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the deputy director 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 7. AMENDMENT.** Subsection 6 of section 10-30.6-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:
 - Cooperate with and avail itself of the facilities of the department of economic development and finance commerce and any other similar governmental agencies;

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and cooperate with, assist, and otherwise encourage local organizations in the various communities of the state, the purpose of which are the promotion, assistance, and development of the business prosperity and economic welfare of the communities and of this state.

SECTION 8. AMENDMENT. Subsection 3 of section 20.1-02-17.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- A detailed impact analysis from the state game and fish department shall be included with the acquisition proposal for board of county commissioner consideration in making recommendations. The analysis by the game and fish department shall include, but shall not be limited to, the recreational and wildlife impacts. In addition, the county agent of the affected county or counties shall prepare an impact analysis for board of county commissioner consideration which shall include the fiscal, social, and agricultural impacts of the proposed acquisition. The state game and fish department shall reimburse the county or counties for any expenses incurred by the county agent in preparing the analysis. The analyses shall also be forwarded to the department of commerce division of community services which shall furnish copies to all interested state agencies and political subdivisions, which agencies and political subdivisions shall have thirty days to review the analyses and return their comments to the division of community services. Upon expiration of the thirty-day period, all comments received by the division of community services shall be forwarded to the state game and fish department. The state game and fish department may, after consideration of such comments, file a final impact analysis with the division of community services and the board of county commissioners.
- **SECTION 9. AMENDMENT.** Section 20.1-02-18.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:
- 20.1-02-18.1. Federal wildlife area acquisitions Submission to county commissioners, opportunity for public comment, and impact analysis required. The governor, the director, or their designees, responsible under federal law for final approval of land, wetland, and water acquisitions by the United States department of the interior, its bureaus or agencies, for waterfowl production areas, wildlife refuges, or other wildlife or

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waterfowl purposes, shall submit the proposed acquisitions by certified mail with return receipt to the board of county commissioners of the county or counties in which the land, wetland, and water areas are located for the board's recommendations.

The board of county commissioners of the county affected, or a designee or designees of the board, shall, within twenty-one days of receipt of an acquisition proposal, physically inspect the proposed acquisition areas. The board shall give public notice of the date, hour, and place where the public may comment on the proposed acquisitions. The notice must be published once each week for two successive weeks in the official newspaper of the county or counties in which the land and water areas are located. The notice must set forth the substance of the proposed action, and must include a legal description of the proposed acquisitions. The board of county commissioners shall make its recommendations by certified mail with return receipt within sixty days after receipt of an acquisition proposal.

A detailed impact analysis from the federal agency involved must be included with the acquisition proposal for board of county commissioner consideration in making recommendations. The analysis must include the recreational and wildlife impacts. In addition, the county agent of the affected county or counties shall prepare an impact analysis for board of county commissioner consideration which must include the fiscal, social, and agricultural impacts of the proposed acquisitions. The department of the interior shall reimburse the county or counties for any expenses incurred by the county agent in preparing the analysis. The analyses must also be forwarded to the department of commerce division of community services, which shall furnish copies to all interested state agencies and political subdivisions, which agencies and political subdivisions have thirty days to review the analyses and return their comments to the division of community services. Upon expiration of the thirty-day period, all comments received by the division of community services must be forwarded to the federal agency involved and to the state official or agency responsible for final acquisition approval. The federal agency may, after consideration of the comments, file a final impact analysis with the governor, the board of county commissioners, and any other state official or agency responsible for final acquisition approval.

SECTION 10. AMENDMENT. Section 21-11-02 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

21-11-02. Application for loan - Form - Contents - Preference of applications. Any privately or cooperatively owned enterprise for the purpose of securing a loan from this state for purposes of planning, constructing, acquiring, equipping, improving, or extending facilities for the conversion of North Dakota's natural resources into low cost power and the generation and transmission of such power, and the acquisition of real and personal property and water and mineral rights needed for such facilities, or any of such purposes, may file an application with the department of commerce division of economic development and finance. The application must be in the form required by the department division and must be accompanied by a complete and fully detailed outline and description of the applicant's plan of operation. In the consideration of applications the department division shall consider the following factors:

- 1. Preference must be given to applicants with the following qualifications:
 - a. Applicants who are experienced in the generation or transmission of power, and who at the time of application have access to alternate markets for the sale of such power.
 - b. Applicants who are residents of North Dakota, or private or cooperative enterprises incorporated under the laws of North Dakota and having their headquarters in the state, whether or not a nonresident person, corporation, or limited liability company owns part or all of the stock of the applicant or limited liability companies organized under the laws of North Dakota and having their headquarters in the state, whether or not a nonresident person, limited liability company, or corporation owns part or all of the membership interests of the applicant, or is engaged in a partnership or joint enterprise with the applicant.
- The provisions of subsection 1 do not prohibit the department division from approving loans to applicants not possessing the qualifications therein described, if in the judgment of the department division such approval would better carry out the objectives of this chapter as stated in section 21-11-01.
- 3. Each application shall include information for the purpose of showing to the department division and may be approved only if the department division determines:

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- a. That the facilities proposed to be financed by the loan will result in significant additional industrial or other economic activity in North Dakota which would not occur in the absence of a state loan.
- b. That the cost of power furnished by the facilities financed by the loan will be significantly lower than it would be without a loan made under this chapter.
- c. That the facilities financed will furnish power at the lowest possible cost to stimulate industrial development, benefit the general public, and expand the use of North Dakota fuel resources.
- In considering applications the department division may establish additional reasonable criteria with respect to the financial qualification of individuals and organizations requesting loans.

SECTION 11. AMENDMENT. Section 21-11-03 of the North Dakota Century Code is amended and reenacted as follows:

21-11-03. Processing of application - Fee - Purpose. The department of commerce division of economic development and finance shall process each application and if it determines the applicant is eligible for the loan and has complied with all requirements, it shall request an application fee of not more than fifty thousand dollars. The fee must be deposited in a special and separate fund in the state treasury and must be expended by the department division of economic development and finance for purposes of investigating the applicant and evaluating the technical and economic feasibility of the plans and specifications as submitted by the applicant. The department division may consult or contract with any person or private. state, or federal department, agency, or entity, for purposes of that investigation or evaluation. All departments, agencies, institutions, and officials of this state and its political subdivisions shall provide to the department division of economic development and finance such aid. information, and assistance as it may request in regard to any matter relative to the applicant or such applicant's plans and specifications. The department division of economic development and finance may conduct any private or public hearing it may deem necessary in the course of that investigation or evaluation. Any unexpended portion of the funds received as an application fee must be refunded to the applicant after the payment of all costs of investigation and evaluation of the application. There is hereby appropriated from each application fee these

- funds as may be necessary to pay all costs of investigation and evaluation and pay refunds asprovided in this section.
 - **SECTION 12. AMENDMENT.** Section 21-11-04 of the North Dakota Century Code is amended and reenacted as follows:
 - 21-11-04. Approval or rejection of application. Upon completion of all investigations and evaluations of any matter relative to the applicant or the submitted application and plan, the department of commerce division of economic development and finance shall either reject the application as submitted, approve the application as submitted, or offer to approve the application if modified in accordance with any recommendation made by the commission as a result of any such investigation or evaluation. If the applicant fails or refuses to agree to those modifications, the application must be rejected.
 - **SECTION 13. AMENDMENT.** Section 21-11-05 of the North Dakota Century Code is amended and reenacted as follows:
 - 21-11-05. Approved application filed with industrial commission. Upon approval of the application, as submitted or modified, the department of commerce division of economic development and finance shall file the application, along with its report and recommendations, received by it as a result of any investigation and evaluation, with the state industrial commission. The department of economic development and finance commerce shall prepare and submit any necessary legislation for the appropriation of additional funds or the authorization of the issuance of bonds at the following session of the legislative assembly, or at a special session if called in accordance with the constitution.
 - **SECTION 14. AMENDMENT.** Section 21-11-06 of the North Dakota Century Code is amended and reenacted as follows:
 - 21-11-06. Disbursements of loan Inspection fee. If the industrial commission finds that the approved loan application has been filed and processed as required by this chapter and the proposed loan agreement is in proper legal form and the amount to be disbursed thereunder, with other previous disbursements, does not exceed the funds appropriated for that purpose, it shall authorize the execution of the loan agreement with the applicant by the director of the department of commerce division of economic development and finance on behalf of the state. Prior to the disbursement of any funds pursuant to the loan agreement, the applicant shall deliver to the director of the division of economic development and finance a supervision

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section.

