

Sixty-third  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of  
2 commerce; to provide an appropriation to the department of human services for early childhood  
3 service provider grants; to provide an appropriation to Dickinson state university; to create and  
4 enact ~~a new chapter to title 6,~~ a new section to chapter 10-30.5, ~~section 54-45.5-10~~two new  
5 sections to chapter 54-60, and three new sections to chapter 54-65 of the North Dakota Century  
6 Code, relating to ~~a loan guarantee program,~~ the research North Dakota venture program, ~~the~~  
7 ~~energy conservation fund~~an unmanned aircraft systems program, and the research North  
8 Dakota program; to amend and reenact sections 4-14.1-02, 4-14.1-03, 4-44-03, 17-02-05,  
9 ~~54-17-07.3, 54-17-40,~~ and 54-18-21, subdivision d of subsection 5 of section 54-44.7-03, and  
10 sections 57-43.1-03, 57-43.1-03.1, 57-43.1-03.3, and 57-43.1-08 of the North Dakota Century  
11 Code and section 1 of Senate Bill No. 2218, as approved by the sixty-third legislative assembly,  
12 relating to the agricultural fuel tax fund, the ethanol production incentive fund, the agricultural  
13 research fund, ~~housing finance programs, and the housing incentive fund~~and workforce  
14 development grants to tribally controlled community colleges; to provide exemptions; to provide  
15 for transfers; to provide ~~a continuing~~ appropriationappropriations; to provide ~~for an upper great~~  
16 ~~plains transportation institute study~~statements of legislative intent; to provide for legislative  
17 management studies; and to declare an emergency.

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

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

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		Adjustments or		
	Base Level	Enhancements	Appropriation	
1				
2				
3	Salaries and wages	\$10,858,251	\$1,800,217	\$12,658,468
4	Operating expenses	13,876,650	2,557,951	16,434,601
5	Capital assets	70,018	(60,018)	10,000
6	Grants	59,977,994	1,669,956	61,647,950
7	Discretionary funds	928,082	0	928,082
8	Workforce enhancement fund	0	2,000,000	2,000,000
9	Economic development initiatives	186,846	0	186,846
10	Flood impact grants/loans	0	11,782,866	11,782,866
11	Agricultural products utilization commission	2,739,767	506,769	3,246,536
12	Research North Dakota	0	12,000,000	12,000,000
13	North Dakota trade office	2,613,400	0	2,613,400
14	Partner programs	2,022,044	0	2,022,044
15	Federal fiscal stimulus funds	0	796,770	796,770
16	North Dakota planning initiative	0	1,000,000	1,000,000
17	Total all funds	\$93,273,052	\$34,054,511	\$127,327,563
18	Less estimated income	69,666,470	1,134,709	70,801,179
19	Total general fund	\$23,606,582	\$32,919,802	\$56,526,384
20	Salaries and wages	\$10,858,251	\$1,502,863	\$12,361,114
21	Accrued leave payments	0	243,767	243,767
22	Operating expenses	13,876,650	2,059,099	15,935,749
23	Capital assets	70,018	(60,018)	10,000
24	Grants	59,977,994	(3,605,044)	56,372,950
25	Discretionary funds	928,082	0	928,082
26	Workforce enhancement fund	0	2,000,000	2,000,000
27	Economic development initiatives	186,846	0	186,846
28	Flood impact grants/loans	0	18,358,866	18,358,866
29	Agricultural products utilization commission	2,739,767	500,727	3,240,494
30	Research North Dakota	0	12,000,000	12,000,000
31	North Dakota trade office	2,613,400	0	2,613,400

1	Partner programs	2,022,044	0	2,022,044
2	Federal fiscal stimulus funds	0	796,770	796,770
3	Visual North Dakota	0	250,000	250,000
4	Total all funds	\$93,273,052	\$34,047,030	\$127,320,082
5	Less estimated income	69,666,470	3,696,552	73,363,022
6	Total general fund	\$23,606,582	\$30,350,478	\$53,957,060

