

Sixtieth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 commerce; to provide an appropriation to the department of career and technical education; to  
3 provide a continuing appropriation; to provide for reports to the sixty-first legislative assembly;  
4 to provide for a report to the legislative council; to provide exemptions; to create and enact a  
5 new section to chapter 15-20.1 and a new section to chapter 54-60 of the North Dakota  
6 Century Code, relating to a program to provide grants for innovation and to create a beginning  
7 again North Dakota pilot program; and to provide an expiration date.

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

9 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this  
10 section represent the base level funding component appropriated to the department of  
11 commerce in section 3 of this Act as follows:

12 Salaries and wages	\$7,761,428
13 Operating expenses	9,531,968
14 Capital assets	25,000
15 Grants	50,102,870
16 Agricultural products utilization	3,016,000
17 Discretionary funds	1,450,127
18 Economic development initiatives	644,568
19 Lewis and Clark bicentennial	3,933,103
20 Economic development grants	<u>150,000</u>
21 Total all funds - Base level	\$76,615,064
22 Less estimated income - Base level	<u>57,434,283</u>
23 Total general fund - Base level	\$19,180,781

1           **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The  
2 amounts identified in this section represent the funding adjustments or enhancements to the  
3 base funding level for the department of commerce which are included in the appropriation in  
4 section 3 of this Act as follows:

5	Salaries and wages	\$855,807
6	Operating expenses	446,720
7	Grants	(1,728,122)
8	North Dakota development fund	3,000,000
9	Agricultural products utilization	(207,807)
10	Economic development initiatives	652,278
11	Economic development grants	(100,000)
12	Lewis and Clark bicentennial	(3,933,103)
13	North Dakota trade office	<u>1,400,000</u>
14	Total all funds - Adjustments/enhancements	\$385,773
15	Less estimated income - Adjustments/enhancements	<u>(2,072,990)</u>
16	Total general fund - Adjustments/enhancements	\$2,458,763

17           **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
18 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
19 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
20 other income, to the department of commerce for the purpose of defraying the expenses of its  
21 various divisions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as  
22 follows:

23	Salaries and wages	\$8,617,235
24	Operating expenses	9,978,688
25	Capital assets	25,000
26	Grants	48,374,748
27	North Dakota development fund	3,000,000
28	Discretionary funds	1,450,127
29	Economic development initiatives	1,296,846
30	Agricultural products utilization	2,808,193
31	Economic development grants	50,000

1	North Dakota trade office	<u>1,400,000</u>
2	Total all funds	\$77,000,837
3	Less estimated income	<u>55,361,293</u>
4	Total general fund appropriation	\$21,639,544

5           **SECTION 4. AGRICULTURE FUEL TAX REFUNDS.** The estimated income line item  
6 in section 3 of this Act includes \$575,000 from refunds of tax for fuel used for agricultural  
7 purposes, to be used by the agricultural products utilization commission, for the biennium  
8 beginning July 1, 2007, and ending June 30, 2009.

9           **SECTION 5. EXEMPTION.** The amount appropriated for the agricultural products  
10 utilization commission in section 3 of chapter 46 of the 2005 Session Laws is not subject to  
11 section 54-44.1-11 and any unexpended funds from this line item for grants are available for  
12 grants during the biennium beginning July 1, 2007, and ending June 30, 2009.

13           **SECTION 6. EXEMPTION.** The amount appropriated for the discretionary funds line  
14 item in section 3 of chapter 46 of the 2005 Session Laws is not subject to section 54-44.1-11  
15 and any unexpended funds from this line item are available during the biennium beginning  
16 July 1, 2007, and ending June 30, 2009.

17           **SECTION 7. TAX COMMISSIONER - AUDIT OF ETHANOL PRODUCTION**  
18 **INCENTIVE PROGRAM.** The tax commissioner shall conduct an audit of the ethanol  
19 production incentive program during the biennium beginning July 1, 2007, and ending June 30,  
20 2009.

21           **SECTION 8. EXEMPTION - STATE EMPLOYEE COMPENSATION ADJUSTMENT**  
22 **GUIDELINES - REPORT.** Notwithstanding the provisions of Senate Bill No. 2189, as approved  
23 by the sixtieth legislative assembly, the department of commerce shall develop and implement  
24 a system for providing compensation adjustments to its employees for the biennium beginning  
25 July 1, 2007, and ending June 30, 2009. The system must provide for the determination of  
26 each employee's compensation adjustments to be based on performance, merit, and equity. Of  
27 the funds appropriated in section 3 of this Act, the department may utilize up to \$428,542 for  
28 these compensation adjustments. The department shall provide a report on its compensation  
29 system to the human resource management services division of the office of management and  
30 budget by December 31, 2007.