- 1 fee in such amount as may be specified in the loan agreement, which fee must be deposited in 2 a special fund in the state treasury. The fee must be expended by the department division of 3 economic development and finance for the purpose of periodic inspection of the construction of 4 such power generation or transmission facilities, and disbursements to the borrower under the 5 loan agreement may be made only upon certification by the director or a person appointed by 6 the director that which the construction is being carried on in accordance with the loan 7 agreement and that the loan funds are due the borrower under the agreement. Upon the 8 completion of the construction of the facilities, any unexpended balance of the inspection fee 9 must be refunded to the borrower. There is hereby appropriated from each inspection fee those 10 funds as may be necessary to provide for the inspections and refunds as provided in this
- SECTION 15. AMENDMENT. Section 24-03-21 of the 1999 Supplement to the North
 Dakota Century Code is amended and reenacted as follows:
 - **24-03-21.** Preparation of road maps Publication of tourist information. The commissioner shall prepare for general distribution, road maps of the state highway system and other roads as the commissioner determines necessary. Any tourist-oriented material printed on road maps must be prepared by the <u>department of commerce division of</u> tourism department at no cost to the department of transportation.
 - **SECTION 16. AMENDMENT.** Subsection 4 of section 26.1-50-01 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:
 - 4. "Primary sector business" means an individual, corporation, limited liability company, partnership, or association that through the employment of knowledge or labor adds value to a product, process, or service which results in the creation of new wealth. Qualification as a primary sector business under this subsection must be determined by the department of <u>commerce division of</u> economic development and finance.
 - **SECTION 17. AMENDMENT.** Section 26.1-50-02 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:
 - **26.1-50-02. Establishment Organization.** Any insurer or group of insurers may establish a corporation or limited liability company to own and operate the North Dakota low-risk incentive fund. Except as provided in this chapter, all authority regarding the articles of

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- 1 incorporation or articles of organization is the province of the governing board, which must
- 2 include a representative of the Bank of North Dakota and the director of the department of
- 3 commerce division of economic development and finance. The Bank of North Dakota shall
- 4 administer the fund; however, the governing board is responsible for adopting fund policies and
- 5 procedures. The governing board may not distribute more than seventy-five percent of the net
- 6 profit of the fund in any of the first five years of operation.
 - **SECTION 18. AMENDMENT.** Section 28-32-01 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:
 - **28-32-01.** (Effective through December 31, 2002) Definitions. In this chapter, unless the context or subject matter otherwise provides:
 - "Adjudicative proceeding" means an administrative matter resulting in an agency issuing an order after an opportunity for hearing is provided or required. An adjudicative proceeding includes administrative matters involving a hearing on a complaint against a specific-named respondent; a hearing on an application seeking a right, privilege, or an authorization from an agency, such as a ratemaking or licensing hearing; or a hearing on an appeal to an agency. An adjudicative proceeding includes reconsideration, rehearing, or reopening. Once an adjudicative proceeding has begun, the adjudicative proceeding includes any informal disposition of the administrative matter under section 28-32-05.1 or another specific statute or rule, unless the matter has been specifically converted to another type or proceeding under section 28-32-05.1. An adjudicative proceeding does not include a decision or order to file or not to file a complaint, or to initiate an investigation, an adjudicative proceeding, or any other proceeding before the agency, or another agency, or a court. An adjudicative proceeding does not include a decision or order to issue, reconsider, or reopen an order that precedes an opportunity for hearing or that under another section of this code is not subject to review in an adjudicative proceeding. An adjudicative proceeding does not include rulemaking under this chapter.
 - "Administrative agency" or "agency" means each board, bureau, commission, department, or other administrative unit of the executive branch of state government, including one or more officers, or employees, or other persons directly

1 or indirectly purporting to act on behalf or under authority of the agency. An 2 administrative unit located within or subordinate to an administrative agency shall 3 be treated as part of that agency to the extent it purports to exercise authority 4 subject to this chapter. The term administrative agency does not include: 5 The office of management and budget except with respect to rules made 6 under section 32-12.2-14, rules relating to conduct on the capitol grounds and 7 in buildings located on the capitol grounds under section 54-21-18, rules 8 relating to the state building code as authorized or required under section 9 54-21.3-03, rules relating to the Model Energy Code as required under section 10 54-21.2 03, rules relating to the central personnel system as authorized under 11 section 54-44.3-07, rules relating to state purchasing practices as required 12 under section 54-44.4-04, rules relating to records management as authorized 13 or required under chapter 54-46, and rules relating to the central microfilm unit 14 as authorized under chapter 54-46.1. 15 b. The adjutant general with respect to the division of emergency management. 16 The council on the arts. C. 17 d. The state auditor. 18 The department of commerce with respect to the division of economic e. 19 development and finance. 20 f. The dairy promotion commission. 21 The education factfinding commission. g. 22 h. The educational telecommunications council. 23 i. The board of equalization. 24 i. The board of higher education. 25 k. The Indian affairs commission. 26 I. The industrial commission with respect to the activities of the Bank of North 27 Dakota, the North Dakota housing finance agency, the North Dakota 28 municipal bond bank, the North Dakota mill and elevator association, and the 29 North Dakota farm finance agency. 30 The department of corrections and rehabilitation except with respect to the 31 activities of the division of adult services under chapter 54-23.4.

1 The pardon advisory board. n. 2 0. The parks and recreation department. 3 The parole board. p. 4 q. The state fair association. 5 The state department of health with respect to the state toxicologist. r. 6 s. The board of university and school lands except with respect to activities 7 under chapter 47-30.1. 8 t. The administrative committee on veterans' affairs except with respect to rules 9 relating to the supervision and government of the veterans' home and the 10 implementation of programs or services provided by the veterans' home. 11 The industrial commission with respect to the lignite research fund except as u. 12 required under section 57-61-01.5. 13 The secretary of state with respect to rules adopted for the presidential ٧. 14 preference contest under section 16.1-11-02.2. 15 "Agency head" means an individual or body of individuals in whom the ultimate 3. 16 legal authority of the agency is vested by law. 17 4. "Complainant" means any person who files a complaint before an administrative 18 agency pursuant to section 28-32-05; and any administrative agency which, when 19 authorized by law, files such a complaint before such agency or any other agency. 20 5. "Hearing officer" means any agency head or one or more members of the agency 21 head when presiding in an administrative proceeding, or, unless prohibited by law, 22 one or more other persons designated by the agency head to preside in an 23 administrative proceeding, an administrative law judge from the office of 24 administrative hearings, or any other person duly assigned, appointed, or 25 designated to preside in an administrative proceeding pursuant to statute or rule. 26 6. "License" means a franchise, permit, certification, approval, registration, charter, or 27 similar form of authorization required by law. 28 7. "Order" means any agency action of particular applicability that determines the 29 legal rights, duties, privileges, immunities, or other legal interests of one or more 30 specific persons, but does not mean an executive order issued by the governor.