7 Full-time equivalent positions 68.25 1.00 69.25

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

9 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time

10 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and

11 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

12	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
13	Workforce enhancement fund	\$375,000	\$2,000,000
14	Electronic portfolio pilot project	150,000	0
15	2020 and beyond	50,000	0
16	American Indian business office	50,000	0
17	<del>Flood impact grants/loans</del>	<del>235,000,000</del>	<del>11,782,866</del>
18	<u>Flood impact grants/loans</u>	<u>235,000,000</u>	<u>18,358,866</u>
19	Centers of research excellence	12,000,000	0
20	Research North Dakota	0	12,000,000
21	Unmanned aircraft system	0	5,000,000
22	Base retention grants	0	1,500,000
23	<del>Tourism large infrastructure grants</del>	<del>0</del>	<del>1,325,000</del>
24	<del>Child care facility grants</del>	<del>0</del>	<del>5,000,000</del>
25	<del>Transportation study</del>	<del>0</del>	<del>350,000</del>
26	<del>North Dakota planning initiative</del>	<del>0</del>	<del>1,000,000</del>
27	<u>Tourism large infrastructure grants</u>	<u>0</u>	<u>750,000</u>
28	<u>Visual North Dakota</u>	<u>0</u>	<u>250,000</u>
29	<u>Innovation grants</u>	<u>0</u>	<u>300,000</u>
30	Federal fiscal stimulus	24,496,750	796,770
31	Enhanced use lease grant	0	2,500,000

1	<del>Total all funds</del>	<del>\$272,121,750</del>	<del>\$43,254,636</del>
2	<del>Less estimated income</del>	<del>259,496,750</del>	<del>19,079,636</del>
3	<del>Total general fund</del>	<del>\$12,625,000</del>	<del>\$24,175,000</del>
4	Total all funds	\$272,121,750	\$43,455,636
5	Less estimated income	259,496,750	21,655,636
6	Total general fund	\$12,625,000	\$21,800,000

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

11 **SECTION 3. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - EARLY**  
12 **CHILDHOOD SERVICE PROVIDER GRANTS.** There is appropriated out of any moneys in the  
13 general fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so much  
14 of the sum as may be necessary, to the department of human services for the purpose of  
15 providing grants to licensed early childhood services providers that provide care for children  
16 with disabilities or developmental delays pursuant to section 50-11.1-18, for the biennium  
17 beginning July 1, 2013, and ending June 30, 2015. The grants may be used for equipment,  
18 renovation of facilities used to provide the services, and staff. The funding provided in this  
19 section is considered a one-time funding item.

20 **SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY - THEODORE**  
21 **ROOSEVELT PRESIDENTIAL LIBRARY.** There is appropriated out of any moneys in the  
22 general fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so  
23 much of the sum as may be necessary, to Dickinson state university for the purpose of awarding  
24 a grant to the Theodore Roosevelt center or the Theodore Roosevelt presidential library for the  
25 construction of a Theodore Roosevelt presidential library, for the biennium beginning July 1,  
26 2013, and ending June 30, 2015. Dickinson state university may not use any of the funds  
27 appropriated in this section for administrative costs and may not award any of the funds until the  
28 grant recipient has raised at least \$3,000,000 from nonstate sources for the project. A grant  
29 awarded under this section may be used only for construction costs of the Theodore Roosevelt  
30 presidential library. The facility constructed may be used only to house the Theodore Roosevelt  
31 presidential library. The funding provided in this section is considered a one-time funding item.

1       **SECTION 5. CONTINGENT APPROPRIATION - DICKINSON STATE UNIVERSITY -**  
2 **THEODORE ROOSEVELT PRESIDENTIAL LIBRARY.** There is appropriated out of any  
3 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
4 \$6,000,000, or so much of the sum as may be necessary, to Dickinson state university for the  
5 purpose of awarding a grant to the Theodore Roosevelt center or the Theodore Roosevelt  
6 presidential library for the construction of a Theodore Roosevelt presidential library, for the  
7 biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided under this  
8 section is available to Dickinson state university only if actual general fund revenues, excluding  
9 transfers into the general fund from the strategic investment and improvements fund, the mill  
10 and elevator, the lottery, and the gas tax administration, for the period July 1, 2013, through  
11 June 30, 2014, exceed estimated general fund revenues, excluding transfers into the general  
12 fund from the strategic investment and improvements fund, the mill and elevator, the lottery, and  
13 the gas tax administration, for that period by at least five percent, as determined by the office of  
14 management and budget, based on the legislative estimates made at the close of the 2013  
15 regular legislative session. Dickinson state university may not use any of the funds appropriated  
16 in this section for administrative costs and may not award any of the funds until the grant  
17 recipient has raised at least \$3,000,000 from nonstate sources for the project. A grant awarded  
18 under this section may be used only for construction costs of the Theodore Roosevelt  
19 presidential library. The facility constructed may be used only to house the Theodore Roosevelt  
20 presidential library. The funding provided in this section is considered a one-time funding item.

