

**FIRST ENGROSSMENT
with House Amendments
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 Dickinson state university; to create and enact a new
3 section to chapter 6-09.15, a new subsection to section 6-09.15-01, a new section to chapter
4 10-30.5, two new sections to chapter 54-60, two new sections to chapter 54-65, and a new
5 subsection to section 57-35.3-05 of the North Dakota Century Code, relating to a loan
6 guarantee for child care facilities, an unmanned aircraft systems program, the research North
7 Dakota venture program, the research North Dakota program, the research North Dakota
8 biotechnology program, and housing incentive fund tax credits; to amend and reenact sections
9 4-14.1-02, 4-14.1-03, and 4-44-03, subsection 1 of section 6-09.15-01, and sections 17-02-05,
10 54-17-40, 54-18-21, 57-38-01.32, 57-43.1-03, 57-43.1-03.1, 57-43.1-03.3, and 57-43.1-08 of
11 the North Dakota Century Code, relating to the agricultural fuel tax fund, the beginning
12 entrepreneur loan guarantee program, the ethanol production incentive fund, the agricultural
13 research fund, housing incentive fund tax credits, and the housing incentive fund; to provide
14 exemptions; to provide for transfers; to provide a continuing appropriation; to provide a
15 statement of legislative intent; to provide for legislative management studies; to provide an
16 effective date; to provide an expiration date; and to declare an emergency.

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

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

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		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Salaries and wages	\$1,327,174	\$12,185,425
4	Accrued leave payments	243,767	243,767
5	Operating expenses	1,059,099	14,935,749
6	Capital assets	(60,018)	10,000
7	Grants	(4,155,044)	55,822,950
8	Discretionary funds	0	928,082
9	Workforce enhancement fund	2,000,000	2,000,000
10	Economic development initiatives	0	186,846
11	Flood impact grants/loans	18,358,866	18,358,866
12	Agricultural products utilization commission	500,727	3,240,494
13	Research North Dakota	6,000,000	6,000,000
14	North Dakota trade office	0	2,613,400
15	Partner programs	0	2,022,044
16	Federal fiscal stimulus funds	<u>796,770</u>	<u>796,770</u>
17	Total all funds	\$26,071,341	\$119,344,393
18	Less estimated income	<u>3,656,143</u>	<u>73,322,613</u>
19	Total general fund	\$22,415,198	\$46,021,780
20	Full-time equivalent positions	1.00	69.25

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

SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
25			
26	Workforce enhancement fund	\$375,000	\$2,000,000
27	Electronic portfolio pilot project	150,000	0
28	2020 and beyond	50,000	0
29	American Indian business office	50,000	0
30	Flood impact grants/loans	235,000,000	18,358,866
31	Centers of research excellence	12,000,000	0

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1	Research North Dakota	0	6,000,000
2	Unmanned aircraft system	0	5,000,000
3	Base retention grants	0	1,500,000
4	Tourism large infrastructure grants	0	500,000
5	Federal fiscal stimulus	24,496,750	796,770
6	Enhanced use lease grant	<u>0</u>	<u>2,500,000</u>
7	Total all funds	\$272,121,750	\$36,655,636
8	Less estimated income	<u>259,496,750</u>	<u>21,655,636</u>
9	Total general fund	\$12,625,000	\$15,000,000

10 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
11 2015-17 biennium. The department of commerce shall report to the appropriations committees
12 of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium
13 beginning July 1, 2013, and ending June 30, 2015.

14 **SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO HOUSING**

15 **INCENTIVE FUND.** There is appropriated out of any moneys in the general fund in the state
16 treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be
17 necessary, which the office of management and budget shall transfer to the housing incentive
18 fund, for the period beginning with the effective date of this Act and ending June 30, 2015. The
19 funding provided in this section is considered one-time funding.

20 **SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY.** There is appropriated
21 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum
22 of \$6,000,000, or so much of the sum as may be necessary, and from special funds from private
23 gifts and donations, the sum of \$3,000,000, or so much of the sum as may be necessary, to
24 Dickinson state university for the purpose of constructing a Theodore Roosevelt center, for the
25 biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this
26 section is considered a one-time funding item. Dickinson state university may not spend any of
27 the funds appropriated from the general fund under this section until it has raised \$3,000,000
28 from nonstate sources for the project.