- Fifty-seventh Legislative Assembly 1 8. "Party" means each person named or admitted as a party or properly seeking and 2 entitled as of right to be admitted as a party. An administrative agency may be a 3 party. In a hearing for the suspension, revocation, or disqualification of an 4 operator's license under title 39, the term may include each city and each county in 5 which the alleged conduct occurred, but the city or county may not appeal the 6 decision of the hearing officer. 7 9. "Person" includes an individual, association, partnership, corporation, limited 8 liability company, state governmental agency or governmental subdivision, or an 9 agency of such governmental subdivision. 10 10. "Relevant evidence" means evidence having any tendency to make the existence 11 of any fact that is of consequence to the determination of the administrative action 12 more probable or less probable than it would be without the evidence. 13 11. "Rule" means the whole or a part of an agency statement of general applicability 14 that implements or prescribes law or policy, or the organization, procedure, or 15 practice requirements of the agency. The term includes the adoption of new rules 16 and the amendment, repeal, or suspension of an existing rule. The term does not 17 include: 18 a. A rule concerning only the internal management of an agency which does not 19 directly or substantially affect the substantive or procedural rights or duties of 20 any segment of the public. 21 A rule that sets forth criteria or guidelines to be used by the staff of an agency b.
 - b. A rule that sets forth criteria or guidelines to be used by the staff of an agency in the performance of audits, investigations, inspections, and settling commercial disputes or negotiating commercial arrangements, or in the defense, prosecution, or settlement of cases, if the disclosure of the statement would:
 - (1) Enable law violators to avoid detection;

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- (2) Facilitate disregard of requirements imposed by law; or
- (3) Give a clearly improper advantage to persons who are in an adverse position to the state.
- A rule establishing specific prices to be charged for particular goods or services sold by an agency.

d. A rule concerning only the physical servicing, maintenance, or care of agency owned or operated facilities or property.
 e. A rule relating only to the use of a particular facility or property owned, operated, or maintained by the state or any of its subdivisions, if the

persons who use the facility or property.

f. A rule concerning only inmates of a correctional or detention facility, students enrolled in an educational institution, or patients admitted to a hospital, if adopted by that facility, institution, or hospital.

substance of the rule is adequately indicated by means of signs or signals to

- g. A form whose contents or substantive requirements are prescribed by rule or statute or are instructions for the execution or use of the form.
- h. An agency budget.
- i. An opinion of the attorney general.
- j. A rule adopted by an agency selection committee under section 54-44.7-03.
- k. Any material, including a guideline, interpretive statement, statement of general policy, manual, brochure, or pamphlet, that is explanatory and not intended to have the force and effect of law.

(Effective January 1, 2003) Definitions. In this chapter, unless the context or subject matter otherwise provides:

1. "Adjudicative proceeding" means an administrative matter resulting in an agency issuing an order after an opportunity for hearing is provided or required. An adjudicative proceeding includes administrative matters involving a hearing on a complaint against a specific-named respondent; a hearing on an application seeking a right, privilege, or an authorization from an agency, such as a ratemaking or licensing hearing; or a hearing on an appeal to an agency. An adjudicative proceeding includes reconsideration, rehearing, or reopening. Once an adjudicative proceeding has begun, the adjudicative proceeding includes any informal disposition of the administrative matter under section 28-32-05.1 or another specific statute or rule, unless the matter has been specifically converted to another type or proceeding under section 28-32-05.1. An adjudicative proceeding does not include a decision or order to file or not to file a complaint, or

- to initiate an investigation, an adjudicative proceeding, or any other proceeding before the agency, or another agency, or a court. An adjudicative proceeding does not include a decision or order to issue, reconsider, or reopen an order that precedes an opportunity for hearing or that under another section of this code is not subject to review in an adjudicative proceeding. An adjudicative proceeding does not include rulemaking under this chapter.
- 2. "Administrative agency" or "agency" means each board, bureau, commission, department, or other administrative unit of the executive branch of state government, including one or more officers, or employees, or other persons directly or indirectly purporting to act on behalf or under authority of the agency. An administrative unit located within or subordinate to an administrative agency shall be treated as part of that agency to the extent it purports to exercise authority subject to this chapter. The term administrative agency does not include:
 - a. The office of management and budget except with respect to rules made under section 32-12.2-14, rules relating to conduct on the capitol grounds and in buildings located on the capitol grounds under section 54-21-18, rules relating to the state building code as authorized or required under section 54-21.3-03, rules relating to the Model Energy Code as required under section 54-21.2-03, rules relating to the central personnel system as authorized under section 54-44.3-07, rules relating to state purchasing practices as required under section 54-44.4-04, rules relating to records management as authorized or required under chapter 54-46, and rules relating to the central microfilm unit as authorized under chapter 54-46.1.
 - b. The adjutant general with respect to the division of emergency management.
 - c. The council on the arts.
 - d. The state auditor.
 - e. The department of <u>commerce with respect to the division of</u> economic development and finance.
 - f. The dairy promotion commission.
 - g. The education factfinding commission.
- h. The educational telecommunications council.

1 i. The board of equalization. 2 j. The board of higher education. 3 k. The Indian affairs commission. 4 I. The industrial commission with respect to the activities of the Bank of North 5 Dakota, the North Dakota housing finance agency, the North Dakota 6 municipal bond bank, the North Dakota mill and elevator association, and the 7 North Dakota farm finance agency. 8 The department of corrections and rehabilitation except with respect to the m. 9 activities of the division of adult services under chapter 54-23.4. 10 The pardon advisory board. n. 11 The parks and recreation department. 0. 12 p. The parole board. 13 The state fair association. q. 14 The state department of health with respect to the state toxicologist. r. 15 s. The board of university and school lands except with respect to activities 16 under chapter 47-30.1. 17 t. The administrative committee on veterans' affairs except with respect to rules 18 relating to the supervision and government of the veterans' home and the 19 implementation of programs or services provided by the veterans' home. 20 The industrial commission with respect to the lignite research fund except as u. 21 required under section 57-61-01.5. 22 The secretary of state with respect to rules adopted for the presidential ٧. 23 preference contest under section 16.1-11-02.3. 24 3. "Agency head" means an individual or body of individuals in whom the ultimate 25 legal authority of the agency is vested by law. 26 4. "Complainant" means any person who files a complaint before an administrative 27 agency pursuant to section 28-32-05; and any administrative agency which, when 28 authorized by law, files such a complaint before such agency or any other agency. 29 5. "Hearing officer" means any agency head or one or more members of the agency 30 head when presiding in an administrative proceeding, or, unless prohibited by law, 31 one or more other persons designated by the agency head to preside in an

- Fifty-seventh Legislative Assembly 1 administrative proceeding, an administrative law judge from the office of 2 administrative hearings, or any other person duly assigned, appointed, or 3 designated to preside in an administrative proceeding pursuant to statute or rule. 4 6. "License" means a franchise, permit, certification, approval, registration, charter, or 5 similar form of authorization required by law. 6 7. "Order" means any agency action of particular applicability that determines the 7 legal rights, duties, privileges, immunities, or other legal interests of one or more 8 specific persons, but does not mean an executive order issued by the governor. 9 "Party" means each person named or admitted as a party or properly seeking and 8. 10 entitled as of right to be admitted as a party. An administrative agency may be a 11 party. In a hearing for the suspension, revocation, or disqualification of an 12 operator's license under title 39, the term may include each city and each county in which the alleged conduct occurred, but the city or county may not appeal the 13 14 decision of the hearing officer. 15 9. "Person" includes an individual, association, partnership, corporation, limited 16 liability company, state governmental agency or governmental subdivision, or an 17 agency of such governmental subdivision. 18 10.
 - 10. "Relevant evidence" means evidence having any tendency to make the existence of any fact that is of consequence to the determination of the administrative action more probable or less probable than it would be without the evidence.