21       **SECTION 6. AMENDMENT.** Section 4-14.1-02 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23       **4-14.1-02. Agricultural fuel tax products utilization fund - Purposes** ~~Continuing~~  
24 ~~appropriation.~~

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

1       **SECTION 7. AMENDMENT.** Section 4-14.1-03 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **4-14.1-03. Agricultural products utilization commission - Composition - Appointment.**

4       The agricultural ~~fuel tax~~products utilization fund must be administered by the agricultural  
5 products utilization commission. The commission consists of nine members, five of whom must  
6 be appointed by the governor for terms of two years each, arranged so that two terms expire in  
7 odd-numbered years and three terms expire in even-numbered years. Three members  
8 appointed by the governor must be actively engaged in farming in this state and two members  
9 appointed by the governor must be actively engaged in business in this state. The agriculture  
10 commissioner shall appoint one member for a term of two years which expires in odd-numbered  
11 years. The member appointed by the commissioner must be actively engaged in farming in this  
12 state. Commission members may be reappointed to the commission. Terms of commissioners  
13 shall run from the first day of July. The commissioner of commerce, the president of North  
14 Dakota state university, and the agriculture commissioner, or their designees, are members of  
15 the commission. The commission shall elect one of its members as chairman.

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

18       **4-44-03. (Effective through June 30, 2015) Crop insurance development board -**  
19 **Duties.**

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

1 ~~— **SECTION 6.** A new chapter to title 6 of the North Dakota Century Code is created and~~  
2 ~~enacted as follows:~~

3 ~~— **Definitions.**~~

4 ~~— As used in this chapter, unless the context otherwise requires:~~

5 ~~— 1. "Child care provider" means a child care home, group, or center licensed by the~~  
6 ~~department of human services.~~

7 ~~— 2. "Lender" means any lending institution that is regulated or funded under the laws of~~  
8 ~~this state or the United States and which has provided financing to a child care~~  
9 ~~provider for a child care facility.~~

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

15 ~~— **Loan guarantee fund – Administration.**~~

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

22 ~~— **Application for guarantee – Term – Annual fee.**~~

23 ~~— A lender may apply to the Bank of North Dakota for a loan guarantee for a loan amount to~~  
24 ~~be determined by the Bank. The Bank may approve a guarantee of a loan of up to fifteen~~  
25 ~~thousand dollars to a child care provider for use by the child care provider for purchasing,~~  
26 ~~constructing, or remodeling a facility to provide child care services. The term of a loan~~  
27 ~~guarantee may not exceed five years. The Bank may charge a lender an annual fee during the~~  
28 ~~term of a loan guarantee.~~

29 ~~— **Termination.**~~

30 ~~— The Bank of North Dakota may terminate a loan guarantee upon the sale, exchange,~~  
31 ~~assignment, or transfer of the child care provider's interest in the qualified child care facility. The~~

~~Bank shall terminate a loan guarantee if the Bank determines that the loan guarantee was obtained by fraud or material misrepresentation of which the lender or seller has actual knowledge.~~

~~**Rules:**~~

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

**SECTION 9.** A new section to chapter 10-30.5 of the North Dakota Century Code is created and enacted as follows:

**Research North Dakota venture investment program.**

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

**SECTION 10. AMENDMENT.** Section 17-02-05 of the North Dakota Century Code is amended and reenacted as follows:

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

There is created in the state treasury a special fund known as the ethanol production incentive fund. The fund consists of transfers made in accordance with section 39-04-39 and ~~deposits made in accordance with section 57-43.1-03.1.~~ All moneys in the fund are appropriated

1 on a continuing basis to the office of renewable energy and energy efficiency for use in paying  
2 ethanol production incentives under this chapter.