29 **SECTION 5. AMENDMENT.** Section 4-14.1-02 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **4-14.1-02. Agricultural ~~fuel tax~~products utilization fund - Purposes .**

2 There is created in the state treasury a fund known as the agricultural ~~fuel tax~~products
3 utilization fund which must be used to fund programs for the enhancement of agricultural
4 research, development, processing, technology, and marketing. The fund must be used to
5 defray the expenses of the North Dakota agricultural products utilization commission necessary
6 to implement the purposes of this chapter. Interest earned on moneys in the fund must be
7 credited to the fund.

8 **SECTION 6. AMENDMENT.** Section 4-14.1-03 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **4-14.1-03. Agricultural products utilization commission - Composition - Appointment.**

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

23 **SECTION 7. AMENDMENT.** Section 4-44-03 of the North Dakota Century Code is amended
24 and reenacted as follows:

25 **4-44-03. (Effective through June 30, 2015) Crop insurance development board -**
26 **Duties.**

27 1. The crop insurance development board shall assess the feasibility and desirability of
28 proposals submitted by individuals and by public and nonpublic entities pertaining to
29 the development and implementation of crop insurance instruments. The board may
30 authorize the awarding of grants to assist with future actuarial and development costs.

1 2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars
2 and up to fifty percent of the costs thereafter.

3 3. The board shall establish conditions pertaining to the receipt of grants, including the
4 repayment of some or all of the grants with moneys received by the applicant from the
5 federal crop insurance corporation for continued development of the proposal. The
6 board shall forward any moneys received as repayments under this section to the
7 state treasurer for deposit in the agricultural ~~fuel tax~~products utilization fund.

8 **SECTION 8. AMENDMENT.** Subsection 1 of section 6-09.15-01 of the North Dakota
9 Century Code is amended and reenacted as follows:

- 10 1. "Beginning entrepreneur" means a resident of this state who:
- 11 a. Has graduated from high school or has received a general equivalency
12 certificate.
 - 13 b. Has had some training, by education or experience, in the type of
14 revenue-producing enterprise which that person wishes to begin.
 - 15 c. Has, including the net worth of that person's dependents and spouse, if any, a net
16 worth of less than ~~two hundred thousand dollars~~an amount determined by the
17 Bank of North Dakota.

18 **SECTION 9.** A new subsection to section 6-09.15-01 of the North Dakota Century Code is
19 created and enacted as follows:

20 "Child care provider" means a child care home, group, or center licensed by the
21 department of human services.

22 **SECTION 10.** A new section to chapter 6-09.15 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Loan guarantee for child care facility.**

25 A beginning entrepreneur who receives a loan for a child care facility must be a child care
26 provider.

27 **SECTION 11.** A new section to chapter 10-30.5 of the North Dakota Century Code is
28 created and enacted as follows:

29 **Research North Dakota venture investment program.**

- 30 1. The corporation shall administer a research North Dakota venture investment program
31 that provides investments to startup or spinoff businesses that utilize technology

1 developed at a research university, as defined in section 54-65-01, or jointly developed
2 by a research university and the private sector.

3 2. A qualified applicant for a research North Dakota venture investment:

4 a. Must be a business operating in North Dakota that is in the startup or spinoff
5 state:

6 b. Must be utilizing technology that is licensed from a research university or a
7 nonprofit foundation affiliated with a research university; and

8 c. Must meet underwriting guidelines established by the corporation.

9 3. An investment under this section may not exceed two hundred fifty thousand dollars. A
10 recipient business may not receive more than one award under this section.

11 4. An investment under this section is not a business incentive under chapter 54-60.1.

12 **SECTION 12. AMENDMENT.** Section 17-02-05 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **17-02-05. Ethanol production incentive fund - Continuing appropriation.**

15 There is created in the state treasury a special fund known as the ethanol production
16 incentive fund. The fund consists of transfers made in accordance with section 39-04-39 and
17 ~~deposits made in accordance with section 57-43.1-03.1.~~ All moneys in the fund are appropriated
18 on a continuing basis to the office of renewable energy and energy efficiency for use in paying
19 ethanol production incentives under this chapter.