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- 11. "Rule" means the whole or a part of an agency statement of general applicability that implements or prescribes law or policy, or the organization, procedure, or practice requirements of the agency. The term includes the adoption of new rules and the amendment, repeal, or suspension of an existing rule. The term does not include:
 - a. A rule concerning only the internal management of an agency which does not directly or substantially affect the substantive or procedural rights or duties of any segment of the public.
 - A rule that sets forth criteria or guidelines to be used by the staff of an agency in the performance of audits, investigations, inspections, and settling commercial disputes or negotiating commercial arrangements, or in the

1		defense, prosecution, or settlement of cases, if the disclosure of the statement
2		would:
3		(1) Enable law violators to avoid detection;
4		(2) Facilitate disregard of requirements imposed by law; or
5		(3) Give a clearly improper advantage to persons who are in an adverse
6		position to the state.
7	C.	A rule establishing specific prices to be charged for particular goods or
8		services sold by an agency.
9	d.	A rule concerning only the physical servicing, maintenance, or care of agency
10		owned or operated facilities or property.
11	e.	A rule relating only to the use of a particular facility or property owned,
12		operated, or maintained by the state or any of its subdivisions, if the
13		substance of the rule is adequately indicated by means of signs or signals to
14		persons who use the facility or property.
15	f.	A rule concerning only inmates of a correctional or detention facility, students
16		enrolled in an educational institution, or patients admitted to a hospital, if
17		adopted by that facility, institution, or hospital.
18	g.	A form whose contents or substantive requirements are prescribed by rule or
19		statute or are instructions for the execution or use of the form.
20	h.	An agency budget.
21	i.	An opinion of the attorney general.
22	j.	A rule adopted by an agency selection committee under section 54-44.7-03.
23	k.	Any material, including a guideline, interpretive statement, statement of
24		general policy, manual, brochure, or pamphlet, that is explanatory and not
25		intended to have the force and effect of law.
26	SECTIO	19. AMENDMENT. Section 40-57.1-04 of the 1999 Supplement to the North
27	Dakota Century	Code is amended and reenacted as follows:
28	40-57.1-0	94. Exemption from income tax - Notice to competitors - Limitations.
29	Upon application	by a project operator to the state board of equalization, the net income of a
30	project may be e	xempt from state income tax for a period not exceeding five years from
31	commencement	of project operations. The application for the exemption must be reviewed as

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- 1 to the eligibility of the project by the department of commerce division of economic development 2 and finance and its recommendations forwarded to the state board of equalization. The project 3 operator shall provide notice to competitors in the manner prescribed by the state board of 4 equalization. The board shall determine whether the granting of the exemption is in the best 5 interest of the people of North Dakota and, if it so determines, approve the exemption. The 6 board shall, after making its determination, certify the findings back to the applicant and to the 7 tax commissioner. Nothing contained herein shall have the effect of exempting the project from 8 filing an annual income tax return.
 - **SECTION 20. AMENDMENT.** Section 49-10.1-17 of the North Dakota Century Code is amended and reenacted as follows:
 - 49-10.1-17. Agreements to restore Amtrak service. The governor or the director of the department of transportation may make agreements in accordance with applicable federal law with the state of Montana and relevant federal agencies for the renewal of service on the Amtrak north coast Hiawatha route from Fargo to Spokane, Washington. The governor, the director of the department of transportation, or the director of the department of economic development and finance commerce may enter agreements with any political subdivision, state, and federal agency for the restoration of daily service on the Amtrak empire builder route.
 - **SECTION 21. AMENDMENT.** Subsection 4 of section 50-06-01.8 of the North Dakota Century Code is amended and reenacted as follows:
 - 4. The department of economic development and finance commerce, job service North Dakota, county social service boards, and any other state agency determined appropriate shall cooperate with the department to ensure the success of the program. Local government agencies are encouraged to cooperate with the department.
 - **SECTION 22. AMENDMENT.** Section 52-01-03 of the North Dakota Century Code is amended and reenacted as follows:
 - **52-01-03. Disclosure of information.** Except as otherwise provided in this section, information obtained from any employing unit or individual pursuant to the administration of the North Dakota Unemployment Compensation Law and determinations as to the benefit rights of any individual must be held confidential and may not be disclosed or be open to public inspection in any manner revealing the individual's or employing unit's identity. Any claimant or

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claimant's legal representative must be supplied with information from the records of the job insurance division, to the extent necessary for the proper presentation of the claimant's claim in any proceeding under the North Dakota Unemployment Compensation Law with respect to the claim. Subject to restrictions as the bureau by rule may prescribe, the information may be made available to any agency of this or any other state, or any federal agency, charged with the administration of any unemployment compensation law or the maintenance of a system of public employment offices, or the bureau of internal revenue of the United States department of the treasury, and information obtained in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the 10 operation of a public employment service. Upon a request, the bureau shall furnish to any 11 agency of the United States charged with the administration of public works or assistance 12 through public employment, and may furnish to any state agency similarly charged, the name, address, ordinary occupation, and employment status of each recipient of benefits and the 13 14 recipient's rights to further benefits under the North Dakota Unemployment Compensation Law. 15 The bureau may request the comptroller of the currency of the United States to cause an 16 examination of the correctness of any return or report of any national banking association, 17 rendered pursuant to the North Dakota Unemployment Compensation Law, and in connection 18 with the request, may transmit any report or return to the comptroller of the currency of the 19 United States as provided in subsection c of section 3305 of the federal Internal Revenue Code. 20 The bureau shall request and exchange information for purposes of income and eligibility 21 verification to meet the requirements of section 1137 of the Social Security Act. 22 The bureau may provide the workers compensation bureau, the state commissioner of 23 labor, the department of economic development and finance commerce, the state tax 24 commissioner, and the North Dakota occupational information coordinating committee with 25 information obtained pursuant to the administration of the North Dakota Unemployment 26 Compensation Law. Any information so provided may be used only for the purpose of 27 administering the duties of the workers compensation bureau, the state commissioner of labor, 28 the state department of economic development and finance commerce, the state tax 29 commissioner, and the North Dakota occupational information coordinating committee. The 30 bureau may provide any state agency or a private entity with the names and addresses of employing units for the purpose of jointly publishing or distributing publications or other

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- 1 information as provided in section 54-06-04.3. Any information so provided may only be used 2 for the purpose of jointly publishing or distributing publications or other information as provided 3 in section 54-06-04.3. 4 Whenever the bureau obtains information on the activities of a contractor doing 5 business in this state of which officials of the secretary of state, workers compensation bureau, 6 or the tax commissioner may be unaware and that may be relevant to duties of those officials, 7 the bureau shall provide any relevant information to those officials for the purpose of 8 administering their duties. 9 The bureau shall request and exchange information as required of the bureau under 10 federal law with any specified governmental agencies. Any information so provided may be 11 used only for the purpose of administering the duties of such governmental agencies. 12 **SECTION 23. AMENDMENT.** Subsection 5 of section 52-02.1-01 of the North Dakota 13 Century Code is amended and reenacted as follows: 14 "Department" means the department of economic development and finance 5. 15 commerce. 16 SECTION 24. AMENDMENT. Section 54-01.1-08 of the 1999 Supplement to the North 17 Dakota Century Code is amended and reenacted as follows: 18 **54-01.1-08.** Adoption of rules and regulations. State agencies may consult with the 19 department of commerce division of community services to establish regulations and 20 procedures for implementation of the provisions of this chapter and to establish such 21 regulations and procedures necessary to assure: 22 1. That the payments and assistance authorized by this chapter shall be administered 23 in a manner which is fair and reasonable, and as uniform as practicable; 24 2. That a displaced person who makes proper application for a payment authorized 25 by this chapter shall be paid promptly after a move or, in hardship cases, be paid in 26 advance; and 27 3. That any displaced person aggrieved by a determination as to eligibility for a 28 payment, or as to the amount of a payment, may have the application reviewed by
 - **SECTION 25. AMENDMENT.** Subsection 1 of section 54-06-04 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

the head or governing body of the state agency.

1 1. The following executive and administrative officers and departments shall submit to 2 the governor and the secretary of state reports covering their operations for the two 3 preceding fiscal years, except as otherwise provided by law, not later than the first 4 day of December each year after the regular session of the legislative assembly: 5 Secretary of state. a. 6 b. State auditor. 7 Insurance commissioner. C. 8 d. Attorney general. 9 Agriculture commissioner. e. 10 f. Superintendent of public instruction. 11 State tax commissioner. g. 12 h. Public service commission. 13 i. Department of corrections and rehabilitation. 14 Department of transportation. j. 15 k. State department of health. 16 I. Department of human services. 17 Workers compensation bureau. m. 18 Office of management and budget. n. 19 State treasurer. Ο. 20 Commissioner of labor. p. 21 Department of banking and financial institutions. q. 22 Department of economic development and finance. r. 23 Game and fish department. S. 24 t. s. Industrial commission. 25 u. t. Job service North Dakota. 26 Board of university and school lands. ∀. <u>u.</u> 27 SECTION 26. AMENDMENT. Section 54-21.2-03 of the 1999 Supplement to the North 28 Dakota Century Code is amended and reenacted as follows: 29 **54-21.2-03.** Energy conservation standards. The standards for energy conservation 30 in new building construction, for thermal design conditions and criteria for buildings, and for

adequate thermal resistance in regard to the design and selection of mechanical, electrical

- 1 service, and illumination systems and equipment which will enable the effective use of energy in
- 2 new buildings, must at least equal the energy conservation code based on the Council of
- 3 American Building Officials Model Energy Code, 1989 Edition. The office of management and
- 4 budget department of commerce shall adopt rules to implement, update, and amend the Model
- 5 Energy Code.

