

**HOUSE BILL NO. 1018  
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the department of commerce; to amend session laws; to provide exemptions; and to provide transfers.

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

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2023, and ending June 30, 2025 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$12,835,431	\$4,394,109	\$17,229,540
Operating Expenses	16,883,192	33,392,749	50,275,941
Grants	50,666,898	137,453,791	188,120,689
COVID – 19 Response	0	2,085,834	2,085,834
Discretionary Funds	2,150,000	0	2,150,000
Partner Programs	1,562,531	0	1,562,531
Entrepreneurship Grants and Vouchers	<u>948,467</u>	<u>0</u>	<u>948,467</u>
Total All Funds	\$85,046,519	\$177,326,483	\$262,373,002
Less Estimated Income	<u>53,544,379</u>	<u>89,554,512</u>	<u>143,098,891</u>
Total General Fund	\$31,502,140	\$87,771,971	\$119,274,111
Full-Time Equivalent Positions	58.80	5.00	63.80

**SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Unmanned Aircraft System	\$1,000,000	\$0
Beyond Visual Line of Sight Unmanned Aircraft System	20,000,000	30,000,000
Enhanced Use Lease Grant	7,000,000	7,000,000
Workforce Grants to Tribally Controlled Community Colleges	500,000	0
Workforce Safety Grant	1,500,000	0
Job Development and Economic Growth Grant	1,500,000	0
Tourism Marketing	7,000,000	0
Technical Skills Training Grant	1,000,000	0
Motion Picture Production and Recruitment Grant	100,000	0
Travel Agency and Tour Operator emergency Resiliency Grants	2,000,000	0
Event Center Emergency Resiliency Grants	2,000,000	0
Tourism Transportation Improvement Grants	565,432	0

Discretionary Funds	1,000,000	
COVID 19 Response	56,234,176	
Destination Development Grant Program	0	50,000,000
Volunteer Generation Fund Program	0	878,571
Automation Grant	0	10,000,000
Rural Revitalization and Redevelopment Grant	0	10,000,000
Talent Attraction	0	24,797,060
Rural Renewal Workforce Housing	0	5,500,000
Destination Awareness Marketing	0	5,000,000
Workforce Investment Initiative	0	20,000,000
Community Development Grant	0	800,000
Automation Workforce Transition Training Program	0	5,000,000
Workforce Enhancement Grant	<u>0</u>	<u>2,000,000</u>
Total All Funds	\$101,399,608	\$170,975,631
Total Special Funds	<u>98,234,176</u>	<u>87,600,000</u>
Total General Fund	\$3,165,432	\$83,375,631

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 3. EXEMPTION – DISCRETIONARY FUNDS.** The amount of \$2,150,000 appropriated from the general fund in the discretionary funds line item in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 4. EXEMPTION – DISCRETIONARY FUNDS.** The amount of \$1,000,000 appropriated from the general fund in the discretionary funds line item in section 10 of chapter 15 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 5. EXEMPTION – BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM .** The amount of \$19,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft systems program in section 7 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 6. EXEMPTION – ENHANCED USE LEASE GRANT PROGRAM.** The amount of \$7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease program in section 7 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 7. EXEMPTION – NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM.** The amount of \$500,000 appropriated from the general fund for the nonresident nurse employment recruitment program in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 8. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM.** The amount of \$3,000,000 appropriated from the general fund for the unmanned aircraft systems operating expense in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 9. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT.** The amount of \$1,000,000 appropriated from the general fund for grants to organizations dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry in section 9 of chapter 46 of the