3 ~~— **SECTION 9. AMENDMENT.** Section 54-17-07.3 of the North Dakota Century Code is-~~  
4 ~~amended and reenacted as follows:~~

5 ~~— **54-17-07.3. Housing finance programs.**~~

6 ~~— Acting in its capacity as a state housing finance agency, the industrial commission is-~~  
7 ~~authorized to establish the following housing finance programs:~~

8 ~~— 1. Home mortgage finance program. A program or programs to provide financing or~~  
9 ~~refinancing of loans made by lenders, including second mortgage loans and leasehold~~  
10 ~~mortgage loans on tribal trust or other reservation lands, and leasehold mortgage~~  
11 ~~loans that are insured or guaranteed through an affordable housing program, to~~  
12 ~~persons or families of low and moderate income for the purchase or substantial~~  
13 ~~rehabilitation of owner occupied, single-family residential dwelling units, which~~  
14 ~~includes mobile homes and manufactured housing.~~

15 ~~— 2. Mobile home and manufactured housing finance program. A program or programs to~~  
16 ~~provide for the purchase or guaranty of a loan made by a lender to finance the~~  
17 ~~purchase of a mobile home or a manufactured housing unit other than on a real~~  
18 ~~property mortgage basis. A program authorized under this subsection may provide~~  
19 ~~assistance in the development of low-income to moderate-income housing or to~~  
20 ~~otherwise assist a developing community in the state address an unmet housing need~~  
21 ~~or alleviate a housing shortage.~~

22 ~~— 3. Multifamily housing finance program. A program or programs to provide financing~~  
23 ~~directly or indirectly of construction, permanent, and combined construction and~~  
24 ~~permanent mortgage loans, including participations in mortgage loans, for the~~  
25 ~~acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of~~  
26 ~~multifamily housing facilities.~~

27 ~~— 4. Mortgage loan financing program. A program or programs to provide for the purchase~~  
28 ~~or guaranty of a temporary or permanent mortgage loan originated by a lender on~~  
29 ~~residential real property or on land to be developed into residential real property, in~~  
30 ~~addition to a mortgage loan acquired or to be acquired under subsections 1 through 3.~~  
31 ~~A program authorized under this subsection may provide assistance in the~~

1            development of low to moderate income housing or to otherwise assist a developing  
2            community in the state address an unmet housing need or alleviate a housing  
3            shortage.

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

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

10    ~~7. Child care facility finance program. A program or programs to provide financing  
11            directly or indirectly of construction, permanent, and combined construction and  
12            permanent mortgage loans, including participations in mortgage loans, for the  
13            acquisition, construction, refurbishing, reconstruction, rehabilitation, or improvement of  
14            child care facilities.~~

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

17    ~~**54-17-40. (Effective through June 30, 20132015) Housing incentive fund - Continuing  
18            appropriation.**~~

19    ~~1. The housing incentive fund in an amount not to exceed fifty million dollars is created  
20            as a special revolving fund at the Bank of North Dakota. The housing finance agency  
21            may direct disbursements from the fund and a continuing appropriation from the fund  
22            is provided for that purpose.~~

23    ~~2. After a public hearing, the housing finance agency shall create an annual allocation  
24            plan for the distribution of the fund. At least twenty five percent of the fund must be  
25            used to assist developing communities with a population of not more than ten  
26            thousand individuals to address an unmet housing need or alleviate a housing  
27            shortage. At least fifty percent of the fund must be used to benefit households with  
28            incomes at not more than fifty percent of the area median income. The agency may  
29            collect a reasonable administrative fee from the fund.~~

- 1 ~~3. The housing finance agency shall adopt guidelines for the fund so as to address~~  
2 ~~unmet housing or child care needs in this state. Assistance from the fund may be used~~  
3 ~~solely for:~~
- 4 ~~a. New construction, rehabilitation, or acquisition of a multifamily housing project;~~  
5 ~~b. Gap assistance, matching funds, and accessibility improvements;~~  
6 ~~c. Assistance that does not exceed the amount necessary to qualify for a loan using~~  
7 ~~underwriting standards acceptable for secondary market financing or to make the~~  
8 ~~project feasible; and~~
- 9 ~~d. Rental assistance, emergency assistance, or targeted supportive services~~  
10 ~~designated to prevent homelessness.~~
- 11 ~~4. Eligible recipients include units of local, state, and tribal government; local and tribal~~  
12 ~~housing authorities; community action agencies; regional planning councils; and~~  
13 ~~nonprofit organizations and for-profit developers of multifamily housing. Individuals~~  
14 ~~may not receive direct assistance from the fund.~~
- 15 ~~5. Except for subdivision d of subsection 3, assistance is subject to repayment or~~  
16 ~~recapture under the guidelines adopted by the housing finance agency. Any~~  
17 ~~assistance that is repaid or recaptured must be deposited in the fund and is~~  
18 ~~appropriated on a continuing basis for the purposes of this section.~~

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

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

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

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

27 ~~**54-44.5-10. Energy conservation grant fund – Continuing appropriation.**~~

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

1       **SECTION 12. AMENDMENT.** Subdivision d of subsection 5 of section 54-44.7-03 of the  
2 North Dakota Century Code is amended and reenacted as follows:

3           d.    Location, with higher priority given to firms headquartered in North Dakota.