SECTION 27. AMENDMENT. Subsection 1 of section 54-21.3-03 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. The state building code consists of the Uniform Building Code with any existing supplements and the Uniform Mechanical Code with any existing supplements as referenced by the Uniform Building Code, except that section 504(f) of the Uniform Mechanical Code is amended to read as follows:

Section 504(f). LPG Appliances.

Liquefied petroleum gas burning appliances, both automatically and manually controlled, may be installed in basements or similar locations only if (a) the appliances are of an American gas association-approved type and installed in accordance with national fire protection association pamphlets 54 and 58, (b) automatically controlled appliances are equipped with safety shutoff devices of the complete shutoff type, and (c) gas piping has been pressure tested and proven to be gastight.

The director of the office of management and budget department of commerce shall adopt rules to implement and periodically update the code and may adopt rules to amend the code.

SECTION 28. AMENDMENT. Section 54-21.3-04.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-21.3-04.1. Accessibility standards. Notwithstanding section 54-21.3-04, every building or facility subject to the federal Americans with Disabilities Act of 1990 [Pub. L. 101-336; 104 Stat. 327] must conform to the accessibility standards of the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities as contained in the appendix to title 28, Code of Federal Regulations, part 36 [28 CFR 36]. State and political subdivision entities may not claim the exceptions to the requirement that elevators be installed in certain buildings as those exceptions are stated in exception 1 to section 4.1.3(5) and in section

- 4.1.6(1)(k)(i) in the Americans with Disabilities Act Accessibility Guidelines for Buildings and
- 2 Facilities found in the appendix to 28 CFR 36. A structural change to an existing state or
- 3 political subdivision building or facility is not required if another method is effective in achieving
- 4 compliance with regulations adopted under Public Law 101-336. For public accommodations,
- 5 an alternative to a structural change in existing buildings or facilities is permitted only after it has
- 6 been documented, in accordance with regulations adopted under Public Law 101-336, that a
- 7 particular structural change is not readily achievable. A state agency or the governing body of a
- 8 political subdivision shall require from any person preparing plans and specifications for a
- 9 building or facility subject to the Americans with Disabilities Act of 1990 [Pub. L. 101-336; 104
- 10 Stat. 327], a statement that the plans and specifications are, in the professional judgment of
- 11 that person, in conformance with the Americans with Disabilities Act Accessibility Guidelines for
- 12 Buildings and Facilities found in the appendix to 28 CFR 36, subject to the exception stated in
- 13 this section. A statement of conformance must be submitted to the department of commerce
- 14 division of community services for recording.

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- SECTION 29. AMENDMENT. Section 54-34-12 of the 1999 Supplement to the North

 Dakota Century Code is amended and reenacted as follows:
- 54-34-12. Department Division of economic development and finance to establish
 venture capital network Duties and functions. The department of commerce division of
 economic development and finance may establish, from funds appropriated to or otherwise
 available to the department of commerce, the venture capital network as a clearinghouse for
 information on informal risk capital investment opportunities in the state. The department
 division of economic development and finance may:
 - Enter into service contracts on a competitive bid basis with public and private agencies, institutions, organizations, and individuals for the purpose of establishing and operating the venture capital network.
 - 2. Receive and approve contract proposals for the purpose of establishing the venture capital network.
- Solicit the support and contributions of public and private agencies, organizations,
 institutions, and individuals.
 - Accept and administer contributions for the purpose of operating the venture capital network.

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1	5.	Advertise and promote the venture capital network.
2	SEC	CTION 30. AMENDMENT. Section 54-34-15 of the 1999 Supplement to the North
3	Dakota Cen	tury Code is amended and reenacted as follows:
4	54-3	4-15. Private sponsor. The department of commerce division of economic
5	developmer	nt and finance may endeavor to locate a private sector sponsor or group of sponsors
6	to assume a	administration of the venture capital network.
7	SEC	CTION 31. AMENDMENT. Section 54-34.3-01 of the 1999 Supplement to the North
8	Dakota Cen	tury Code is amended and reenacted as follows:
9	54-3	4.3-01. Department of commerce division of economic development and
10	finance est	ablished - Mission. The North Dakota department of commerce division of
11	economic d	evelopment and finance is established to assume the functions, powers, and duties
12	of the depa	rtment of economic development commission and finance with respect to programs
13	and other efforts intended to enhance the economic development of the state. The mission of	
14	the departm	nent division is to develop strategies and programs to:
15	1.	Facilitate the growth, diversification, and expansion of existing enterprises and the
16		attraction and creation of new wealth-generating enterprises in the state;
17	2.	Promote economic diversification and innovation within the basic industries and
18		economic sectors of this state, including strategies and programs designed to
19		specialize and focus the state's economy on advanced agriculture and food
20		processing, energy byproduct development, export services and tourism, and
21		advanced manufacturing;
22	3.	Promote increased productivity and value-added products, processes, and
23		services in the state, and the export of those goods and services by North Dakota
24		enterprises to the nation and to the world;
25	4.	Maintain and revitalize economically depressed rural areas by working in close
26		collaboration with local communities and by encouraging communities to enter into
27		cooperative relationships for more efficient and effective education, health care,
28		government service, and infrastructure maintenance;
29	5.	Forge a supportive partnership with the Bank of North Dakota, the board of higher

education and the state's institutions of higher education, regional planning

councils, local development organizations and authorities, the Myron G. Nelson

1		Fund, Incorporated, the state's nonprofit development corporations, and other
2		appropriate private and public sector organizations in achieving the economic
3		goals of the state; and
4	6.	Identify those statutes, administrative rules, and policies that impede the attraction,
5		creation, and expansion of businesses and job creation in this state.
6	SEC	CTION 32. AMENDMENT. Section 54-34.3-02 of the 1999 Supplement to the North
7	Dakota Cer	ntury Code is amended and reenacted as follows:
8	54-	34.3-02. Definitions. As used in sections 54-34.3-01 through 54-34.3-08 this
9	chapter, un	less the context or subject matter otherwise requires:
10	1.	"Department" means the department of economic development and finance
11		commerce.
12	2.	"Director" means the director of the department of commerce division of economic
13		development and finance.
14	<u>3.</u>	"Division" means the department division of economic development and finance.
15	SEC	CTION 33. AMENDMENT. Section 54-34.3-03 of the 1999 Supplement to the North
16	Dakota Century Code is amended and reenacted as follows:	
17	54-	34.3-03. Department Division structure. The department division consists of:
18	1.	A division of finance office; and
19	2.	Other divisions offices that the director organizes and establishes as necessary to
20		carry out most efficiently and effectively the mission and duties of the department
21		division.
22	SEC	CTION 34. AMENDMENT. Section 54-34.3-04 of the 1999 Supplement to the North
23	Dakota Cer	ntury Code is amended and reenacted as follows:
24	54-	34.3-04. Department director Director - Appointment - Compensation - Duties.
25	A director shall supervise and control the department <u>division</u> . The governor <u>commissioner of</u>	
26	commerce shall appoint as director a person who is qualified by training, knowledge, and	
27	experience that is necessary to ensure a high degree of professional competency in carrying	
28	out the duties of the director as enumerated in this section. The director shall serve at the will	
29	of the governor commissioner and shall receive a salary set by the governor commissioner	
30	within the limits of legislative appropriations. The director shall:	

