

Sixty-second  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1018

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 section 15-69-07, a new chapter to title 17, and a new section  
3 to chapter 54-60 of the North Dakota Century Code, relating to the centers of excellence  
4 program, biofuel blender pump incentive program, and the internship fund; to amend and  
5 reenact sections 10-30.5-02, 15-69-01, 15-69-04, and 15-69-05 of the North Dakota Century  
6 Code, relating to the North Dakota development fund, incorporated, and centers of excellence  
7 program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of  
8 excellence program; to provide a continuing appropriation; to provide exemptions; to provide for  
9 transfers; to provide an effective date; to provide an expiration date; and to declare an  
10 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 beginning July 1, 2011, and ending June 30, 2013,  
17 as follows:

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
18				
19				
20	Salaries and wages	\$10,020,840	\$851,139	\$10,871,979
21	Operating expenses	14,478,272	(595,012)	13,883,260
22	Capital assets	25,000	45,018	70,018
23	Grants	65,411,058	851,936	66,262,994
24	North Dakota development fund	0	250,000	250,000

Sixty-second  
Legislative Assembly

1	Discretionary funds	928,083	(1)	928,082
2	Workforce enhancement	0	2,000,000	2,000,000
3	Economic development initiatives	186,846	0	186,846
4	Agricultural products utilization	2,536,630	203,137	2,739,767
5	North Dakota trade office	2,064,000	489,000	2,553,000
6	Partner programs	2,022,044	0	2,022,044
7	Federal fiscal stimulus funds	<u>0</u>	<u>24,496,750</u>	<u>24,496,750</u>
8	Total all funds	\$97,672,773	\$28,591,967	\$126,264,740
9	Less estimated income	<u>69,666,470</u>	<u>18,968,467</u>	<u>88,634,937</u>
10	Total general fund	\$28,006,303	\$9,623,500	\$37,629,803
11	Full-time equivalent positions	68.00	.25	68.25

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

**SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

16	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
17	Workforce enhancement fund	\$1,000,000	\$2,000,000
18	Biofuel blender pumps	1,000,000	0
19	Promotion and marketing of U.S.S. North Dakota	100,000	0
20	Lewis and Clark foundation grants	1,500,000	0
21	Theodore Roosevelt Medora foundation grant	500,000	0
22	Tourism infrastructure grant	0	1,000,000
23	Child care grants and loans	1,820,000	370,338
24	Child care service providers	0	4,935,000
25	recruitment, training, and retention grants		
26	Centers of excellence	19,500,000	0
27	Great plains applied energy research center	5,000,000	0
28	Minot air force base realignment grant	0	250,000
29	Equine processing study	50,000	0
30	Federal fiscal stimulus	<u>68,594,635</u>	<u>24,496,750</u>
31	Total all funds	\$99,064,635	\$33,052,088

1	Less estimated income	<u>68,594,635</u>	<u>24,496,750</u>
2	Total general fund	\$30,470,000	\$8,555,338

3 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the  
4 2013-15 biennium. The department of commerce shall report to the appropriations committees  
5 of the sixty-third legislative assembly on the use of this one-time funding for the biennium  
6 beginning July 1, 2011, and ending June 30, 2013.

7 **SECTION 3. AMENDMENT.** Section 10-30.5-02 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **10-30.5-02. (Effective through July 31, ~~2011~~2013) Purpose and fund uses.**

- 10 1. It is the purpose of this chapter to create a statewide nonprofit development  
11 corporation that will have the authority to take equity positions in, to provide loans to,  
12 or to use other innovative financing mechanisms to provide capital for new or  
13 expanding businesses in this state, or relocating businesses to this state. The  
14 corporation's principal mission is the development and expansion of primary sector  
15 business in this state. The corporation may form additional corporations, limited  
16 liability companies, partnerships, or other forms of business associations in order to  
17 further its mission of primary sector economic development.
- 18 2. The exclusive focus of this corporation is business development in this state; however,  
19 it is not excluded from participation with other states or organizations in projects that  
20 have a clear economic benefit to state residents in the creation of jobs or secondary  
21 business. Emphasis should be to develop jobs that provide an income adequate to  
22 support a family above the poverty level.
- 23 3. Moneys in the development fund may be used to provide working capital or for  
24 financing the purchase of fixed assets but not to refinance existing debt. Moneys may  
25 also be used to make matching grants to county-authorized or city-authorized  
26 development corporations for the acquisition, leasing, or remodeling of real estate  
27 facilities for locating a prospective new primary sector business. A grant must be made  
28 as part of a package of financing in which the state is a participant.
- 29 4. The commissioner of commerce shall adopt rules, subject to the approval of the board  
30 of directors, necessary to implement the administration of the fund. The rules to