20 **SECTION 13. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **54-17-40. (Effective through June 30, 2013~~2015~~) Housing incentive fund - Continuing**
23 **appropriation.**

24 1. The housing incentive fund in an amount not to exceed thirty million dollars is created
25 as a special revolving fund at the Bank of North Dakota. The housing finance agency
26 may direct disbursements from the fund and a continuing appropriation from the fund
27 is provided for that purpose. The housing finance agency shall disburse from the fund:

28 a. Two million six hundred thousand dollars for grants to child care providers for
29 new construction, rehabilitation, or acquisition of child care facilities. The housing
30 finance agency shall establish guidelines to qualify for a grant under this section
31 which must include a matching requirement of one dollar of matching funds for

- 1 every three dollars of grant funds and a maximum grant amount of one hundred
2 eighty-seven thousand five hundred dollars.
- 3 b. Four hundred thousand dollars for grants to licensed early childhood services
4 providers that provide care for children with disabilities or developmental delays
5 pursuant to section 5-11.1-18. The grants may be used for equipment, renovation
6 of facilities used to provide the services, and staff.
- 7 2. After a public hearing, the housing finance agency shall create an annual allocation
8 plan for the distribution of the fund. At least twenty-five percent of the fund must be
9 used to assist developing communities ~~with a population of not more than ten~~
10 ~~thousand individuals~~ to address an unmet housing need or alleviate a housing
11 shortage. ~~At least fifty percent~~A portion of the fund as determined by the housing
12 finance agency in the annual allocation plan must be used to benefit ~~households with~~
13 ~~incomes at not more than fifty percent of the area median~~individuals and families of
14 low income or moderate income. The agency may collect a reasonable administrative
15 fee from the fund, project developers, applicants, or grant recipients.
- 16 3. The housing finance agency shall adopt guidelines for the fund so as to address
17 unmet housing or child care facility needs in this state. Assistance from the fund may
18 be used solely for:
- 19 a. New construction, rehabilitation, or acquisition of a multifamily housing project or
20 a child care facility;
- 21 b. Gap assistance, matching funds, and accessibility improvements;
- 22 c. Assistance that does not exceed the amount necessary to qualify for a loan using
23 underwriting standards acceptable for secondary market financing or to make the
24 project feasible; and
- 25 d. Rental assistance, emergency assistance, or targeted supportive services
26 designated to prevent homelessness.
- 27 4. Eligible recipients include units of local, state, and tribal government; local and tribal
28 housing authorities; community action agencies; regional planning councils; nonprofit
29 organizations and for-profit child care providers; and nonprofit organizations and
30 for-profit developers of multifamily housing. Individuals may not receive direct
31 assistance from the fund.

1 5. Except for subdivision d of subsection 3, assistance is subject to repayment or
2 recapture under the guidelines adopted by the housing finance agency. Any
3 assistance that is repaid or recaptured must be deposited in the fund and is
4 appropriated on a continuing basis for the purposes of this section.

5 **SECTION 14. AMENDMENT.** Section 54-18-21 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-18-21. Annual transfer.**

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

11 **SECTION 15.** A new section to chapter 54-60 of the North Dakota Century Code is created
12 and enacted as follows:

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

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

24 **SECTION 16.** A new section to chapter 54-60 of the North Dakota Century Code is created
25 and enacted as follows:

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

27 There is created in the state treasury a special fund known as the unmanned aircraft
28 systems fund, which must be used to defray the expenses of the operations of an unmanned
29 aircraft systems test site officially designated by the federal aviation administration. The fund
30 consists of fees collected for the administration of the test site. All moneys in the fund are
31 appropriated to the department of commerce on a continuing basis for the purpose of defraying

1 the expenses of the unmanned aircraft systems program. Interest earned on moneys in the fund
2 must be credited to the fund.

