

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 create and enact a new chapter to title 6, a new section to chapter 10-30.5,  
 3 section 54-45.5-10, and ~~two~~three new sections to chapter 54-65 of the North Dakota Century  
 4 Code, relating to a loan guarantee program, the research North Dakota venture program, the  
 5 energy conservation fund, and the research North Dakota program; to amend and reenact  
 6 sections 4-14.1-02, 4-14.1-03, 4-44-03, 17-02-05, 54-17-07.3, 54-17-40, 54-18-21, 57-43.1-03,  
 7 57-43.1-03.1, 57-43.1-03.3, and 57-43.1-08 of the North Dakota Century Code, relating to the  
 8 agricultural fuel tax fund, ethanol production incentive fund, ~~and~~ the agricultural research fund,  
 9 housing finance programs, and the housing incentive fund; to provide exemptions; to provide for  
 10 transfers; to provide a continuing appropriation; to provide for an upper great plains  
 11 transportation institute study; to provide for legislative management studies; and to declare an  
 12 emergency.

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

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

|                                  | Base Level              | Adjustments or<br>Enhancements | Appropriation           |
|----------------------------------|-------------------------|--------------------------------|-------------------------|
| 22 <del>Salaries and wages</del> | <del>\$10,858,251</del> | <del>\$1,538,719</del>         | <del>\$12,396,970</del> |
| 23 <u>Salaries and wages</u>     | <u>\$10,858,251</u>     | <u>\$1,800,217</u>             | <u>\$12,658,468</u>     |
| 24 Operating expenses            | 13,876,650              | 2,557,951                      | 16,434,601              |

Sixty-third  
Legislative Assembly

|    |  |                         |                         |                          |
|----|--|-------------------------|-------------------------|--------------------------|
| 1  | Capital assets                               | 70,018                  | (60,018)                | 10,000                   |
| 2  | <del>Grants</del>                            | <del>59,977,994</del>   | <del>(830,044)</del>    | <del>59,147,950</del>    |
| 3  | <u>Grants</u>                                | <u>59,977,994</u>       | <u>1,669,956</u>        | <u>61,647,950</u>        |
| 4  | Discretionary funds                          | 928,082                 | 0                       | 928,082                  |
| 5  | Workforce enhancement fund                   | 0                       | 2,000,000               | 2,000,000                |
| 6  | Economic development initiatives             | 186,846                 | 0                       | 186,846                  |
| 7  | Flood impact grants/loans                    | 0                       | 11,782,866              | 11,782,866               |
| 8  | Agricultural products utilization commission | 2,739,767               | 506,769                 | 3,246,536                |
| 9  | Research North Dakota                        | 0                       | 12,000,000              | 12,000,000               |
| 10 | North Dakota trade office                    | 2,613,400               | 0                       | 2,613,400                |
| 11 | Partner programs                             | 2,022,044               | 0                       | 2,022,044                |
| 12 | Federal fiscal stimulus funds                | 0                       | 796,770                 | 796,770                  |
| 13 | North Dakota planning initiative             | 0                       | 1,000,000               | 1,000,000                |
| 14 | <del>Total all funds</del>                   | <del>\$93,273,052</del> | <del>\$31,293,013</del> | <del>\$124,566,065</del> |
| 15 | <del>Less estimated income</del>             | <del>69,666,470</del>   | <del>(1,425,436)</del>  | <del>68,241,034</del>    |
| 16 | <del>Total general fund</del>                | <del>\$23,606,582</del> | <del>\$32,718,449</del> | <del>\$56,325,031</del>  |
| 17 | <u>Total all funds</u>                       | <u>\$93,273,052</u>     | <u>\$34,054,511</u>     | <u>\$127,327,563</u>     |
| 18 | <u>Less estimated income</u>                 | <u>69,666,470</u>       | <u>1,134,709</u>        | <u>70,801,179</u>        |
| 19 | <u>Total general fund</u>                    | <u>\$23,606,582</u>     | <u>\$32,919,802</u>     | <u>\$56,526,384</u>      |
| 20 | Full-time equivalent positions               | 68.25                   | 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:

| 25 | <u>One-Time Funding Description</u> | <u>2011-13</u> | <u>2013-15</u> |
|----|-------------------------------------|----------------|----------------|
| 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    | 11,782,866     |
| 31 | Centers of research excellence      | 12,000,000     | 0              |