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- Manage the internal operations of the department division and establish policies
 that promote the orderly and efficient administration of the department division;
 - Appoint personnel as may be determined necessary to carry out sections
 54-34.3-01 through 54-34.3-08 this chapter and fix their compensation within the limits of legislative appropriations;
 - 3. Assume central responsibility to develop, implement, and coordinate within state government a comprehensive program of economic development consistent with the mission of the department division;
 - 4. Coordinate that program of economic development with all other appropriate state and local government departments, agencies, institutions, and organizations that perform research, develop and administer programs, gather statistics, or perform other functions relating to economic development, and those government entities shall advise, cooperate, and provide reasonable assistance to the director in carrying out sections 54-34.3-01 through 54-34.3-08 this chapter;
 - 5. Advise, and cooperate with, departments and agencies of the federal government and of other states, private business and agricultural organizations and associations, research institutions, and any individual or other private or public entity, and call upon those entities or individuals for consultation and assistance in their respective fields of endeavor or interest in order that the department division and the state may benefit from up-to-date technical advice, information, and assistance;
 - Cooperate with individuals and both public and private entities, including the state's
 congressional delegation, in identifying and pursuing potential sources of funding
 and to receive those funds to be expended for purposes consistent with sections
 54-34.3-01 through 54-34.3-08 this chapter;
 - 7. Have authority to enter into contracts upon terms and conditions as determined by the director to be reasonable and to effectuate the purposes of sections 54-34.3-01 through 54-34.3-08 this chapter;
 - 8. Report at least annually to an interim committee designated by the legislative council on performance of all divisions of the department division of economic development and finance. The report must include the amount of success and

1		satisfaction the department division of economic development and finance has in
2		meeting business-client, economic-developer, and community-client needs and
3		expectations. The report must also include a comparison of dollars spent to the
4		economic benefits created of all programs administered or supervised by the
5		director; and
6	9.	Have authority to do any and all other things necessary and proper to carry out
7		sections 54-34.3-01 through 54-34.3-08 this chapter.
8	SEC	CTION 35. AMENDMENT. Section 54-34.3-05 of the 1999 Supplement to the North
9	Dakota Century Code is amended and reenacted as follows:	
10	54-3	34.3-05. Division office of finance - Deputy director. The director shall appoint a
11	deputy dire	ctor who shall administer the division office of finance. The deputy director shall
12	serve at the	e will of the director and receive a salary set by the director within the limits of
13	legislative appropriations. The purpose of the division of finance office is to identify and	
14	coordinate sources of capital and financial assistance, including lending programs of the Bank	
15	of North Dakota, and administer programs of financial assistance placed under the	
16	administration of the division office, to business and industry, local governments, and other	
17	entities and	individuals in the state consistent with the mission of the department office. The
18	division office of finance shall:	
19	1.	Administer other programs of financial assistance assigned to it by law or
20		otherwise.
21	2.	Perform such other duties as assigned to it by the director.
22	SEC	CTION 36. AMENDMENT. Section 54-34.3-06 of the 1999 Supplement to the North
23	Dakota Cer	ntury Code is amended and reenacted as follows:
24	54-3	34.3-06. Divisions Division offices. The director shall organize and establish
25	other divisions offices as necessary to carry out most efficiently and effectively the mission and	
26	duties of the	e department division, except that the department division must contain:
27	1.	An office of A North Dakota American Indian business development office to assist
28		North Dakota tribal and individual economic development representatives and
29		North Dakota American Indian entrepreneurs with access to state and federal
30		programs designed to assist them.

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2. An office of A North Dakota women's business development office to develop and administer the North Dakota women's business program, to establish and fund the women's business leadership council, certify women-owned businesses for federal or state contracting and to recruit, train, and assist women entrepreneurs to develop and diversify their businesses. The office must have an administrator and staff sufficient to implement its the office's programs.

SECTION 37. AMENDMENT. Section 54-34.3-08 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-08. Patents. The department division of economic development and finance, the North Dakota development fund, incorporated, and the North Dakota agricultural products utilization commission may hold or assign for remuneration all or a portion of their interest in patents or royalty rights acquired in the course of their operation and performance of duties as provided by law.

SECTION 38. AMENDMENT. Section 54-34.3-10 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-10. Commission on the status of women - Appointment - Expenses -**Duties.** There is established a commission on the status of women. The This commission consists of five members. The governor shall appoint each member for a term of four years, staggered so that the term of at least one member expires July first of each year. A vacancy occurring other than by reason of the expiration of a term must be filled in the same manner as original appointments, except that the appointment may be made for only the remainder of the unexpired term. The members are entitled to be paid for mileage and actual expenses incurred in attending meetings and in performance of their official duties in amounts provided by law for other state officers and employees. The This commission shall coordinate activities and serve as a clearinghouse and an advisory group to the department division for information relating to economic development programs that focus on career development for women. The This commission shall prepare for and perform followup duties in connection with state, regional, and national conferences, encourage interest, participation, and cooperation with state departments, agencies, and other organizations in developing needed services, facilities, and opportunities, and provide consultant help to local organizations created for the purpose of coordinating activities for the economic and career development of women.

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- 1 SECTION 39. AMENDMENT. Section 54-34.3-11 of the 1999 Supplement to the North 2 Dakota Century Code is amended and reenacted as follows: 3 54-34.3-11. Mutual fund capital pool - Authorization. The department division of 4 economic development and finance, in conjunction with the agricultural products utilization 5 commission, may establish a mutual fund capital pool to attract farm and nonfarm investments 6 in value-added processing projects. 7 SECTION 40. AMENDMENT. Section 54-34.4-01 of the 1999 Supplement to the North 8 Dakota Century Code is amended and reenacted as follows: 9 54-34.4-01. Tourism department Division of tourism - Director. 10 The <u>division of</u> tourism department is established to foster and promote tourism to, 11 and within, the state and the full development of the state's tourism resources, and 12 to serve as a planning and coordinating agency for tourism-related programs of the 13 state and the state's political subdivisions. 14 The governor commissioner of commerce shall appoint a director of the division of 2. tourism department who shall serve at the will of the governor commissioner. The 15 16 director shall supervise and control the division of tourism department. 17 SECTION 41. AMENDMENT. Section 54-34.4-02 of the 1999 Supplement to the North 18 Dakota Century Code is amended and reenacted as follows: 19 **54-34.4-02. Duties of director.** The director of the department of commerce division 20 of tourism department, within the limits of legislative appropriations, shall: 21 1. Implement the state's tourism policy: 22 2. Prepare and update annually a tourism master plan for the development of tourism 23 in the state which identifies the state's tourism resources, estimates the impact of 24 tourism on the state's economy, and proposes a five-year plan for activities of the 25 division; 26
 - 3. Measure and forecast visitor volume, receipts, and related social and economic impacts;
 - 4. Work with the private sector and local, state, and federal agencies to develop the state's tourism-related infrastructure, facilities, services, and attractions, including the state's highways and parks;

1 Organize and coordinate programs designed to promote tourism to, and within, the 2 state through various means. Those means may include: 3 Display advertising in magazines and newspapers; a. 4 b. Advertising on radio and television or other advertising media; 5 Publishing pamphlets, brochures, and other graphic and pictorial materials; C. 6 and 7 d. Aiding and assisting representatives of the media to ensure greater coverage 8 of the state's visitor attractions; 9 6. Participate in travel shows; 10 7. Supervise and administer visitor information centers that receive funding from the 11 state; 12 8. Develop opportunities for professional and technical education and training in the 13 visitor industry; 14 9. Foster an understanding among the state's residents of the economic importance 15 to the state of hospitality and tourism; 16 10. Cooperate with local, state, and federal agencies and organizations and the private 17 sector for the promotion and development of tourism to, and within, the state; 18 11. Provide advice and technical assistance to local, public, and private tourism 19 organizations in promoting and developing tourism; and 20 12. Monitor the policies and programs of state agencies that significantly affect the 21 visitor industry, notify those agencies of the effects of their actions on travel to, and 22 within the state, and if necessary recommend programs or policy changes to those 23 agencies. 24 **SECTION 42. AMENDMENT.** Section 54-34.4-04 of the 1999 Supplement to the North 25 Dakota Century Code is amended and reenacted as follows: 26 54-34.4-04. North Dakota motion picture development office - Advisory board. 27 The North Dakota motion picture development office is a part of the department of commerce 28 division of tourism department. The office shall promote North Dakota as a location for 29 shooting films, television shows, documentaries, and commercials, and shall provide technical 30 expertise to persons desiring to use the state as a filming location. The director of the division 31 of tourism department shall appoint staff necessary to fulfill the functions and duties of the office