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

5 **Research North Dakota biotechnology grants.**

6 The department shall establish and administer a research North Dakota biotechnology grant
7 program to provide grants to eligible tax-exempt nonprofit organizations or foundations with
8 principal offices in North Dakota that shall award grants to eligible private companies with
9 research facilities and principal operations located within the state to conduct research on and
10 develop and commercialize vaccines and antibodies for the treatment of or cure for cancer or
11 virally infectious diseases. To be eligible for a grant under this section, a tax-exempt nonprofit
12 organization or foundation:

- 13 1. Must be an independent grantmaking organization that has previous experience
14 administering grants within the state for health-related purposes, including projects
15 designed to improve health and access to health care;
- 16 2. Shall provide the department with detailed documentation:
 - 17 a. Of private sector participation, including the private company's:
 - 18 (1) Establishment of a partnership with a research university or a related
19 research university organization to conduct research on and develop and
20 commercialize vaccines and antibodies for the treatment of or cure for
21 cancer or virally infectious diseases; and
 - 22 (2) Establishment of research facilities and principal operations within the state;
23 and
 - 24 b. Of the availability of one dollar of matching funds from private or other public
25 sources for each dollar of state funds to be distributed. Matching funds must be in
26 the form of cash and may not include in-kind assets;
- 27 3. May not retain more than five percent of the grant award for administrative costs; and
- 28 4. May not provide indirect cost reimbursement to a research university or a related
29 research university organization of more than five percent of the amount of the grant
30 award relating to the research university's involvement or the related research
31 university organization's involvement.

1 **SECTION 18.** A new section to chapter 54-65 of the North Dakota Century Code is created
2 and enacted as follows:

3 **Research North Dakota biotechnology fund - Continuing appropriation.**

4 The research North Dakota biotechnology fund is a special fund in the state treasury. All
5 moneys in the research North Dakota biotechnology fund are appropriated to the department of
6 commerce on a continuing basis for the purpose of implementing and administering a research
7 North Dakota biotechnology grant program. Interest earned on moneys in the fund must be
8 credited to the fund.

9 **SECTION 19.** A new subsection to section 57-35.3-05 of the North Dakota Century Code is
10 created and enacted as follows:

11 There is allowed a credit against the tax imposed by sections 57-35.3-01 through
12 57-35.3-12 in an amount equal to the contribution to the housing incentive fund under
13 section 54-17-40. For the purposes of the credit allowed in this subsection,
14 subsections 2 through 9 of section 57-38-01.32 apply.

15 **SECTION 20. AMENDMENT.** Section 57-38-01.32 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **57-38-01.32. (Effective for the first two taxable years beginning after December 31,**
18 **~~2010~~2012) Housing incentive fund tax credit.**

- 19 1. A taxpayer is entitled to a credit as determined under this section against state income
20 tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing
21 incentive fund under section 54-17-40. The amount of the credit is equal to the amount
22 contributed to the fund during the taxable year.
- 23 2. North Dakota taxable income must be increased by the amount of the contribution
24 upon which the credit under this section is computed but only to the extent the
25 contribution reduced federal taxable income.
- 26 3. The contribution amount used to calculate the credit under this section may not be
27 used to calculate any other state income tax deduction or credit allowed by law.
- 28 4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the
29 excess may be carried forward to each of the ten succeeding taxable years.

- 1 5. The aggregate amount of tax credits allowed to all eligible contributors is limited to
2 fifteen million dollars ~~per biennium~~. This limitation applies to all contributions for which
3 tax credits are claimed under section 57-35.3-05 and this section.
- 4 6. Within thirty days after the date on which a taxpayer makes a contribution to the
5 housing incentive fund, the housing finance agency shall file with each contributing
6 taxpayer, and a copy with the tax commissioner, completed forms that show as to
7 each contribution to the fund by that taxpayer the following:
- 8 a. The name, address, and social security number or federal employer identification
9 number of the taxpayer that made the contribution.
- 10 b. The dollar amount paid for the contribution by the taxpayer.
- 11 c. The date the payment was received by the fund.
- 12 7. To receive the tax credit provided under this section, a taxpayer shall claim the credit
13 on the taxpayer's state income or financial institutions tax return in the manner
14 prescribed by the tax commissioner and file with the return a copy of the form issued
15 by the housing finance agency under subsection 6.
- 16 8. Notwithstanding the time limitations contained in section 57-38-38, this section does
17 not prohibit the tax commissioner from conducting an examination of the credit
18 claimed and assessing additional tax due under section 57-38-38.
- 19 9. A partnership, subchapter S corporation, limited partnership, limited liability company,
20 or any other passthrough entity making a contribution to the housing incentive fund
21 under this section is considered to be the taxpayer for purposes of this section, and
22 the amount of the credit allowed must be determined at the passthrough entity level.
23 The amount of the total credit determined at the entity level must be passed through to
24 the partners, shareholders, or members in proportion to their respective interests in
25 the passthrough entity.