Sixty-third  
Legislative Assembly

|    |                                     |                          |                         |
|----|-------------------------------------|--------------------------|-------------------------|
| 1  | Research North Dakota               | 0                        | 12,000,000              |
| 2  | Unmanned aircraft system            | 0                        | 5,000,000               |
| 3  | Base retention grants               | 0                        | 1,500,000               |
| 4  | Tourism large infrastructure grants | 0                        | 1,325,000               |
| 5  | Child care facility grants          | 0                        | 5,000,000               |
| 6  | Transportation study                | 0                        | 350,000                 |
| 7  | North Dakota planning initiative    | 0                        | 1,000,000               |
| 8  | <del>Federal fiscal stimulus</del>  | <del>24,496,750</del>    | <del>796,770</del>      |
| 9  | <del>Total all funds</del>          | <del>\$272,121,750</del> | <del>\$40,754,636</del> |
| 10 | <del>Less estimated income</del>    | <del>259,496,750</del>   | <del>16,579,636</del>   |
| 11 | <del>Total general fund</del>       | <del>\$12,625,000</del>  | <del>\$24,175,000</del> |
| 12 | Federal fiscal stimulus             | 24,496,750               | 796,770                 |
| 13 | Enhanced use lease grant            | 0                        | 2,500,000               |
| 14 | Total all funds                     | \$272,121,750            | \$43,254,636            |
| 15 | Less estimated income               | 259,496,750              | 19,079,636              |
| 16 | Total general fund                  | \$12,625,000             | \$24,175,000            |

17 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the  
 18 2015-17 biennium. The department of commerce shall report to the appropriations committees  
 19 of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium  
 20 beginning July 1, 2013, and ending June 30, 2015.

21 **SECTION 3. 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 4. 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 5. 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

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

4 **Rules.**

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

9 **SECTION 7.** A new section to chapter 10-30.5 of the North Dakota Century Code is created  
10 and enacted as follows:

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

12 1. The corporation shall administer a research North Dakota venture investment program  
13 that provides investments to startup or spinoff businesses that utilize technology  
14 developed at a research university, as defined in section 54-65-01, or jointly developed  
15 by a research university and the private sector.

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

17 a. Must be a business operating in North Dakota that is in the startup or spinoff  
18 state;

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

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

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

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

25 **SECTION 8. AMENDMENT.** Section 17-02-05 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 **17-02-05. Ethanol production incentive fund - Continuing appropriation.**

28 There is created in the state treasury a special fund known as the ethanol production  
29 incentive fund. The fund consists of transfers made in accordance with section 39-04-39 and  
30 ~~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 directly  
11 or indirectly of construction, permanent, and combined construction and permanent  
12 mortgage loans, including participations in mortgage loans, for the acquisition,  
13 construction, refurbishing, reconstruction, rehabilitation, or improvement of child care  
14 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, ~~2013~~2015) 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 13.** A new section to chapter 54-65 of the North Dakota Century Code is created  
2 and enacted as follows:

3       **Research North Dakota grants.**

4       The department shall establish and administer a research North Dakota grant program to  
5 provide grants to a research university for research, development, and commercialization  
6 activities related to a private sector partner. The centers of excellence commission, established  
7 under chapter 15-69, shall make grant award determinations under this section. The department  
8 shall work with the centers of excellence commission in establishing guidelines to qualify for a  
9 grant under this section. Before the commission directs the department to distribute funds  
10 awarded under this section, the research university shall provide the commission with detailed  
11 documentation of private sector participation and the availability of one dollar of matching funds  
12 for each dollar of state funds to be distributed. Matching funds must be in the form of cash given  
13 to the research university and may not include in-kind assets.

