

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2018

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 commerce; to provide exemptions; to provide for transfers; to provide for a report; and to
3 declare an emergency.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, and from special funds derived from federal funds and
8 other income, to the department of commerce for the purpose of defraying the expenses of the
9 department of commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019,
10 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
13 Salaries and wages	\$13,015,999	(\$7,148)	\$13,008,851
14 Operating expenses	16,384,623	(1,397,001)	14,987,622
15 Grants	48,134,795	12,292,417	60,427,212
16 Discretionary funds	784,152	30,688	814,840
17 Agricultural products utilization commission	3,118,611	34,719	3,153,330
18 North Dakota trade office	2,556,694	(275,196)	2,281,498
19 Partner programs	2,173,829	(233,984)	1,939,845
20 Entrepreneurship grants and vouchers	1,500,000	0	1,500,000
21 Total all funds	\$87,668,703	\$10,444,495	\$98,113,198
22 Less estimated income	53,809,604	12,478,979	66,288,583
23 Total general fund	\$33,859,099	(\$2,034,484)	\$31,824,615
24 <u>Salaries and wages</u>	<u>\$13,015,999</u>	<u>(\$20,211)</u>	<u>\$12,995,788</u>

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1	Operating expenses	16,384,623	(1,107,001)	15,277,622
2	Grants	48,134,795	4,175,621	52,310,416
3	Discretionary funds	784,152	715,848	1,500,000
4	Flood impact grants/loans	0	5,201,752	5,201,752
5	Agricultural products utilization commission	3,118,611	34,304	3,152,915
6	North Dakota trade office	2,556,694	(775,196)	1,781,498
7	Partner programs	2,173,829	(233,984)	1,939,845
8	Entrepreneurship grants and vouchers	1,500,000	(750,000)	750,000
9	Total all funds	\$87,668,703	\$7,241,133	\$94,909,836
10	Less estimated income	53,809,604	11,176,054	64,985,658
11	Total general fund	\$33,859,099	(\$3,934,921)	\$29,924,178
12	Full-time equivalent positions	69.40	(3.00)	66.40

SECTION 2. HEALTH INSURANCE INCREASE. The salaries line item in section 1 of this Act includes the sum of \$172,554, of which \$135,102 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2015-17 biennium:

19	One-Time Funding Description	2015-17	2017-19
20	Workforce enhancement fund	\$960,069	\$0
21	Flood impact grants/loans	12,859,869	0
22	Flood impact grants/loans	12,859,869	5,201,752
23	Research North Dakota	4,353,542	0
24	Unmanned aircraft system	2,662,105	2,000,000
25	Base retention grants	1,500,000	1,000,000
26	Base retention grants	1,500,000	200,000
27	Tourism large infrastructure grants	586,000	0
28	Enhanced use lease grant	7,500,000	3,000,000
29	Enhanced use lease grant	7,500,000	2,000,000
30	Child care facility grants	2,131,267	0
31	Homeless shelter grants	1,500,000	0

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1	Tribal community college grants	2,837,130	0
2	Workforce recruitment campaign	300,000	0
3	Tourism midwest markets	848,481	0
4	Entrepreneurship grants and vouchers	1,716,830	0
5	Tourism international	227,836	0
6	Educators and industry externships	40,000	0
7	Total all funds	\$40,023,129	\$6,000,000
8	Less estimated income	21,359,869	6,000,000
9	Total general fund	\$18,663,260	\$0
10	Total all funds	\$40,023,129	\$9,401,752
11	Less estimated income	21,359,869	9,401,752
12	Total general fund	\$18,663,260	\$0

13 The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for
 14 the 2019-21 biennium. The department of commerce shall report to the appropriations
 15 committees of the sixty-sixth legislative assembly on the use of this one-time funding for the
 16 biennium beginning July 1, 2017, and ending June 30, 2019.

17 **SECTION 4. EXEMPTION.** The amount appropriated for the agricultural products utilization
 18 commission in section 1 of chapter 18 of the 2015 Session Laws is not subject to section
 19 54-44.1-11 and any unexpended funds from this line item for grants are available for grants
 20 during the biennium beginning July 1, 2017, and ending June 30, 2019.

21 **SECTION 5. EXEMPTION.** The amount appropriated for the discretionary funds line item in
 22 section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any
 23 unexpended funds from this line item are available during the biennium beginning July 1, 2017,
 24 and ending June 30, 2019.

25 **SECTION 6. EXEMPTION.** The amount appropriated for the unmanned aircraft systems
 26 program in section 1 of chapter 18 of the 2015 Session Laws is not subject to section
 27 54-44.1-11 and any unexpended funds from this program are available during the biennium
 28 beginning July 1, 2017, and ending June 30, 2019.

