

Sixty-seventh  
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 an appropriation to the department of transportation; to create and enact  
 3 a new section to chapter 4.1-01 of the North Dakota Century Code, relating to the transfer of the  
 4 international business and trade office from the department of commerce to the agriculture  
 5 commissioner; to amend and reenact ~~section~~sections 54-34.3-13 and 54-60-29 of the North  
 6 Dakota Century Code, relating to the rural growth incentive program and the unmanned aircraft  
 7 systems program fund; to repeal section 54-60-16 of the North Dakota Century Code, relating to  
 8 the international business and trade office; to provide a continuing appropriation; to provide for  
 9 a transfer; to provide for a report; ~~and~~ to provide an exemption; to provide a statement of  
 10 legislative intent; to provide for a legislative management study; and to declare an emergency.

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

12 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
 13 as may be necessary, are appropriated out of any moneys in the general fund in the state  
 14 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
 15 other income, to the department of commerce for the purpose of defraying the expenses of the  
 16 department of commerce, for the ~~biennium~~period beginning ~~July 1, 2021,~~with the effective date  
 17 of this Act and ending June 30, 2023.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
20 <del>Salaries and wages</del>	<del>\$13,217,286</del>	<del>(\$353,133)</del>	<del>\$12,864,153</del>
21 <del>Operating expenses</del>	<del>14,873,203</del>	<del>9,444,557</del>	<del>24,317,760</del>
22 <del>Grants</del>	<del>52,638,527</del>	<del>28,543,803</del>	<del>81,182,330</del>
23 <del>Discretionary funds</del>	<del>2,150,000</del>	<del>(600,000)</del>	<del>1,550,000</del>
24 <del>North Dakota trade office</del>	<del>1,600,000</del>	<del>(1,600,000)</del>	<del>0</del>

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1	<del>Partner programs</del>	<del>1,562,531</del>	<del>0</del>	<del>1,562,531</del>
2	<del>Entrepreneurship grants and vouchers</del>	<del>948,467</del>	<del>0</del>	<del>948,467</del>
3	<del>Total all funds</del>	<del>\$86,990,014</del>	<del>\$35,435,227</del>	<del>\$122,425,241</del>
4	<del>Less estimated income</del>	<del>54,123,293</del>	<del>26,424,774</del>	<del>80,548,067</del>
5	<del>Total general fund</del>	<del>\$32,866,721</del>	<del>\$9,010,453</del>	<del>\$41,877,174</del>
6	<del>Full-time equivalent positions</del>	<del>61.80</del>	<del>(3.00)</del>	<del>58.80</del>
7	<u>Salaries and wages</u>	<u>\$13,217,286</u>	<u>(\$227,956)</u>	<u>\$12,989,330</u>
8	<u>Operating expenses</u>	<u>14,873,203</u>	<u>9,191,240</u>	<u>24,064,443</u>
9	<u>Grants</u>	<u>52,638,527</u>	<u>35,193,803</u>	<u>87,832,330</u>
10	<u>Discretionary funds</u>	<u>2,150,000</u>	<u>0</u>	<u>2,150,000</u>
11	<u>North Dakota trade office</u>	<u>1,600,000</u>	<u>(1,600,000)</u>	<u>0</u>
12	<u>Partner programs</u>	<u>1,562,531</u>	<u>0</u>	<u>1,562,531</u>
13	<u>Entrepreneurship grants and vouchers</u>	<u>948,467</u>	<u>0</u>	<u>948,467</u>
14	<u>Total all funds</u>	<u>\$86,990,014</u>	<u>\$42,557,087</u>	<u>\$129,547,101</u>
15	<u>Less estimated income</u>	<u>54,123,293</u>	<u>29,421,086</u>	<u>83,544,379</u>
16	<u>Total general fund</u>	<u>\$32,866,721</u>	<u>\$13,136,001</u>	<u>\$46,002,722</u>
17	<u>Full-time equivalent positions</u>	<u>61.80</u>	<u>(2.00)</u>	<u>59.80</u>