14       **SECTION 14.** A new section to chapter 54-65 of the North Dakota Century Code is created  
15 and enacted as follows:

16       **Research North Dakota venture grants.**

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

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

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

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

30       **SECTION 16. AMENDMENT.** Section 57-43.1-03 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **57-43.1-03. Refund of tax for fuel used for an industrial purpose - Reduction for**  
2 **agricultural fuel tax**~~products utilization~~ fund.

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

9           **SECTION 17. AMENDMENT.** Section 57-43.1-03.1 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11           **57-43.1-03.1. Refund of tax for fuel used for agricultural purposes - Reductions.**

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

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

23           **57-43.1-03.3. Refund to emergency medical services operation.**

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

30           **SECTION 19. AMENDMENT.** Section 57-43.1-08 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **57-43.1-08. Refund to state or political subdivision.**

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

9           **SECTION 20. EXEMPTION.** The amount appropriated for the agricultural products  
10 utilization commission in section 1 of chapter 50 of the 2011 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, 2013, and ending June 30, 2015.

13           **SECTION 21. EXEMPTION.** The amount appropriated for the discretionary funds line item  
14 in section 1 of chapter 50 of the 2011 Session Laws is not subject to section 54-44.1-11 and any  
15 unexpended funds from this line item are available during the biennium beginning July 1, 2013,  
16 and ending June 30, 2015.

17           **SECTION 22. EXEMPTION.** The amount appropriated for the technology-based  
18 entrepreneurship grant program contained in the grants line item in section 1 of chapter 50 of  
19 the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this  
20 line item are available during the biennium beginning July 1, 2013, and ending June 30, 2015.

21           **SECTION 23. 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 24. 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 for a grant to assist in the acquisition of the antiballistic missile site at the  
29 Stanley R. Mickelson safeguard complex in Nekoma and for a base realignment grant to  
30 enhance economic development and employment opportunities associated with the Minot air

1 force base resulting from action by the federal defense base closure and realignment  
2 commission during the biennium beginning July 1, 2013, and ending June 30, 2015.

3 **SECTION 25. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
4 management and budget shall transfer the amount appropriated in the workforce enhancement  
5 fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
6 implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning  
7 July 1, 2013, and ending June 30, 2015.

8 **SECTION 26. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
9 shall transfer \$1,500,000 of the amount appropriated in the operating expenses line item in  
10 section 1 of this Act to the internship fund for the purpose of administering the operation intern  
11 program, for the ~~biennium period beginning July 1, 2013,~~ with the effective date of this Act and  
12 ending June 30, 2015.

13 **SECTION 27. TRANSFER - RESEARCH NORTH DAKOTA FUND.** The office of  
14 management and budget shall transfer the amount appropriated in the research North Dakota  
15 line item in section 1 of this Act to the research North Dakota fund for the purpose of  
16 implementing and administering the research North Dakota program, for the biennium  
17 beginning July 1, 2013, and ending June 30, 2015. The department of commerce may use up to  
18 \$2,000,000 of the funds transferred to the research North Dakota fund for venture grants.

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

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

1 organizations to pay salaries to export assistant, provide training to export assistants, or buy  
2 computer equipment as part of the North Dakota trade office's export assistance program.

3 **SECTION 30. BASE RETENTION GRANT PROGRAM.** The grants line item in section 1 of  
4 this Act includes the sum of \$1,500,000 from the general fund for a base retention grant  
5 program to be developed by the department of commerce, for the biennium beginning July 1,  
6 2013, and ending June 30, 2015. ~~Grants are available to communities with air force bases only~~  
7 ~~to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar~~  
8 ~~cash basis.~~The department may award grants of up to \$500,000 to each community with an air  
9 force base or air national guard facilities.

10 **SECTION 31. CHILD CARE FACILITY GRANT PROGRAM.** The grants line item in  
11 section 1 of this Act includes the sum of \$5,000,000 from the general fund for a child care  
12 facility grant program to be developed by the department of commerce, for the biennium  
13 beginning July 1, 2013, and ending June 30, 2015. The department shall establish guidelines to  
14 qualify for a grant under this section which must include a matching requirement of one dollar of  
15 matching funds for every three dollars of grant funds and a maximum grant amount of  
16 \$187,500.