26 **SECTION 21. AMENDMENT.** Section 57-43.1-03 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-43.1-03. Refund of tax for fuel used for an industrial purpose - Reduction for**
29 **agricultural fuel ~~tax~~ products utilization fund.**

30 Any consumer who buys or uses any motor vehicle fuel for an industrial purpose on which
31 the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund

1 under this chapter. The amount of the tax refund provided for in this section must be reduced by
2 one-half cent per gallon [3.79 liters], except for those fuels used in aircraft or with respect to
3 refunds claimed by aircraft fuel users, and the one-half cent per gallon [3.79 liters] withheld from
4 the refund must be deposited in the agricultural ~~fuel tax~~products utilization fund.

5 **SECTION 22. AMENDMENT.** Section 57-43.1-03.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-43.1-03.1. Refund of tax for fuel used for agricultural purposes - Reductions.**

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

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

19 **57-43.1-03.3. Refund to emergency medical services operation.**

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

26 **SECTION 24. AMENDMENT.** Section 57-43.1-08 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-43.1-08. Refund to state or political subdivision.**

29 When any construction, reconstruction, or maintenance of a public road, highway, street, or
30 airport is undertaken by the state or any political subdivision in the state and public funds of the
31 United States, state, or any political subdivision are directly used for the purchasing of motor

1 vehicle fuel to be used in publicly owned vehicles for such construction, reconstruction, or
2 maintenance, such motor vehicle fuel is subject to a refund of the tax paid on the fuel as
3 provided for in this chapter and under the same terms and conditions. The refund provided for in
4 this section may not be reduced for deposit to the agricultural ~~fuel tax~~ products utilization fund.

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

9 **SECTION 26. EXEMPTION.** The amount appropriated for the discretionary funds line item
10 in section 1 of chapter 50 of the 2011 Session Laws is not subject to section 54-44.1-11 and any
11 unexpended funds from this line item are available during the biennium beginning July 1, 2013,
12 and ending June 30, 2015.

13 **SECTION 27. EXEMPTION.** Of the \$1,000,000 appropriated for the technology-based
14 entrepreneurship grant program contained in the grants line item in section 1 of chapter 50 of
15 the 2011 Session Laws, \$700,000 is not subject to section 54-44.1-11 and any unexpended
16 funds from this line item are available during the biennium beginning July 1, 2013, and ending
17 June 30, 2015. The department of commerce shall spend these funds for the purposes provided
18 in this section. The department of commerce shall use up to \$300,000 for a grant to a not-for-
19 profit organization assisting individuals with business ideas. The department of commerce shall
20 use any remaining amount for the technology-based entrepreneurship grant program.

21 **SECTION 28. EXEMPTION.** Any amount carried over pursuant to section 22 of chapter 50
22 of the 2011 Session Laws that is unexpended as of June 30, 2013, is not subject to section
23 54-44.1-11 and is available for promotion and marketing of the USS North Dakota during the
24 biennium beginning July 1, 2013, and ending June 30, 2015.

25 **SECTION 29. EXEMPTION.** Any amount carried over pursuant to section 18 of chapter 50
26 of the 2011 Session Laws, relating to the antiballistic missile site acquisition grant and base
27 realignment grant, that is unexpended as of June 30, 2013, is not subject to section 54-44.1-11
28 and is available during the biennium beginning July 1, 2013, and ending June 30, 2015. The
29 department of commerce shall spend these funds for the purposes provided in this section. The
30 department of commerce shall award a grant of up to \$100,000 for promotion and marketing of
31 the USS North Dakota. The department of commerce shall award a grant to assist in the

1 acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in
2 Nekoma. The department of commerce shall award a direct grant and not a cost reimbursement
3 grant for a base realignment grant to enhance economic development and employment
4 opportunities associated with the Minot air force base resulting from action by the federal
5 defense base closure and realignment commission.

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

11 **SECTION 31. TRANSFER - INTERNSHIP FUND.** The office of management and budget
12 shall transfer \$1,000,000 of the amount appropriated in the operating expenses line item in
13 section 1 of this Act to the internship fund for the purpose of administering the operation intern
14 program, for the period beginning with the effective date of this Act and ending June 30, 2015.