29 ~~**SECTION 7. EXEMPTION.** The amount appropriated for prekindergarten community grants~~
 30 ~~in section 1 of chapter 18 of the 2015 Session Laws is not subject to section 54-44.1-11 and any~~

1 ~~unexpended funds from these grants are available for grants during the biennium beginning~~
2 ~~July 1, 2017, and ending June 30, 2019.~~

3 **SECTION 7. TRANSFER - INTERNSHIP FUND.** The office of management and budget
4 shall transfer ~~\$1,275,000~~\$750,000 of the amount appropriated in the operating expenses line
5 item in section 1 of this Act to the internship fund for the purpose of administering the operation
6 intern program, for the period beginning with the effective date of this Act and ending June 30,
7 2019.

8 **SECTION 8. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - BASE**
9 **RETENTION GRANT PROGRAM.** The grants line item and the estimated income line item in
10 section 1 of this Act include the sum of ~~\$1,000,000~~\$200,000 from the strategic investment and
11 improvements fund for a base retention grant program to be developed by the department of
12 commerce, for the biennium beginning July 1, 2017, and ending June 30, 2019. The grant
13 program must award direct grants and not cost reimbursement grants. The department may
14 award grants to each community with an air force base or air national guard facilities.

15 **SECTION 9. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNMANNED**
16 **AIRCRAFT SYSTEMS PROGRAM.** The grants line item and the estimated income line item in
17 section 1 of this Act include the sum of \$2,000,000 from the strategic investment and
18 improvements fund for operations of the unmanned aircraft systems test site, for the biennium
19 beginning July 1, 2017, and ending June 30, 2019.

20 **SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED**
21 **USE LEASE GRANT PROGRAM.** The grants line item and the estimated income line item in
22 section 1 of this Act include the sum of ~~\$3,000,000~~\$2,000,000 from the strategic investment and
23 improvements fund for an enhanced use lease grant program ~~for the operations of the~~
24 ~~unmanned aircraft systems test site~~, for the biennium beginning July 1, 2017, and ending
25 June 30, 2019. Grants must be awarded for initiatives related to the unmanned aircraft system
26 industry in North Dakota, including for the purposes of infrastructure, research, development,
27 the creation of software, and the purchase of equipment benefiting the unmanned aircraft
28 system. The department of commerce shall require grant recipients to provide matching funds in
29 the form of cash, property, or in-kind consideration, totaling \$1,000,000 for the grants awarded
30 under this program.

1 **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North
2 Dakota trade office line item and the general fund appropriation in section 1 of this Act include
3 ~~\$2,281,498~~\$1,781,498 of funding relating to the North Dakota trade office. The department of
4 commerce may spend ~~seventy~~fifty percent of this amount without requiring any matching funds
5 from the trade office. Any additional amounts may be spent only to the extent the North Dakota
6 trade office provides one dollar of matching funds from private or other public sources for each
7 one dollar provided by the department for the biennium beginning July 1, 2017, and ending
8 June 30, 2019. Matching funds may include money spent by businesses or organizations to pay
9 salaries to export assistants, provide training to export assistants, or buy computer equipment
10 as part of the North Dakota trade office's export assistance program.

11 **SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** Section 1 of
12 this Act includes the sum of ~~\$1,500,000~~\$750,000, of which ~~\$1,350,000~~\$600,000 is from the
13 general fund and \$150,000 from special funds, for an entrepreneurship grants and voucher
14 program to be developed and administered by the department of commerce, for the biennium
15 beginning July 1, 2017, and ending June 30, 2019. The department shall establish guidelines to
16 provide grants to entrepreneurial centers certified by the department. The department also shall
17 establish guidelines to award vouchers to entrepreneurs to procure business development
18 assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working
19 with an entrepreneurial center. The amount appropriated for entrepreneurship grants in
20 section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this
21 line item are available during the biennium beginning July 1, 2019, and ending June 30, 2021.

22 **SECTION 13. NORTH DAKOTA TOURISM PROGRAM - RESEARCH NORTH DAKOTA**
23 **FUND.** Notwithstanding section 54-65-08, the estimated income line item in section 1 of this Act
24 includes \$500,000 from the research North Dakota fund for the North Dakota tourism program.

25 **SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE GENERAL**
26 **FUND.** Notwithstanding section 54-65-08, the office of management and budget shall transfer
27 \$4,000,000 from the research North Dakota fund to the general fund, for the biennium
28 beginning July 1, 2017, and ending June 30, 2019.

29 **SECTION 15. EMERGENCY.** Funding of ~~\$1,275,000~~\$750,000 in the operating expenses
30 line item in ~~section~~sections 1 and 7 of this Act, relating to the operation intern program, are
31 declared to be an emergency measure.