17 **SECTION 32. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNMANNED**  
18 **AIRCRAFT SYSTEMS PROGRAM.** The grants line item in section 1 of this Act includes the  
19 sum of \$1,000,000 from the general fund for costs related to pursuing federal aviation  
20 administration designation as an unmanned aircraft systems test site. The grants line item in  
21 section 1 of this Act includes the sum of \$4,000,000 from the strategic investment and  
22 improvements fund for operations of the test site, contingent upon receiving official designation  
23 by the federal aviation administration as a national test site.

24 **SECTION 33. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**  
25 **USE LEASE GRANT PROGRAM.** The grants line item in section 2 of this Act includes the sum  
26 of \$2,500,000 from the strategic investment and improvements fund for an enhanced use lease  
27 grant program to be developed by the department of commerce, for the biennium beginning  
28 July 1, 2013, and ending June 30, 2015. Grants are available for constructing infrastructure  
29 required for an enhanced use lease private sector business development project located on or  
30 adjacent to the Grand Forks air force base, contingent upon certification from the department of

1 commerce verifying both a signed enhanced use lease agreement and a commitment by a  
2 private sector business to locate in the development.

3 **SECTION 34. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND**  
4 **BEYOND INITIATIVE - REPORT TO THE LEGISLATIVE MANAGEMENT.** Before

5 September 1, 2014, the North Dakota economic development foundation shall provide a report  
6 to the legislative management regarding progress made toward the recommendations provided  
7 as part of the 2020 and beyond initiative and any recommendations for future legislation.

8 **SECTION 35. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH**  
9 **- RESEARCH NORTH DAKOTA - REPORT TO BUDGET SECTION.** Before June 1, 2014, the

10 department of commerce shall provide a progress report on the experimental program to  
11 stimulate competitive research and research North Dakota, including the research North Dakota  
12 venture investment program to the budget section of the legislative management.

13 **SECTION 36. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE STUDY -**  
14 **REPORTS TO BUDGET SECTION.** The operating expenses line item in section 1 of this Act

15 includes the sum of \$350,000 from the general fund for the department of commerce to contract  
16 with the upper great plains transportation institute for the purpose of updating and maintaining  
17 reports for transportation infrastructure needs for all county roads and bridges in the state, for  
18 the biennium beginning July 1, 2013, and ending June 30, 2015. While updating and  
19 maintaining the reports, the upper great plains transportation institute shall review options to  
20 most efficiently use resources through the integration of road and bridge projects identified in  
21 the reports along with other associated infrastructure needs. During the 2013-14 interim, the  
22 upper great plains transportation institute shall report at least annually to the budget section of  
23 the legislative management regarding the status of the reports.

24 **SECTION 37. LEGISLATIVE MANAGEMENT STUDY - CHILD CARE SERVICES.** During

25 the 2013-14 interim, the legislative management shall consider studying child care services.  
26 The study must include consideration of the current and potential needs for child care services  
27 and the current and potential workforce needs related to child care. The study must include  
28 consideration of the current quality of child care services. The legislative management shall  
29 report its findings and recommendations, together with any legislation required to implement the  
30 recommendations, to the sixty-fourth legislative assembly.

1       **SECTION 38. LEGISLATIVE INTENT - RESEARCH NORTH DAKOTA VENTURE**

2 **INVESTMENT PROGRAM.** It is the intent of the sixty-third legislative assembly that the North  
3 Dakota development fund, incorporated, use funding transferred to the North Dakota  
4 development fund, incorporated, in section 18 of chapter 50 of the 2011 Session Laws for  
5 investments under the research North Dakota venture investment program.

6       **SECTION 39. EMERGENCY.** Funding of \$1,500,000 in the operating expenses line item in  
7 section 1 of this Act, relating to the operation intern program, and funding of \$5,000,000 in the  
8 grants line item of section 1 of this Act, relating to the unmanned aircraft systems program, and  
9 sections ~~21~~26 and ~~26~~32 of this Act are declared to be an emergency.