4       **SECTION 13.** A new section to chapter 54-60 of the North Dakota Century Code is created  
5 and enacted as follows:

6       **Unmanned aircraft systems program - Report to legislative management.**

7       The department may establish and administer an unmanned aircraft systems test site,  
8 contingent upon receiving official designation by the federal aviation administration. The  
9 department shall cooperate with the university of North Dakota, the North Dakota aeronautics  
10 commission, the adjutant general, and private parties appointed by the governor in the  
11 administration of the test site. The department may charge fees sufficient to operate the test  
12 site. The department shall, to the extent possible, use competitive bidding in the establishment  
13 and administration of the test site. The commissioner may charter a public corporation to  
14 operate the test site. The corporation must possess all of the powers of a business corporation  
15 consistent with this chapter. The department shall report to the legislative management  
16 semiannually on the status of the program.

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

19       **Unmanned aircraft systems program fund - Continuing appropriation.**

20       There is created in the state treasury a special fund known as the unmanned aircraft  
21 systems fund, which must be used to defray the expenses of the operations of an unmanned  
22 aircraft systems test site officially designated by the federal aviation administration. The fund  
23 consists of fees collected for the administration of the test site. All moneys in the fund are  
24 appropriated to the department of commerce on a continuing basis for the purpose of defraying  
25 the expenses of the unmanned aircraft systems program. Interest earned on moneys in the fund  
26 must be credited to the fund.

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

29       **Research North Dakota grants.**

30       The department shall establish and administer a research North Dakota grant program to  
31 provide grants to a research university for research, development, and commercialization

1 activities related to a private sector partner. The centers of excellence commission, established  
2 under chapter 15-69, shall make grant award determinations under this section. The department  
3 shall work with the centers of excellence commission in establishing guidelines to qualify for a  
4 grant under this section, including the requirement that an application must be accompanied by  
5 a partnership agreement between the private sector partner and a research university. The  
6 agreement must include details regarding the scope of the work, the budget, the location of the  
7 work to be completed, the intellectual property ownership rights, and the intellectual property  
8 income distribution. The commission may approve changes to the scope of the work or the  
9 budget only to the extent that the changes are agreed upon by the private sector partner and  
10 the research university. Before the commission directs the department to distribute funds  
11 awarded under this section, the research university shall provide the commission with detailed  
12 documentation of private sector participation and the availability of one dollar of matching funds  
13 for each dollar of state funds to be distributed. Matching funds must be in the form of cash given  
14 to the research university and may not include in-kind assets.

15 **SECTION 16.** A new section to chapter 54-65 of the North Dakota Century Code is created  
16 and enacted as follows:

17 **Research North Dakota venture grants.**

18 The department shall establish and administer a research North Dakota venture grant  
19 program to provide grants to a research university for pursuing further commercialization of  
20 technology developed by the research university or developed jointly by the research university  
21 and a startup or spinoff business operating in North Dakota. The department shall collaborate  
22 with the centers of excellence commission in establishing guidelines to qualify for a grant under  
23 this section.

24 **SECTION 17.** A new section to chapter 54-65 of the North Dakota Century Code is created  
25 and enacted as follows:

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

27 The research North Dakota fund is a special fund in the state treasury. All moneys in the  
28 research North Dakota fund are appropriated to the department of commerce on a continuing  
29 basis for the purpose of implementing and administering ~~this chapter~~the research North Dakota  
30 grant program and the research North Dakota venture grant program. Interest earned on  
31 moneys in the fund must be credited to the fund.