- 1 and shall appoint an advisory board of no more than ten members to assist in advising the
- 2 office and to provide technical expertise to offer prospective film companies seeking locations
- 3 and advice. The board shall serve without compensation, except reimbursement for actual and
- 4 necessary expenses at the same rate as allowed other state officers to be paid from funds
- 5 available to the office within the limits of legislative appropriations.
- 6 **SECTION 43.** A new chapter to title 54 of the North Dakota Century Code is created 7 and enacted as follows:
- 8 **Definitions.** In this chapter, unless the context or subject matter otherwise requires:
- 9 <u>1. "Cabinet" means the North Dakota commerce cabinet.</u>
- 10 <u>2. "Commissioner" means the commissioner of commerce.</u>
- 11 <u>3.</u> <u>"Department" means the department of commerce.</u>
- 12 <u>4. "Foundation" means the North Dakota economic development foundation.</u>
- 13 **Department of commerce Divisions.** The North Dakota department of commerce is
- 14 <u>created.</u> All records, materials, supplies, and equipment used by the division of community
- 15 <u>services, department of economic development and finance, and the department of tourism are</u>
- 16 transferred to the department.
- 17 1. The department must consist of:
- 18 <u>a.</u> A division of community services;
- 19 b. A division of economic development and finance;
- 20 <u>c.</u> <u>A division of tourism;</u>
- 21 <u>d.</u> A division of international trade;
- e. A division of workforce development; and
- f. Any division the commissioner deems necessary to carry out this chapter.
- 2. Each division director serves at the will of the commissioner and receives a salary set by the commissioner within the limits of legislative appropriations.
- 26 **Commissioner of commerce Duties.** With the advice and counsel of the North
- 27 Dakota development foundation, the governor shall appoint a commissioner to supervise,
- 28 control, and administer the department. The commissioner serves at the pleasure of the
- 29 governor and receives a salary set by the governor within the limits of legislative appropriations.
- 30 The commissioner:

1 Shall file an oath of office in the usual form before commencing to perform the 2 duties of the commissioner; 3 2. Shall serve as chairman of the cabinet; 4 3. Shall prepare the cabinet's coordinated plan identifying economic development 5 moneys in budget requests of cabinet agencies; 6 <u>4.</u> Shall appoint directors to administer each of the department divisions; 7 5. Shall appoint personnel as may be determined necessary to carry out the duties of 8 the department; 9 6. Shall manage the operations of the department and oversee each of the divisions; 10 <u>7.</u> Shall assume central responsibilities to develop, implement, and coordinate a 11 working network of commerce service providers; 12 <u>8.</u> Shall coordinate the department's services with commerce-related services of 13 other state agencies; 14 Shall advise and cooperate with departments and agencies of the federal 9. 15 government and of other states; private businesses, agricultural organizations, and 16 associations; and research institutions; and with any individual or other private or 17 public entity; 18 10. May enter into contracts upon terms and conditions as determined by the 19 commissioner to be reasonable and to effectuate the purposes of this chapter; 20 11. Shall report between the first and tenth legislative days of each regular legislative 21 session to a standing committee of each house of the legislative assembly as 22 determined by the legislative council and shall report annually to the foundation on 23 the department's goals and objectives since the last report, on the department's 24 goals and objectives for the period until the next report, on the department's 25 long-term goals and objectives, and summarizing the department's activities and 26 measurable results occurring since the last report; 27 12. Shall adopt rules necessary to implement this chapter; and 28 13. May take any actions necessary and proper to implement this chapter. 29 North Dakota economic development foundation - Executive committee -30 **Purpose.** The North Dakota economic development foundation is created.

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1 The foundation is composed of a minimum of fifteen and a maximum of thirty 2 members appointed by the governor for two-year terms, except the governor shall 3 appoint approximately one-half of the initial foundation members to one-year terms 4 in order to initiate a cycle of staggered terms. Appointment of the foundation 5 members must ensure a cross section of business and economic development 6 representation. 7 The foundation members shall elect an executive committee with a minimum of five 2. 8 and a maximum of nine foundation members. The executive committee members 9 shall elect a chairman, vice chairman, and a secretary. 10 The purpose of the foundation is to: <u>3.</u> 11 Provide the governor advice and counsel in selecting the commissioner; a. 12 <u>b.</u> Serve in an advisory role to the commissioner, including counsel in the 13 development of the division of economic development and finance's strategic 14 plan; Monitor economic development activities and initiatives of the department; 15 C. 16 and 17 Set accountability measurements for the department. d. 18 The foundation shall request funding for administrative expenses from the state 4. 19 general fund. 20 Compensation of foundation members. A foundation member is entitled to receive 21 compensation in the amount of sixty-two dollars and fifty cents per day for days spent in 22 attendance at foundation meetings or other business as approved by the foundation. A 23 foundation member is entitled to reimbursement for mileage and expenses as provided for state 24 officers. 25 **Commerce cabinet.** The North Dakota commerce cabinet is created. The cabinet is 26 composed of the executive heads, or other authorized representatives, of the state board for 27 vocational and technical education, the state board of higher education, the Bank of North 28 Dakota, the department of agriculture, the workers compensation bureau, and of any other state

agency appointed by the commissioner. The commissioner is the chairman of the cabinet and

shall determine which agencies are members of the cabinet. The cabinet shall:

1 Coordinate and communicate economic development efforts of the agencies 1. 2 represented. 3 2. Meet a minimum of four times and a maximum of twelve times each year. 4 Develop and make available before each regular session of the legislative 3. 5 assembly a coordinated plan that identifies economic development moneys 6 included in budget requests of cabinet agencies. 7 Cooperation with other agencies or private entities to jointly publish or mail 8 **publications.** The department may cooperate with other state agencies or with a private entity 9 for the purpose of jointly publishing or distributing information or publications as provided in 10 section 54-06-04.3. 11 SECTION 44. AMENDMENT. Subsection 15 of section 54-44.3-20 of the 1999 12 Supplement to the North Dakota Century Code is amended and reenacted as follows: 13 15. Officers and employees of the department of commerce division of economic 14 development and finance. 15 SECTION 45. AMENDMENT. Section 54-44.5-01 of the 1999 Supplement to the North 16 Dakota Century Code is amended and reenacted as follows: 17 **54-44.5-01. Definitions.** In this chapter, unless the context or subject matter otherwise 18 requires: 19 1. "Community action agency" means a not-for-profit corporation that has authority 20 under its charter and bylaws to receive funds to administer community action 21 programs and which was officially designated as a community action agency or a 22 community action program under section 210 of the Economic Opportunity Act of 23 1964 [Pub. L. 88-452; 78 Stat. 508; 42 U.S.C. 2701 et seq.], unless the community 24 action agency or a community action program lost its designation as a result of 25 failure to comply with the provisions of the federal act. 26 2. "Community action program" means a community-based and operated program 27 that includes an intake assessment and referral capability in each of its counties 28 and is designed to include a number of projects or components to provide a range 29 of services and activities having a measurable and potentially major impact on 30 causes and conditions of poverty in the community or those areas of the

community where poverty is a particularly acute problem. These services and

1 activities may include activities designed to provide opportunities for eligible 2 persons to: 3 a. Secure and retain meaningful employment; 4 b. Attain an adequate education; 5 Make better use of available income; C. 6 d. Obtain and maintain adequate housing and suitable living environment; 7 Obtain emergency assistance through grants and loans to meet immediate e. 8 and urgent individual and family needs, including the need for health services, 9 nutritious food, housing, and employment-related assistance; 10 f. Maximize the role community action agencies play in supportive mechanisms 11 available to North Dakota families; 12 g. Remove obstacles and solve problems that block achievement of 13 self-sufficiency; 14 h. Achieve greater participation in the affairs of the community; and i. 15 Make more effective use of other programs. 16 3. "Department" means the department of commerce. 17 4. "Director" means the director of the division of community services. 18 4. <u>5.</u> "Division" means the <u>department</u> division of community services. **SECTION 46. AMENDMENT.** Section 54-44.5-02 of the 1999 Supplement to the North 19 20 Dakota Century Code is amended and reenacted as follows: 21 **54-44.5-02.** Division of community services - Creation. The division of community 22 services is established in the office of management and budget department to provide technical 23 assistance to local governments, state agencies, and the executive branch in the area of 24 community and rural planning and development, policy research and development, and grant 25 program implementation. The director of the office of management and budget commissioner 26 shall appoint a director of the division upon the basis of education and experience. The position 27 of director is not a classified position and the director shall serve at the pleasure of the director 28 of the office of management and budget commissioner. The director of the division may 29 employ such other professional, technical, and clerical persons as may be necessary and may 30 fix their compensation within the limits of legislative appropriation. All personnel within the