1           implement the grant program must be developed to encourage local fundraising  
2           initiatives for developing locations for businesses financed by the corporation.  
3        5.   Moneys in the development fund may be used to provide financing to early childhood  
4           facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or  
5           loans to match grants or loans made by county-authorized or city-authorized  
6           development corporations, job development authorities created under chapter 11-11.1  
7           or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real  
8           estate facilities or for acquiring equipment for establishing or expanding a licensed  
9           early childhood facility. In providing financing under this subsection, the corporation  
10          shall ensure funds are distributed fairly among for-profit early childhood facilities,  
11          nonprofit early childhood facilities, and public early childhood facilities. An award under  
12          this subsection may not exceed ~~one~~two hundred thousand dollars per award.

13       **(Effective after July 31, 2011~~2013~~) Purpose and fund uses.**

- 14       1.   It is the purpose of this chapter to create a statewide nonprofit development  
15          corporation that will have the authority to take equity positions in, to provide loans to,  
16          or to use other innovative financing mechanisms to provide capital for new or  
17          expanding businesses in this state, or relocating businesses to this state. The  
18          corporation's principal mission is the development and expansion of primary sector  
19          business in this state. The corporation may form additional corporations, limited  
20          liability companies, partnerships, or other forms of business associations in order to  
21          further its mission of primary sector economic development.
- 22       2.   The exclusive focus of this corporation is business development in this state; however,  
23          it is not excluded from participation with other states or organizations in projects that  
24          have a clear economic benefit to state residents in the creation of jobs or secondary  
25          business. Emphasis should be to develop jobs that provide an income adequate to  
26          support a family above the poverty level.
- 27       3.   Moneys in the development fund may be used to provide working capital or for  
28          financing the purchase of fixed assets but not to refinance existing debt. Moneys may  
29          also be used to make matching grants to county-authorized or city-authorized  
30          development corporations for the acquisition, leasing, or remodeling of real estate

1 facilities for locating a prospective new primary sector business. A grant must be made  
2 as part of a package of financing in which the state is a participant.

3 4. The commissioner of commerce shall adopt rules, subject to the approval of the board  
4 of directors, necessary to implement the administration of the fund. The rules to  
5 implement the grant program must be developed to encourage local fundraising  
6 initiatives for developing locations for businesses financed by the corporation.

7 **SECTION 4. AMENDMENT.** Section 15-69-01 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15-69-01. (~~Effective through July 31, 2011~~) Definitions.**

10 In this chapter, unless the context otherwise requires:

- 11 1. "Board" means the state board of higher education.
- 12 2. "Center" means a center of excellence relating to economic development which has  
13 been designated or named under this chapter.
- 14 3. "Commission" means the centers of excellence commission.
- 15 4. "Department" means the department of commerce.
- 16 5. "Foundation" means the North Dakota economic development foundation.
- 17 ~~5.~~ "Industry cluster" means one of the following industries:
  - 18 a. ~~Advanced manufacturing;~~
  - 19 b. ~~Energy;~~
  - 20 c. ~~Information and technology;~~
  - 21 d. ~~Tourism;~~
  - 22 e. ~~Value-added agriculture; or~~
  - 23 f. An industry, including the aerospace industry, specifically identified by the  
24 department of commerce as an industry that will contribute to the gross state  
25 product.
- 26 6. "Infrastructure" means new building construction or major building renovation. The  
27 term does not include a purchase of equipment or remodel of an existing building.