1       **SECTION 18. AMENDMENT.** Section 57-43.1-03 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **57-43.1-03. Refund of tax for fuel used for an industrial purpose - Reduction for**  
4 **agricultural fuel tax products utilization fund.**

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

11       **SECTION 19. AMENDMENT.** Section 57-43.1-03.1 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13       **57-43.1-03.1. Refund of tax for fuel used for agricultural purposes - Reductions.**

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

23       **SECTION 20. AMENDMENT.** Section 57-43.1-03.3 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25       **57-43.1-03.3. Refund to emergency medical services operation.**

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

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

3       **57-43.1-08. Refund to state or political subdivision.**

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

11       **SECTION 22. AMENDMENT.** Section 1 of Senate Bill No. 2218, as approved by the  
12 sixty-third legislative assembly, is amended and reenacted as follows:

13       **Establishment of workforce development grant for tribally controlled community**  
14 **colleges.**

15       There is established within the division of workforce development of the department of  
16 commerce a program to provide workforce development grants to tribally controlled community  
17 colleges in North Dakota. A tribally controlled community college in this state may apply to the  
18 department of commerce for a job training grant in such manner as the department of  
19 commerce prescribes. ~~In order to qualify for a grant under this section, an applicant must be a~~  
20 ~~tribally controlled community college not located on an Indian reservation or a tribally controlled~~  
21 ~~community college located on an Indian reservation with an unemployment rate of greater than~~  
22 ~~thirty percent.~~The department of commerce shall consult with the executive director of the  
23 Indian affairs commission to determine eligible tribally controlled community colleges.

24       **SECTION 23. EXEMPTION.** The amount appropriated for the agricultural products  
25 utilization commission in section 1 of chapter 50 of the 2011 Session Laws is not subject to  
26 section 54-44.1-11 and any unexpended funds from this line item for grants are available for  
27 grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

28       **SECTION 24. EXEMPTION.** The amount appropriated for the discretionary funds line item  
29 in section 1 of chapter 50 of the 2011 Session Laws is not subject to section 54-44.1-11 and any  
30 unexpended funds from this line item are available during the biennium beginning July 1, 2013,  
31 and ending June 30, 2015.

1       **SECTION 25. EXEMPTION.** ~~The amount~~Of the \$1,000,000 appropriated for the  
2 technology-based entrepreneurship grant program contained in the grants line item in section 1  
3 of chapter 50 of the 2011 Session Laws, \$700,000 is not subject to section 54-44.1-11 and any  
4 unexpended funds from this line item are available during the biennium beginning July 1, 2013,  
5 and ending June 30, 2015. The department of commerce shall spend these funds for the  
6 purposes provided in this section. The department of commerce shall use up to \$300,000 for a  
7 grant to a nonprofit organization assisting individuals with business ideas. The department of  
8 commerce shall use any remaining amount for the technology-based entrepreneurship grant  
9 program.

10       **SECTION 26. EXEMPTION.** Any amount carried over pursuant to section 22 of chapter 50  
11 of the 2011 Session Laws that is unexpended as of June 30, 2013, is not subject to section  
12 54-44.1-11 and is available for promotion and marketing of the USS North Dakota during the  
13 biennium beginning July 1, 2013, and ending June 30, 2015.

14       **SECTION 27. EXEMPTION.** Any amount carried over pursuant to section 18 of chapter 50  
15 of the 2011 Session Laws, relating to the antiballistic missile site acquisition grant and base  
16 realignment grant, that is unexpended as of June 30, 2013, is not subject to section 54-44.1-11  
17 and is available ~~for~~during the biennium beginning July 1, 2013, and ending June 30, 2015. The  
18 department of commerce shall spend these funds for the purposes provided in this section. The  
19 department of commerce shall award a grant of up to \$100,000 for promotion and marketing of  
20 the USS North Dakota. The department of commerce shall award a grant to assist in the  
21 acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in  
22 Nekoma ~~and~~. The department of commerce shall award a direct grant and not a cost  
23 reimbursement grant for a base realignment grant to enhance economic development and  
24 employment opportunities associated with the Minot air force base resulting from action by the  
25 federal defense base closure and realignment commission ~~during the biennium beginning-~~  
26 ~~July 1, 2013, and ending June 30, 2015.~~

27       **SECTION 28. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
28 management and budget shall transfer the amount appropriated in the workforce enhancement  
29 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
30 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
31 July 1, 2013, and ending June 30, 2015.

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

5       **SECTION 30. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
6 management and budget shall transfer the amount appropriated in the research North Dakota  
7 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
8 implementing and administering the research North Dakota grant program and the research  
9 North Dakota venture grant program, for the biennium beginning July 1, 2013, and ending  
10 June 30, 2015. The department of commerce may use up to \$2,000,000 of the funds  
11 transferred to the research North Dakota fund for venture grants. The department of commerce  
12 shall use \$4,000,000 of the funds transferred to the research North Dakota fund for research  
13 North Dakota grants to conduct research on and develop and commercialize vaccines and  
14 antibodies for the prevention of, treatment of, or cure for cancer; virally infectious diseases; or  
15 other pathogens, including bacteria, mycobacteria, fungi, and parasites.