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

**SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

22	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
23	Unmanned aircraft system	\$2,225,000	\$1,000,000
24	Beyond visual line of sight unmanned aircraft system	0	20,000,000
25	Enhanced use lease grant	3,000,000	7,000,000
26	Workforce grants to tribally controlled community colleges	500,000	500,000
27	Census 2020 program	1,000,000	0
28	<del>Workforce safety grant</del>	<del>1,000,000</del>	<del>0</del>
29	<del>Entrepreneurship grants and vouchers</del>	<del>2,000,000</del>	<del>0</del>
30	<del>Sculpture maintenance grants</del>	<del>75,000</del>	<del>0</del>
31	<del>Nonresident nurse employment recruitment</del>	<del>500,000</del>	<del>0</del>

1	<del>Intermodal container transportation shipping fees</del>	<del>1,300,000</del>	<del>0</del>
2	<del>Job development and economic growth grant</del>	<del>25,000</del>	<del>0</del>
3	<del>Tourism marketing</del>	<del>0</del>	<del>7,000,000</del>
4	<del>Technical skills training grants</del>	<del>0</del>	<del>1,000,000</del>
5	<del>Total all funds</del>	<del>\$11,625,000</del>	<del>\$36,500,000</del>
6	<del>Less estimated income</del>	<del>4,300,000</del>	<del>27,000,000</del>
7	<del>Total general fund</del>	<del>\$7,325,000</del>	<del>\$9,500,000</del>
8	<u>Workforce safety grant</u>	<u>1,000,000</u>	<u>1,500,000</u>
9	<u>Entrepreneurship grants and vouchers</u>	<u>2,000,000</u>	<u>0</u>
10	<u>Sculpture maintenance grants</u>	<u>75,000</u>	<u>0</u>
11	<u>Nonresident nurse employment recruitment</u>	<u>500,000</u>	<u>0</u>
12	<u>Intermodal container transportation shipping fees</u>	<u>1,300,000</u>	<u>0</u>
13	<u>Economic development, growth, and diversification grant</u>	<u>0</u>	<u>5,000,000</u>
14	<u>Job development and economic growth grant</u>	<u>25,000</u>	<u>1,500,000</u>
15	<u>Tourism marketing</u>	<u>0</u>	<u>6,900,000</u>
16	<u>Technical skills training grants</u>	<u>0</u>	<u>1,000,000</u>
17	<u>Motion picture production and recruitment grant</u>	<u>0</u>	<u>100,000</u>
18	<u>Total all funds</u>	<u>\$11,625,000</u>	<u>\$44,500,000</u>
19	<u>Less estimated income</u>	<u>4,300,000</u>	<u>30,000,000</u>
20	<u>Total general fund</u>	<u>\$7,325,000</u>	<u>\$14,500,000</u>

21 The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget  
 22 for the 2023-25 biennium. The department of commerce shall report to the appropriations  
 23 committees of the sixty-eighth legislative assembly on the use of this one-time funding for the  
 24 ~~biennium period~~ beginning ~~July 1, 2021,~~with the effective date of this Act and ending June 30,  
 25 2023.

26 **SECTION 3. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - BEYOND**  
 27 **VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - ONE-TIME**  
 28 **FUNDING.** There is appropriated from special funds, derived from grant funds received from the  
 29 department of commerce pursuant to section ~~4114~~ of this Act, not otherwise appropriated, the  
 30 sum of ~~\$28,000,000~~\$5,000,000, or so much of the sum as may be necessary, to the department  
 31 of transportation for the purpose of defraying ~~tower~~ infrastructure construction expenses of the

1 beyond visual line of sight unmanned aircraft system program, for the **biennium period** beginning  
2 ~~July 1, 2021,~~ with the effective date of this Act and ending June 30, 2023. The department of  
3 transportation may bid, award, and administer any contracts necessary to complete the  
4 construction of the ~~tower~~ infrastructure. This funding is considered a one-time funding item.

5 **SECTION 4. TRANSFER - INTERNSHIP FUND.** The office of management and budget  
6 shall transfer \$755,000 of the amount appropriated in the operating expenses line item in  
7 section 1 of this Act to the internship fund for the purpose of administering the operation intern  
8 program, for the **biennium period** beginning ~~July 1, 2021,~~ with the effective date of this Act and  
9 ending June 30, 2023.