28 **SECTION 5. AMENDMENT.** Section 15-69-04 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1       **15-69-04. (Effective through July 31, 2011) Application -- Eligibility**  
2 **requirementsCenters of excellence program.**

3       4. The department of commerce shall provide center application forms, accept  
4 applications, review applications for completeness and compliance with board and  
5 commission policy, forward complete applications to the commission in accordance  
6 with guidelines established by the commission, and assist with preaward reviews and  
7 postaward monitoring as may be requested by the commission. No more than two  
8 applications per campus of an institution of higher education under the control of the  
9 board may be submitted to the department of commerce for each round of center  
10 funding.

11       2. The commission shall meet as necessary to review all complete applications; consider  
12 the potential need for independent, expert review of complete applications; approve or  
13 disapprove complete applications; make funding award recommendations for  
14 commission approved proposed centers; direct the department of commerce  
15 to administer the centers of excellence program; distribute funds to the centers;  
16 monitor centers for compliance with award requirements; review changes in assertions  
17 made in center applications; and conduct postaward monitoring of centers.

18       3. In considering whether to approve or disapprove an application, the commission shall  
19 determine whether the applicant has conducted the due diligence necessary to put  
20 together a viable proposal, the commission shall determine whether the applicant has  
21 provided information in the application which clearly outlines how the matching fund  
22 requirement will be met, and the commission shall consider whether the center will:

23       a. Use university or college research to promote private sector job growth and  
24 expansion of knowledge based industries or use university or college research to  
25 promote the development of new products, high-tech companies, or skilled jobs  
26 in this state;

27       b. Create high-value private sector employment opportunities in this state;

28       c. Provide for public-private sector involvement and partnerships;

29       d. Leverage other funding, including cash from the private sector;

- 1 e. Increase research and development activities that may involve federal funding
  - 2 from the national science foundation experimental program to stimulate
  - 3 competitive research;
  - 4 f. Foster and practice entrepreneurship;
  - 5 g. Promote the commercialization of new products and services in industry clusters;
  - 6 h. Become financially self-sustaining; and
  - 7 i. Establish and meet a deadline for acquiring and expending all public and private
  - 8 funds specified in the application.
- 9 4. In considering whether to approve an application, the commission may provide for an
  - 10 independent, expert review of the application to determine whether the proposed
  - 11 center is viable and whether the proposed center is likely to have the desired
  - 12 economic impact. As necessary, the commission may contract for additional technical
  - 13 review of applications. The commission may not approve an application unless the
  - 14 commission determines the proposed center has a high likelihood of viability and
  - 15 success in positively impacting economic development in the state.
  - 16 5. For no fewer than six years and no more than ten years following center designation,
  - 17 the commission shall monitor the center's activities in order to determine whether the
  - 18 center is having the desired economic impact.

19 **SECTION 6. AMENDMENT.** Section 15-69-05 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **15-69-05. (Effective through July 31, 2011) Use of funds - Terms of funds -**

22 **Distribution of funds.**

- 23 1. A center shall use funds awarded under this chapter to enhance capacity and leverage
- 24 state, federal, and private sources of funding. A center awarded funds under this
- 25 chapter may not use the funds for infrastructure, to supplant funding for current
- 26 operations or academic instructions, or to pay indirect costs.
- 27 2. As a condition for receipt of funds under this chapter, a center shall agree to provide
- 28 the ~~board~~department, foundation, and budget section of the legislative management
- 29 with annual audits on all funds distributed to the center under this chapter. The annual
- 30 audits must be provided until the completion of the ~~commission's~~department's
- 31 postaward monitoring of the center. As a condition for receipt of funds under this

1 chapter, a center shall agree to provide the ~~commission~~department with the  
2 information necessary to monitor the postaward activities of the center. Effective on  
3 the effective date of this Act, the department shall assume the postaward monitoring  
4 duties previously fulfilled by the commission and the center shall provide the  
5 department, rather than the commission, with the information necessary to monitor the  
6 postaward activities of the center.