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

20       **SECTION 31. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
21 Dakota trade office special line item and the general fund appropriation in section 1 of this Act  
22 include \$2,613,400 of funding relating to the North Dakota trade office. The department of  
23 commerce may spend seventy percent of this amount without requiring any matching funds  
24 from the trade office. Any additional amounts may be spent only to the extent that the North  
25 Dakota trade office provides one dollar of matching funds from private or other public sources  
26 for each one dollar provided by the department for the biennium beginning July 1, 2013, and  
27 ending June 30, 2015. Matching funds may include money spent by businesses or  
28 organizations to pay salaries to export assistant, provide training to export assistants, or buy  
29 computer equipment as part of the North Dakota trade office's export assistance program.

30       **SECTION 32. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
31 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant

1 program to be developed by the department of commerce, for the biennium beginning July 1,  
2 2013, and ending June 30, 2015. The grant program must award direct grants and not cost  
3 reimbursement grants. The department may award grants of up to \$500,000 to each community  
4 with an air force base or air national guard facilities.

5 ~~—SECTION 31. CHILD CARE FACILITY GRANT PROGRAM. The grants line item in~~  
6 ~~section 1 of this Act includes the sum of \$5,000,000 from the general fund for a child care~~  
7 ~~facility grant program to be developed by the department of commerce, for the biennium~~  
8 ~~beginning July 1, 2013, and ending June 30, 2015. The department shall establish guidelines to~~  
9 ~~qualify for a grant under this section which must include a matching requirement of one dollar of~~  
10 ~~matching funds for every three dollars of grant funds and a maximum grant amount of~~  
11 ~~\$187,500.~~

12 **SECTION 33. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND--UNMANNED**  
13 **AIRCRAFT SYSTEMS PROGRAM.** The grants line item in section 1 of this Act includes the  
14 sum of \$1,000,000 from the general fund for costs related to pursuing federal aviation  
15 administration designation as an unmanned aircraft systems test site. The grants line item in  
16 section 1 of this Act includes the sum of \$4,000,000 from the ~~strategic investment and~~  
17 ~~improvements~~general fund for operations of the test site, contingent upon receiving official  
18 designation by the federal aviation administration as a national test site.

19 **SECTION 34. INNOVATION GRANT PROGRAM.** The grants line item in section 1 of this  
20 Act includes the sum of \$300,000 from the general fund for grants to entrepreneurial centers  
21 associated with a research university. The department shall develop guidelines to qualify for a  
22 grant under this section, including the requirements that an entrepreneurial center submit a  
23 detailed proposal on how the grant funds will be used to further innovation and  
24 entrepreneurship in the state and that an entrepreneurial center provide a detailed report of the  
25 results. Grants awarded under this section must be divided equally among eligible  
26 entrepreneurial centers.

27 **SECTION 35. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
28 **USE LEASE GRANT PROGRAM.** The grants line item in section 2 of this Act includes the sum  
29 of \$2,500,000 from the strategic investment and improvements fund for an enhanced use lease  
30 grant program to be developed by the department of commerce, for the biennium beginning  
31 July 1, 2013, and ending June 30, 2015. Grants are available for constructing infrastructure

1 required for an enhanced use lease private sector business development project located on or  
2 adjacent to the Grand Forks air force base, contingent upon certification from the department of  
3 commerce verifying both a signed enhanced use lease agreement and a commitment by a  
4 private sector business to locate in the development.

5 **SECTION 36. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND**  
6 **BEYOND INITIATIVE - REPORT TO THE LEGISLATIVE MANAGEMENT.** Before  
7 September 1, 2014, the North Dakota economic development foundation shall provide a report  
8 to the legislative management regarding progress made toward the recommendations provided  
9 as part of the 2020 and beyond initiative and any recommendations for future legislation.

10 **SECTION 37. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH**  
11 **- RESEARCH NORTH DAKOTA - REPORT TO BUDGET SECTION.** Before June 1, 2014, the  
12 department of commerce shall provide a progress report on the experimental program to  
13 stimulate competitive research and research North Dakota, including the research North Dakota  
14 venture investment program to the budget section of the legislative management.