10 **SECTION 5. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The  
11 entrepreneurship grants and voucher line item in section 1 of this Act includes \$948,467, of  
12 which \$740,956 is from the general fund and \$207,511 is from the economic development fund,  
13 for the purpose of defraying the expenses of the entrepreneurship grants and voucher program.  
14 The department shall establish guidelines to provide grants to entrepreneurial centers certified  
15 by the department. The department also shall establish guidelines to award vouchers to  
16 entrepreneurs to procure business development assistance from certified entrepreneurial  
17 centers or to provide grants to entrepreneurs working with an entrepreneurial center.

18 **SECTION 6. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS**  
19 **REQUIREMENT.** The grants line item in section 1 of this Act includes \$250,000 from the  
20 general fund for providing matching funds to an organization assisting in the recruitment,  
21 distribution, and supply, and enhancing the quality and efficiency of personnel providing health  
22 services in rural areas of the state. The department of commerce may spend the funds  
23 appropriated in this section only to the extent the organization has secured matching funds from  
24 nonstate sources on a dollar-for-dollar basis.

25 **SECTION 7. ECONOMIC DEVELOPMENT, GROWTH, AND DIVERSIFICATION GRANT**  
26 **PROGRAM - MATCHING REQUIREMENT - ONE-TIME FUNDING.** The grants line item in  
27 section 1 of this Act includes \$5,000,000 from the general fund for the purpose of providing a  
28 grant to an organization dedicated to expanding economic development, growth, and  
29 diversification. This funding is considered a one-time funding item. To qualify for a grant under  
30 this program, an organization must have:

- 1       1.   Secured a loan under the legacy infrastructure loan fund program established in
- 2            House Bill No. 1425 as approved by the sixty-seventh legislative assembly for
- 3            construction of an event and entertainment venue focused on highlighting North
- 4            Dakota history and attractions;
- 5       2.   Obtained \$5,000,000 of matching funds from nonstate sources; and
- 6       3.   Entered a lease with the state of North Dakota for use of land for the event and
- 7            entertainment venue.

8 Grant funds awarded may be used only for the operating costs of an event and entertainment  
9 venue used to promote the expansion of tourism and economic development and growth in the  
10 state.

11       **SECTION 8. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS**  
12 **FUND - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes  
13 the sum of ~~\$26,000,000~~\$29,000,000 from the strategic investment and improvements fund, of  
14 which \$19,000,000 is for beyond visual line of sight unmanned aircraft system grants ~~and~~  
15 \$7,000,000 is for enhanced use lease grants, \$1,500,000 is for a job development grant to an  
16 organization dedicated to promoting job development and economic growth, and \$1,500,000 is  
17 for a workforce safety grant to an organization that provides workforce safety. This funding is  
18 considered a one-time funding item.

19       **SECTION 9. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM**  
20 **PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING.** The grants line item  
21 in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization  
22 dedicated to expanding workforce opportunities, training, and education related to the beyond  
23 visual line of sight unmanned aircraft system industry, which the department of commerce may  
24 provide only to the extent the organization provides one dollar of matching funds from private or  
25 other public sources for each one dollar provided by the department. This funding is considered  
26 a one-time funding item.

27       **SECTION 10.** A new section to chapter 4.1-01 of the North Dakota Century Code is created  
28 and enacted as follows:

1        **International business and trade office - Advisory board - Continuing appropriation.**

2        1. The commissioner shall administer the international business and trade office. The  
3        purpose of the office is to assist North Dakota businesses to expand exports to  
4        international markets by:

5        a. Advocating for exporters;

6        b. Offering export educational opportunities to North Dakota businesses;

7        c. Researching and raising awareness of export opportunities, issues, and  
8        challenges impacting North Dakota businesses;

9        d. Assisting North Dakota businesses in identifying, developing, and cultivating  
10       international markets for products; and

11       e. Organizing and carrying out trade missions that seek to facilitate contact and  
12       communication between North Dakota businesses and international markets.

13       2. The commissioner may designate a nonprofit corporation incorporated in this state  
14       which has the primary purpose of assisting North Dakota exporters or contract with a  
15       third party for the provision of services for the international business and trade office. If  
16       the commissioner designates a nonprofit corporation or contracts with a third party  
17       under this subsection, all data and databases collected and created by the third party  
18       in performing services for the office are the property of the department and the third  
19       party.

20       3. The commissioner may seek and accept any gift, grant, or donation of funds, property,  
21       services, or other assistance from public or private sources for the purpose of  
22       furthering the objectives of the international business and trade office. Any funds  
23       accepted under this subsection are appropriated to the commissioner on a continuing  
24       basis.