2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 10. EXEMPTION – WORKFORCE COMMUNITY SERVICES PROGRAM.** The amount of \$1,074,888 appropriated to the department of commerce for the purpose of workforce community services program in section 19 of chapter 549 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 11. EXEMPTION – COMMUNITY DEVELOPMENT PLANNING GRANT PROGRAM.** The amount of \$1,000,000 appropriated to the department of commerce for the purpose of a community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 12. EXEMPTION – WORKFORCE INNOVATION NETWORK GRANT PROGRAM.** The amount of \$100,000 appropriated to the department of commerce for the purpose of workforce innovation network grant program in section 21 of chapter 549 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 13. EXEMPTION – HOMELESS GRANT PROGRAM.** The amount of \$1,330,212 appropriated from the general fund to the department of commerce for the purpose of homeless grants in section 1 of chapter 46 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 14. EXEMPTION – AUTONOMOUS AGRICULTURE MATCHING GRANTS.** The amount of \$10,000,000 appropriated to the department of commerce for the purpose of autonomous agriculture matching grants in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 15. EXEMPTION – WORKFORCE DEVELOPMENT INCENTIVE GRANT PROGRAM.** The amount of \$15,000,000 appropriated to the department of commerce for the purpose of adding or expanding a local workforce development incentive grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 16. EXEMPTION – TECHNICAL SKILLS TRAINING GRANT PROGRAM.** The amount of \$5,000,000 appropriated to the department of commerce for the purpose of adding or expanding technical skills training grant program and a workforce innovation grant program in section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 17. EXEMPTION – AMERICORPS PROGRAM.** The amount of \$1,200,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of funding AmeriCorps programs in communities statewide is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 18. EXEMPTION – PARKS AND RECREATION GRANT.** The amount of \$1,550,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of projects that support travel, tourism, and outdoor sectors with marketing and technical support is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 19. EXEMPTION – ENERGY CONSERVATION PROGRAM.** The amount of \$14,222,975 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of developing energy conservation policies and programs related to prudent and

efficient use of energy is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 20. EXEMPTION – HEATING AND COOLING GRANT.** The amount of \$1,306,112 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing grants to Community Action Agencies to support furnace repair and cooling contracts is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 21. EXEMPTION – AGRICULTURE RURAL PLACEMAKING CHALLENGE.** The amount of \$250,000 authorized by the emergency commission and budget section under section 54-16-04.1 to the department of commerce for the purpose of providing support, assistance and training to foster placemaking activities in rural communities is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 22. EXEMPTION – STATE SMALL BUSINESS CREDIT INITIATIVE.** The amount of \$56,234,176 appropriated to the department of commerce for the purpose of state small business credit initiative in section 2 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 23. EXEMPTION – CARES ACT FUNDING.** The amount of \$11,393,078 appropriated to the department of commerce for the purpose of CARES Act funding in section 1 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 24. EXEMPTION – CORONAVIRUS RELIEF FUNDING.** The amount of \$82,179,000 appropriated to the department of commerce for the purpose of defraying the expense related to the COVID-19 pandemic in section 1 of chapter 28 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 25. TRANSFER - INTERNSHIP FUND.** The office of management and budget shall transfer \$1,000,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 26. TRANSFER – LEGACY EARNINGS FUND TO INNOVATION LOAN FUND TO SUPPORT TECHNOLOGY ADVANCEMENT.** The office of management and budget shall transfer \$20,000,000 from the legacy earnings fund to the innovation loan fund to support technology advancement for the purpose of providing innovation technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 27. TRANSFER – LEGACY EARNINGS FUND TO NORTH DAKOTA DEVELOPMENT FUND.** The office of management and budget shall transfer \$30,000,000 from the legacy earnings fund to the North Dakota development fund for the purpose as defined in section 10-30.5, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 28. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$37,000,000 from the legacy earnings fund, of which \$30,000,000 is for beyond visual line of sight unmanned aircraft system grants and \$7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

**SECTION 29. ESTIMATED INCOME – LEGACY EARNINGS FUND - ONE-TIME FUNDING.** The estimated income line item in the grants line of section 1 of this Act includes the sum of \$50,000,000 from the legacy earnings fund, of which is for destination development grant program. This funding is considered a one-time funding item.

**SECTION 30. APPROPRIATION** - In addition to the amounts appropriated to the department of commerce in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2023 and ending June 30, 2025.

**SECTION 31. ENTREPRENEURSHIP GRANTS PROGRAM.** Section 1 of this Act includes the sum of \$948,467, of which \$740,956 is from the general fund and \$207,511 from special funds, for an entrepreneurship grants program to be administered by the department of commerce, for the biennium beginning July 1, 2023 and ending June 30, 2025. The department shall establish guidelines to award an organization that provides business development assistance to entrepreneurs in North Dakota for the purposes of benefitting the entrepreneurial ecosystem in North Dakota. The amount appropriated for entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2025 and ending June 30, 2027.

**SECTION 32. AMENDMENT.** Section 1 of chapter 550 of the 2021 Special Session Law is amended and reenacted as follows:

**SECTION 1. APPROPRIATION - TRANSFER - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING - REPORT - EXEMPTION.**

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$5,000,000, which the office of management and budget shall transfer to the North Dakota development fund for purposes of a grant program under chapter 10-30.5 during the period beginning with the effective date of this Act, and ending June 30, 2023.