15 ~~**SECTION 36. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE STUDY**~~  
16 ~~**REPORTS TO BUDGET SECTION.** The operating expenses line item in section 1 of this Act~~  
17 ~~includes the sum of \$350,000 from the general fund for the department of commerce to contract~~  
18 ~~with the upper great plains transportation institute for the purpose of updating and maintaining~~  
19 ~~reports for transportation infrastructure needs for all county roads and bridges in the state, for~~  
20 ~~the biennium beginning July 1, 2013, and ending June 30, 2015. While updating and~~  
21 ~~maintaining the reports, the upper great plains transportation institute shall review options to~~  
22 ~~most efficiently use resources through the integration of road and bridge projects identified in~~  
23 ~~the reports along with other associated infrastructure needs. During the 2013-14 interim, the~~  
24 ~~upper great plains transportation institute shall report at least annually to the budget section of~~  
25 ~~the legislative management regarding the status of the reports.~~

26 **SECTION 38. LEGISLATIVE MANAGEMENT STUDY - CHILD CARE SERVICES.** During  
27 the 2013-14 interim, the legislative management shall consider studying child care services.  
28 The study must include consideration of the current and potential needs for child care services  
29 and the current and potential workforce needs related to child care. The study must include  
30 consideration of the current quality of child care services. The legislative management shall

1 report its findings and recommendations, together with any legislation required to implement the  
2 recommendations, to the sixty-fourth legislative assembly.

3 **SECTION 39. LEGISLATIVE MANAGEMENT STUDY - INTELLECTUAL PROPERTY AT**  
4 **RESEARCH UNIVERSITIES.** During the 2013-14 interim, the legislative management shall  
5 consider studying the intellectual property policies and procedures at research universities  
6 within the state. The study must include consideration of the current and potential income  
7 generated through the commercialization of intellectual property. The study must include  
8 consideration of the best practices related to intellectual property, the federal Bayh-Dole Act,  
9 and the federal Patent Reform Act of 2011. The legislative management shall report its findings  
10 and recommendations, together with any legislation required to implement the  
11 recommendations, to the sixty-fourth legislative assembly.

12 **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - CHILDREN'S SCIENCE CENTER.**  
13 During the 2013-14 interim, the legislative management shall consider studying the  
14 development of a children's science center in the city where the state capitol is located. The  
15 study must include consideration of the feasibility and desirability of providing state assistance  
16 to develop a children's science center. The legislative management shall report its findings and  
17 recommendations, together with any legislation required to implement the recommendations, to  
18 the sixty-fourth legislative assembly.

19 **SECTION 41. LEGISLATIVE MANAGEMENT STUDY - ENERGY CORRIDOR.** During the  
20 2013-14 interim, the legislative management shall consider studying the feasibility and  
21 desirability of the establishment of an energy corridor in the western portion of the state,  
22 including an examination of rights of way and state highway and county road easements  
23 necessary for the further development of energy resources in the state, and including the  
24 existing and necessary easements required to make United States highway 85 a four-lane  
25 highway corridor to complement the development of energy transportation resources. The  
26 legislative management shall report its findings and recommendations, together with any  
27 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

28 **SECTION 42. LEGISLATIVE INTENT - RESEARCH NORTH DAKOTA VENTURE**  
29 **INVESTMENT PROGRAM.** It is the intent of the sixty-third legislative assembly that the North  
30 Dakota development fund, incorporated, use funding transferred to the North Dakota

1 development fund, incorporated, in section 18 of chapter 50 of the 2011 Session Laws for  
2 investments under the research North Dakota venture investment program.

3 **SECTION 43. LEGISLATIVE INTENT - THEODORE ROOSEVELT PRESIDENTIAL**  
4 **LIBRARY.** It is the intent of the sixty-third legislative assembly that the Theodore Roosevelt  
5 center become an independent nonprofit organization and be renamed the Theodore Roosevelt  
6 presidential library.

7 **SECTION 44. EMERGENCY.** Funding of \$1,500,000 in the operating expenses line item in  
8 section 1 of this Act, relating to the operation intern program, and funding of \$5,000,000 in the  
9 grants line item of section 1 of this Act, relating to the unmanned aircraft systems program, and  
10 sections ~~26 and 32~~ 13, 14, 29, and 33 of this Act are declared to be an emergency measure.