1           **SECTION 9. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
2 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in  
3 section 3 of this Act includes \$3,000,000 for transfer to the development fund and \$50,000 for  
4 tax expenditure and business incentive expenditure reports which are one-time funding items.  
5 These amounts are not a part of the agency's base budget to be used in preparing the 2009-11  
6 executive budget. The department of commerce shall report to the appropriations committees  
7 of the sixty-first legislative assembly on the use of this one-time funding for the biennium  
8 beginning July 1, 2007, and ending June 30, 2009.

9           **SECTION 10. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total  
10 general fund appropriation in section 3 of this Act includes \$1,400,000 for funding relating to the  
11 North Dakota trade office. The department of commerce may spend these funds only to the  
12 extent that the North Dakota trade office provides one dollar of matching funds from private or  
13 other public sources for each two dollars provided by the department for the biennium  
14 beginning July 1, 2007, and ending June 30, 2009.

15           **SECTION 11. INTERNSHIP PROGRAM - REPORT TO SIXTY-FIRST LEGISLATIVE**  
16 **ASSEMBLY.** The department of commerce shall report to the appropriations committees of  
17 the sixty-first legislative assembly regarding the internship program. The report must include  
18 information on the program's activities, statistics, and accomplishments to date during the  
19 biennium beginning July 1, 2007, and ending June 30, 2009.

20           **SECTION 12. APPROPRIATION.** There is appropriated out of any moneys in the  
21 general fund in the state treasury, not otherwise appropriated, the sum of \$70,000, or so much  
22 of the sum as may be necessary, to the department of career and technical education for the  
23 purpose of funding grants for innovation, for the biennium beginning July 1, 2007, and ending  
24 June 30, 2009.

25           **SECTION 13.** A new section to chapter 15-20.1 of the North Dakota Century Code is  
26 created and enacted as follows:

27           **Grants for innovation.** The department shall design and implement a program to  
28 provide a dollar-for-dollar match to elementary or secondary teachers or schools and to  
29 institutions of higher education for the purpose of funding innovative science, technology, or  
30 innovation programs for students in kindergarten through grade twelve. The department shall  
31 award the grants on a competitive basis. A grant awarded under this section to an elementary

1 or secondary teacher or school may not exceed seven thousand five hundred dollars and a  
2 grant awarded to an institution of higher education may not exceed twenty-five thousand  
3 dollars. The matching funds of a grant recipient may come from a public source, a private  
4 source, or any combination of public and private sources. The department shall consult with  
5 the department of commerce in making award determinations.

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

8 **Beginning again North Dakota pilot program - Continuing appropriation - Report**  
9 **to legislative council.**

- 10 1. The department shall implement and administer a beginning again North Dakota  
11 pilot program. The purpose of the program is to develop a data base of skills and  
12 other assets of communities and residents to be used to advance the internal and  
13 external attitude and image of this state and the communities in this state. The  
14 department shall implement this program in one city with a population of not more  
15 than one thousand five hundred and one city with a population of more than one  
16 thousand five hundred but not more than three thousand five hundred.
- 17 2. The department shall assemble state and local asset data from a broad range of  
18 sources. The sources for data may include the department, Bank of North Dakota,  
19 game and fish department, state historical society, Indian affairs commission, job  
20 service North Dakota, parks and recreation department, superintendent of public  
21 instruction, North Dakota university system, workforce safety and insurance, and  
22 state and local public and private entities. The nature of the data regarding skills  
23 and other assets may cover a broad range of information that may be valuable to  
24 advance the attitude or image of the state and communities in the state. The data  
25 may include natural resources, real estate, educational resources, cultural  
26 resources, vocational resources, financial resources, and infrastructure resources.
- 27 3. The department shall use the information assembled in the data base to assist in  
28 strategic plans for development. Additionally, the department may use the  
29 information in the data base to assist local developers in strategic plans for  
30 development.

- 1           4. The department may contract with a public or private third party to provide any or  
2           all of the services necessary to implement and administer the program. The  
3           department may solicit support and contributions from public and private sources  
4           for the purpose of furthering the program. The department may charge a fee for  
5           the services provided to the community. The department shall deposit in a special  
6           account in the state treasury all funds collected under this subsection. All funds  
7           deposited under this section are appropriated to the department on a continuing  
8           basis for the purpose of furthering the program.
- 9           5. The two cities shall be willing to participate and provide significant financial  
10          resources to provide for the costs of the pilot program.
- 11          6. During the 2007-08 interim, the commissioner shall provide a report to the  
12          legislative council regarding the implementation of the program, successes and  
13          failures of the program, and whether the program should be continued or be  
14          continued and expanded to additional communities.

15           **SECTION 15. EXPIRATION DATE.** Section 14 of this Act is effective through June 30,  
16 2009, and after that date is ineffective.