25       4. The commissioner may establish an international business and trade office advisory  
26       board with whom the commissioner may consult in administering the international  
27       business and trade office. Each member of the advisory board is entitled to receive  
28       per diem compensation at a rate established by the director not exceeding sixty-two  
29       dollars and fifty cents and reimbursement of expenses as provided by law for state  
30       officers, while attending meetings or performing duties directly related to board  
31       membership, except that per diem compensation under this section may not be paid to

1           any member who receives compensation or salary as a regular state employee or  
2           official.

3           **SECTION 11. AMENDMENT.** Section 54-34.3-13 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **54-34.3-13. Rural growth incentive program.**

- 6           1. The department shall manage and administer the rural growth incentive program. A  
7           city with a population of less than two thousand five hundred may apply to the  
8           department to be designated as a rural growth incentive city. A rural growth incentive  
9           city may be eligible for a loan, grant, or both under this section.
- 10          2. The department shall designate an applicant city as a rural growth incentive city  
11          eligible for a loan if the city raises funds in the amount of a dollar-for-dollar match for  
12          the amount requested in the loan and meets any additional program requirements  
13          provided by rule. The source of city funds used for loan matching funds may be any  
14          combination of public and private funds. If the department designates a city as a rural  
15          growth incentive city eligible for a loan under this section, subject to the availability of  
16          funds, the state shall make a loan to the city in an amount not less than twenty-five  
17          thousand dollars and not more than seventy-five thousand dollars. The department  
18          shall establish the amount of the interest rate for loans provided to a city under this  
19          subsection. The funding source of the state loan is the North Dakota development  
20          fund. The city shall distribute the city and state funds to qualifying new or expanded  
21          ~~primary-sector~~ businesses in the city. A qualifying business in the city includes a  
22          business that provides essential services to the city. For purposes of this subsection, a  
23          business that provides essential services does not include a public utility. The  
24          governing body of the city determines whether a new or expanded ~~primary-sector~~  
25          business qualifies for funding, and the director of the department determines whether  
26          a business that provides essential services to the city qualifies for funding. The state  
27          shall distribute a loan to a rural growth incentive city once the city establishes the city  
28          has chosen a specified qualified business to receive funding.
- 29          3. The department shall designate an applicant city as a rural growth incentive city  
30          eligible for a grant if the city raises funds in the amount of a dollar-for-dollar match for  
31          the amount requested in the grant application and meets any additional program

1 requirements provided by rule. The source of city funds used for grant matching funds  
2 may be any combination of public and private funds. If the department designates a  
3 city as a rural growth incentive city eligible for a grant under this section, subject to  
4 availability of funds, the state shall make a grant to the city in an amount not to exceed  
5 ten thousand dollars. The recipient rural growth incentive city shall use the grant  
6 money received to conduct a feasibility study for the location of a new business,  
7 including an expansion of a business with the primary place of business outside the  
8 rural growth incentive city. ~~The business under this subsection is not limited to primary~~  
9 ~~sector businesses.~~ The funding source of the state grant is the North Dakota  
10 development fund. Total grants awarded by the department under this subsection may  
11 not exceed one hundred thousand dollars per biennium.

- 12 4. The city may not use city or state funds raised or provided under this section for costs  
13 associated with administering the rural growth incentive city. The department shall  
14 provide the rural growth incentive city with training to assist the city in expanding  
15 ~~primary sector~~ businesses, locating new businesses, and working with state economic  
16 development programs.

17 **SECTION 12. AMENDMENT.** Section 54-60-29 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **54-60-29. Unmanned aircraft systems program fund - Continuing appropriation.**

- 20 1. There is created in the state treasury a special fund known as the unmanned aircraft  
21 systems fund, which ~~must~~may be used to defray the expenses of the ~~operations~~;  
22 a. Operations of an unmanned aircraft systems test site officially designated by the  
23 federal aviation administration;  
24 b. Beyond visual line of sight unmanned aircraft system program; and  
25 c. Enhanced use lease grant program.  
26 2. The fund consists of fees collected for the administration of the test site and other  
27 funds appropriated by the legislative assembly. All moneys in the fund are  
28 appropriated to the department of commerce on a continuing basis for the purpose of  
29 defraying the expenses of the ~~unmanned aircraft systems program~~programs identified  
30 in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

31 **SECTION 13. REPEAL.** Section 54-60-16 of the North Dakota Century Code is repealed.