- 1 division must be allowed their actual and necessary travel expenses at the same rate as for
- 2 other employees of the state.
- 3 **SECTION 47. AMENDMENT.** Section 54-44.5-03 of the 1999 Supplement to the North
- 4 Dakota Century Code is amended and reenacted as follows:
- 5 **54-44.5-03. Powers and duties of the director.** The director shall direct and
- 6 supervise, with the approval of the director of the office of management and budget
- 7 commissioner, all the administrative and technical activities of the division.
- 8 **SECTION 48. AMENDMENT.** Section 54-44.5-05 of the 1999 Supplement to the North
- 9 Dakota Century Code is amended and reenacted as follows:
- 10 **54-44.5-05. Continuing appropriation.** There is hereby appropriated as a standing
- and continuing appropriation to the division of community services department for the purpose
- 12 of carrying out the provisions of this chapter, including the administration of such provisions, all
- 13 moneys returned as repayments of federal or other funds granted under the community
- 14 development loan fund, and all earnings from the investment of such moneys, which may be
- 15 received from time to time by the division. Administrative expenses may only be charged
- against such moneys to the extent permitted by federal law or regulations.
- 17 **SECTION 49. AMENDMENT.** Section 54-53-02 of the 1999 Supplement to the North
- 18 Dakota Century Code is amended and reenacted as follows:
- 19 **54-53-02.** Advisory transportation council Composition. There is hereby
- 20 established a transportation council which shall serve in an advisory capacity to the upper great
- 21 plains transportation institute. The director of the institute shall serve as the executive secretary
- 22 of the council and it shall elect its own chairman. The council membership shall consist of one
- 23 representative from and appointed by the following organizations:
- 1. The greater North Dakota association.
- 25 2. The public service commission.
- The North Dakota farm bureau.
- The North Dakota farmers union.
- 28 5. The livestock industry council.
- 29 6. The North Dakota wheat commission.
- 7. The North Dakota department of <u>commerce division of</u> economic development and
- 31 finance.

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- 1 8. The North Dakota farmers grain dealers association.
- 2 9. The North Dakota railway lines.
- 3 10. The North Dakota motor carriers association.
- 4 11. The North Dakota aeronautics commission.
- 5 12. A traffic counsel selected by the members of the council appointed by the above-named organizations.

Members of the council shall serve without pay, but they may receive reimbursement for actual and necessary expenses incurred in the performance of their duties, if authorized by the director.

The council shall consult with the institute in matters of policy affecting the administration of this chapter and in the development of transportation in the state of North Dakota. The council shall meet at the call of the executive director or upon the written request of three or more members of the council.

SECTION 50. AMENDMENT. Section 55-01-01 of the North Dakota Century Code is amended and reenacted as follows:

55-01-01. State historical board. There is a state historical society of North Dakota which is under the supervision and control of the state historical board. The board consists of seven members who are appointed by the governor. Each member appointed to the board must be a citizen and resident of the state of North Dakota. Appointments are for a term of three years from the first day of July to the thirtieth day of June of the third year or until a successor has been appointed and qualified. The governor shall appoint two members for terms commencing in 1996, two members for terms commencing in 1997, and three members for terms commencing in 1998. Vacancies occurring other than by the expiration of an appointive term must be filled by appointment for the remainder of the term only in the same manner as regular appointments. The board of directors shall select from its membership a president, vice president, and secretary to serve as officers of the board. The secretary of state, director of the parks and recreation department, director of the department of transportation, director of the department of commerce division of tourism department, and state treasurer are ex officio members of the board and shall take care that the interests of the state are protected. Each ex officio member may appoint a designee to attend meetings with full voting privileges.

ı	SECTION 51. AMENDMENT. Section 55-06-01 of the North Dakota Century Code is	
2	amended and reenacted as follows:	
3	55-06-01. Yellowstone-Missouri-Fort Union commission. There is a	
4	Yellowstone-Missouri-Fort Union commission, hereinafter referred to as the "commission",	
5	declared to be a governmental agency with the authority to exercise the powers specified	
6	herein, or which may be reasonably implied, composed of the governor as chairman, the	
7	president of the senate, the speaker of the house, the superintendent of the state historical	
8	board, the director commissioner of the department of economic development and finance	
9	commerce, all ex officio, and five citizens of the state to be appointed by the governor who sha	
10	serve without compensation for the purpose of investigating, in cooperation with the state of	
11	Montana and the national park service, the historical importance and significance of the area	
12	and for formulating and executing plans for the preservation of the historic sites illustrative of	
13	the history of the United States. The commission may expend its operating expenses and other	
14	funds provided by legislative appropriations, and public and private grants, for programs,	
15	improvements, and facilities to preserve and improve the Yellowstone-Missouri confluence	
16	area.	
17	SECTION 52. AMENDMENT. Subsection 1 of section 57-38.5-01 of the North Dakota	
18	Century Code is amended and reenacted as follows:	
19	1. "Director" means the director of the department of commerce division of economic	
20	development and finance.	
21	SECTION 53. AMENDMENT. Section 57-38.5-08 of the North Dakota Century Code is	
22	amended and reenacted as follows:	
23	57-38.5-08. Rules and administration. The tax commissioner is charged with	
24	administration of this chapter as it relates to an income tax credit and has the same powers as	
25	provided under section 57-38-56 for purposes of this chapter. The director is charged with	
26	administration of this chapter as it relates to certification of qualified businesses and the direct	
27	commissioner of commerce may adopt rules for that purpose.	
28	SECTION 54. AMENDMENT. Subsection 6 of section 57-39.2-28 of the North Dakota	
29	Century Code is amended and reenacted as follows:	

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- 1 6. Notwithstanding section 57-39.2-23, the commissioner may provide names and
 2 addresses of Canadian residents claiming a North Dakota sales tax refund to the
 3 director of the <u>department of commerce division of tourism department.</u>
 - **SECTION 55. REPEAL.** Section 54-34.3-09 of the North Dakota Century Code is repealed.
- SECTION 56. APPROPRIATION TRANSFER. As of the effective date of this Act, the division of community services, department of economic development and finance, and tourism department are abolished and any funds appropriated to these agencies by the fifty-sixth legislative assembly and fifty-seventh legislative assembly are transferred to the department of commerce.
- 11 **SECTION 57. EFFECTIVE DATE.** This Act becomes effective on August 1, 2001.

NOTE: This bill draft provides the Governor shall appoint:

- 1. A Commissioner of Commerce who:
 - a. Appoints directors for the following statutory divisions of the Department of Commerce:
 - (1) Division of Community Services;
 - Division of Economic Development and Finance, the director of which appoints deputy directors for the following offices:
 - (a) Finance Office;
 - (b) North Dakota American Indian Business Development Office;
 - (c) North Dakota Women's Business Development Office; and
 - (d) Any other offices deemed necessary;
 - (3) Division of Tourism, which must include the North Dakota Motion Picture Development Office;
 - (4) Division of International Trade:
 - (5) Division of Workforce Development; and
 - (6) Any additional divisions deemed necessary; and
 - b. Determines additional member agencies for the North Dakota Commerce Cabinet.
- 2. Members of North Dakota Development Foundation (15-30 members).