7 3. Before the ~~commission directs the~~ department of commerce to ~~distributed~~distributes  
8 funds awarded under this chapter, the center shall provide the ~~commission~~department  
9 with detailed documentation of private sector participation and the availability of two  
10 dollars of matching funds for each dollar of state funds to be distributed under this  
11 chapter. Of the two dollars of matching funds, at least one dollar must be cash, of  
12 which at least fifty cents must be from the private sector. The matching funds may  
13 include funds facilitated through the collaboration of the private sector participants with  
14 other funding entities. The noncash matching funds may include in-kind assets with  
15 itemized value. Private sector participation may be established through equity  
16 investments or through contracts for services with private sector entities. ~~In making~~  
17 ~~funding recommendations and designation determinations, the commission, board,~~  
18 ~~foundation, and budget section shall give major consideration to the portion of the~~  
19 ~~matching funds provided in cash by the private sector.~~

20 4. The ~~commission shall direct the~~ department of commerce to ~~shall~~ distribute the funds  
21 awarded under this chapter in disbursements consistent with the center's budget and  
22 timeframe outlined in the approved award. The ~~commission~~department may not direct  
23 distribution of funds under this chapter if there are no private sector partners  
24 participating or if the statutorily required matching funds are not available.

25 5. If, before funds are distributed by the department of commerce, a center undergoes a  
26 change in the terms of or assertions made in its application, the ~~commission may~~  
27 ~~direct that the~~ department of commerce may withhold all or a portion of any  
28 undistributed funds pending ~~commission~~department review of the changes.

29 6. The ~~commission~~department may use funds ~~appropriated for~~available within the  
30 centers of excellence ~~program~~fund to pay for the ~~commission's~~department's  
31 administrative expenses, ~~which may include contracting for independent, expert~~



1            ~~reviews of complete applications and centers of excellence forums related to this~~  
2            ~~program. The amount of funds the commission uses each biennium for administrative~~  
3            ~~expenses may not exceed two and one-half percent of the funds appropriated for the~~  
4            ~~program that biennium.~~

5            **SECTION 7.** Section 15-69-07 of the North Dakota Century Code is created and enacted as  
6 follows:

7            **15-69-07. Centers of excellence postaward monitoring.**

- 8            1. For no fewer than six years and no more than ten years following center designation,  
9            the department shall monitor a center's activities in order to determine whether the  
10           center is having the desired economic impact.
- 11           2. Instead of requiring annual audits under subsection 2 of section 15-69-05, the  
12           department may require that the center be audited on all funds distributed to the  
13           center under this chapter at the halfway point of the postaward monitoring and at the  
14           end of the postaward monitoring and that for all other years during the postaward  
15           monitoring the center contract with an independent accountant for an agreed-upon  
16           procedures engagement. A center may use funds distributed to the center under this  
17           chapter to pay for audits required under subsection 2 of section 15-69-05 or for an  
18           agreed-upon procedures engagement.
- 19           3. At a minimum, an agreed-upon procedures engagement under subsection 2 must  
20           include:
- 21           a. Verification of the accuracy of jobs data regarding jobs claimed related by the  
22           center, distinguishing between the creation of private sector jobs and jobs within  
23           the institution of higher education;
- 24           b. Verification of compliance with the centers of excellence program matching fund  
25           requirements;
- 26           c. Verification awarded center funds were used for authorized uses;
- 27           d. Verification the center complied with the center's application timeline and any  
28           authorized revisions;
- 29           e. Verification the center complied with the center's scope of activities as provided  
30           under the center's application and any authorized revisions;

- 1           f. Review of a sample of center expenditures to verify the expenses were
- 2                 approved, supported with documentation, and made in accordance with the
- 3                 scope identified in the center's application;
- 4           g. Verification of a sample of labor charged to the center;
- 5           h. Verification business incentive agreements comply with chapter 54-60.1; and
- 6           i. Comparison of the center's application budget to the center's actual
- 7                 expenditures, including documentation explaining any material differences.

8           **SECTION 8.** A new chapter to title 17 of the North Dakota Century Code is created and  
9 enacted as follows:

10           **Definitions.**

11           For purposes of this chapter, unless the context otherwise requires:

- 12           1. "Biodiesel" means any non-petroleum-based diesel fuel made from a renewable
- 13                 resource such as vegetable oil or animal fat.
- 14           2. "E85 fuel" means a petroleum product that:
  - 15                 a. Is a blend of agriculturally derived denatured ethanol and gasoline or natural
  - 16                 gasoline;
  - 17                 b. Typically contains eighty-five percent ethanol by volume but must at a minimum
  - 18                 contain sixty percent ethanol by volume; and
  - 19                 c. Complies with the American society for testing materials specification D 5798-96.
- 20           3. "Motor fuel retailer" means a person that acquires motor vehicle fuel from a supplier or
- 21                 distributor for resale to a consumer at a retail location.
- 22           4. "Retail location" means a site at which motor vehicle fuel is dispensed through a pump
- 23                 from an underground or aboveground storage tank into the supply tank of a motor
- 24                 vehicle.