1       **SECTION 14. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT**

2       **SYSTEM PROGRAM.** ~~The amount of~~Of the \$28,000,000 appropriated from the general fund in  
3       the grants line item for the beyond visual line of sight unmanned aircraft system program in  
4       section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 ~~and, up~~  
5       to \$5,000,000 of unexpended funds may be continued and is available for the program during  
6       the biennium beginning July 1, 2021, and ending June 30, 2023. The department of commerce  
7       may provide grants of up to ~~\$28,000,000~~\$5,000,000, to the department of transportation, for the  
8       purpose of defraying ~~tower~~ infrastructure construction expenses of the beyond visual line of  
9       sight unmanned aircraft system program during the ~~2021-23 biennium~~period beginning with the  
10      effective date of this Act and ending June 30, 2023.

11      **SECTION 15. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM.** The amount  
12      of \$2,250,000 appropriated from the general fund in the operating expenses line item for the  
13      unmanned aircraft system program in section 27 of chapter 40 of the 2019 Session Laws is not  
14      subject to section 54-44.1-11 and is available for the program during the biennium beginning  
15      July 1, 2021, and ending June 30, 2023.

16      **SECTION 16. EXEMPTION - ENHANCED USE LEASE GRANT PROGRAM.** The amount  
17      of \$3,000,000 appropriated from the general fund in the grants line item for the enhanced use  
18      lease grant program in section 27 of chapter 40 of the 2019 Session Laws is not subject to  
19      section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021,  
20      and ending June 30, 2023.

21      ~~**SECTION 16. EXEMPTION - EARLY CHILDHOOD EDUCATION PROGRAM.** The amount~~  
22      ~~of \$1,500,000 appropriated from the general fund in the operating expenses line item and~~  
23      ~~grants line item for the early childhood education program in section 27 of chapter 40 of the~~  
24      ~~2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during~~  
25      ~~the biennium beginning July 1, 2021, and ending June 30, 2023.~~

26      **SECTION 17. EXEMPTION - NONRESIDENT NURSE EMPLOYMENT RECRUITMENT**  
27      **PROGRAM - ELIGIBILITY.** Of the \$500,000 appropriated from the general fund in the grants  
28      line item for the nonresident nurse employment recruitment program in section 27 of chapter 40  
29      of the 2019 Session Laws, \$320,000 is not subject to section 54-44.1-11 and is available for the  
30      program during the biennium beginning July 1, 2021, and ending June 30, 2023. In addition to  
31      the program eligibility guidelines established for the 2019-21 biennium, the department of

1 commerce shall provide funding authorized in this section to eligible nursing students in the  
2 state who have not been employed by a health care provider on a full-time basis in the year  
3 preceding the grant award.

4 **SECTION 18. EXEMPTION - DISCRETIONARY FUNDS.** The amount of \$2,150,000  
5 appropriated from the general fund in the discretionary funds line item in section 27 of chapter  
6 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the  
7 program during the biennium beginning July 1, 2021, and ending June 30, 2023.

8 **SECTION 19. LEGISLATIVE INTENT - NORTHERN PLAINS UNMANNED AIRCRAFT**  
9 **SYSTEM TEST SITE.** It is the intent of the sixty-seventh legislative assembly that the northern  
10 plains unmanned aircraft system test site maximize earned revenue to the extent possible while  
11 operating and conducting business of the test site.

12 **SECTION 20. LEGISLATIVE MANAGEMENT STUDY - DATA STORAGE.** During the  
13 2021-22 interim, the legislative management shall consider studying data storage by state  
14 entities. The study must include input from the information technology department, North  
15 Dakota university system, and kindergarten through grade twelve education coordination  
16 council. The study must consider data security, geographical locations of storage, geographical  
17 locations of corporate contractors, state and federal laws that may affect North Dakota data,  
18 ownership and control of data storage, and current and estimated data storage costs related to  
19 cloud-based, out-of-state data storage of North Dakota state and local government data. The  
20 legislative management shall report its findings and recommendations, together with any  
21 legislation necessary to implement the recommendations, to the sixty-eighth legislative  
22 assembly.

23 **SECTION 21. EMERGENCY.** This Act is declared to be an emergency measure.