15 **SECTION 32. TRANSFER - RESEARCH NORTH DAKOTA BIOTECHNOLOGY FUND.**
16 The office of management and budget shall transfer the amount appropriated in the research
17 North Dakota line item in section 1 of this Act to the research North Dakota biotechnology fund
18 for the purpose of implementing and administering the research North Dakota biotechnology
19 grant program, for the biennium beginning July 1, 2013, and ending June 30, 2015.

20 **SECTION 33. 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 34. 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 35. UNMANNED AIRCRAFT SYSTEMS PROGRAM.** The grants line item in
6 section 1 of this Act includes the sum of \$1,000,000 from the general fund for costs related to
7 pursuing federal aviation administration designation as an unmanned aircraft systems test site.
8 The grants line item in section 1 of this Act includes the sum of \$4,000,000 from the general
9 fund for operations of the test site, contingent upon receiving official designation by the federal
10 aviation administration as a national test site.

11 **SECTION 36. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**
12 **USE LEASE GRANT PROGRAM.** The grants line item in section 2 of this Act includes the sum
13 of \$2,500,000 from the strategic investment and improvements fund for an enhanced use lease
14 grant program to be developed by the department of commerce, for the biennium beginning
15 July 1, 2013, and ending June 30, 2015. Grants are available for constructing infrastructure
16 required for an enhanced use lease private sector business development project located on or
17 adjacent to the Grand Forks air force base, contingent upon certification from the department of
18 commerce verifying both a signed enhanced use lease agreement and a commitment by a
19 private sector business to locate in the development.

20 **SECTION 37. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND**
21 **BEYOND INITIATIVE - REPORT TO THE LEGISLATIVE MANAGEMENT.** Before
22 September 1, 2014, the North Dakota economic development foundation shall provide a report
23 to the legislative management regarding progress made toward the recommendations provided
24 as part of the 2020 and beyond initiative and any recommendations for future legislation.

25 **SECTION 38. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH**
26 **- RESEARCH NORTH DAKOTA - REPORT TO BUDGET SECTION.** Before June 1, 2014, the
27 department of commerce shall provide a progress report on the experimental program to
28 stimulate competitive research and research North Dakota, including the research North Dakota
29 venture investment program to the budget section of the legislative management.

30 **SECTION 39. LEGISLATIVE MANAGEMENT STUDY - CHILD CARE SERVICES.** During
31 the 2013-14 interim, the legislative management shall consider studying child care services.

1 The study must include consideration of the current and potential needs for child care services
2 and the current and potential workforce needs related to child care. The study must include
3 consideration of the current quality of child care services. The legislative management shall
4 report its findings and recommendations, together with any legislation required to implement the
5 recommendations, to the sixty-fourth legislative assembly.

6 **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - INTELLECTUAL PROPERTY AT**
7 **RESEARCH UNIVERSITIES.** During the 2013-14 interim, the legislative management shall
8 consider studying the intellectual property policies and procedures at research universities
9 within the state. The study must include consideration of the current and potential income
10 generated through the commercialization of intellectual property. The legislative management
11 shall report its findings and recommendations, together with any legislation required to
12 implement the recommendations, to the sixty-fourth legislative assembly.

13 **SECTION 41. LEGISLATIVE INTENT - RESEARCH NORTH DAKOTA VENTURE**
14 **INVESTMENT PROGRAM.** It is the intent of the sixty-third legislative assembly that the North
15 Dakota development fund, incorporated, use funding transferred to the North Dakota
16 development fund, incorporated, in section 18 of chapter 50 of the 2011 Session Laws for
17 investments under the research North Dakota venture investment program.

18 **SECTION 42. EFFECTIVE DATE - EXPIRATION DATE.** Sections 19 and 20 of this Act are
19 effective for the first two taxable years beginning after December 31, 2012, and are thereafter
20 ineffective.

21 **SECTION 43. EMERGENCY.** Funding of \$1,000,000 in the operating expenses line item in
22 section 1 of this Act, relating to the operation intern program, and funding of \$5,000,000 in the
23 grants line item of section 1 of this Act, relating to the unmanned aircraft systems program, and
24 sections 3, 13, 15, 16, 31, and 35 of this Act are declared to be an emergency.