25           **Biofuel blender pump incentive program - Administration.**

- 26           1. The department of commerce shall administer the biofuel blender pump incentive
- 27                 program to provide cost-share grants of up to fourteen thousand dollars per retail
- 28                 location to motor fuel retailers for the installation of biofuel blender pumps and
- 29                 associated equipment at retail locations, including the piping system and storage
- 30                 components.

- 1       2. In determining eligibility for grant funds, the department shall establish by rule criteria  
2       governing:  
3       a. The verification of costs for biofuel blender pumps and associated equipment,  
4       including the piping system and storage components;  
5       b. The eligibility of grant recipients;  
6       c. The application and grant award procedure; and  
7       d. Reporting and accountability procedures for grant recipients.  
8       3. The amount of incentives payable to any retail location under this chapter may not  
9       exceed two percent of the total amount appropriated for the biofuel blender pump  
10      incentive program.

11      **Blender pumps - Requirements.**

- 12      1. To qualify for a grant under this chapter, a retailer must install an ethanol blender  
13      pump and an associated storage and piping system. The pump must be the type that:  
14      a. Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the  
15      purchaser;  
16      b. Is manufactured to an industry standard and carries a warranty for compatibility  
17      with dispenser components and storage and piping systems;  
18      c. Has at least four hoses and dispenses the following:  
19      (1) Either a blend of ten percent ethanol or the minimum blend percentage  
20      approved for all vehicles by the United States environmental protection  
21      agency;  
22      (2) A blend of at least twenty percent ethanol; and  
23      (3) E85 fuel; and  
24      d. Complies with all alternative fuel, biofuel, and flexible fuel requirements  
25      established by law.  
26      2. In order to qualify for a grant under this chapter, a retailer must install a biodiesel  
27      blender pump that:  
28      a. Dispenses at retail varying blends of biodiesel and mineral diesel in the ratio  
29      selected by the purchaser; and  
30      b. Complies with all alternative fuel, biofuel, and flexible fuel requirements  
31      established by law.

1        **Biofuel blender pump incentive program - Administrative costs.**

2        The department may use up to five percent of any amount appropriated to the biofuel  
3 blender pump incentive program for administration, the dissemination of information regarding  
4 the biofuel blender pump incentive program, and the dissemination of information regarding the  
5 benefits of biofuels.

6        **SECTION 9.** A new section to chapter 54-60 of the North Dakota Century Code is created  
7 and enacted as follows:

8        **Internship fund - Continuing appropriation.**

9        The internship fund is a special fund in the state treasury. All funds in the internship fund are  
10 appropriated to the department of commerce on a continuing basis for the purpose of  
11 implementing and administering section 54-60-17. Interest earned by the fund must be credited  
12 to the fund.

13        **SECTION 10. GRANT - DIVISION OF TOURISM - TOURISM INFRASTRUCTURE**

14 **GRANTS.** The grants line item in section 1 of this Act includes the sum of \$1,000,000 from the  
15 general fund for providing a tourism infrastructure grant.

16        **SECTION 11. GRANT - MINOT AIR FORCE BASE REALIGNMENT GRANT.** The grants  
17 line item in section 1 of this Act includes the sum of \$250,000 from the general fund for  
18 providing a base realignment grant to enhance economic development and employment  
19 opportunities associated with the Minot air force base resulting from action by the federal  
20 defense base closure and realignment commission.

21        **SECTION 12. CHILD CARE GRANTS - WORKFORCE DEVELOPMENT - QUALITY**

22 **IMPROVEMENT - TECHNICAL ASSISTANCE - CAPACITY BUILDING.** The grants line item in  
23 section 1 of this Act includes the sum of \$4,935,000 from the general fund for providing grants  
24 to child care service providers for workforce development, quality improvement, technical  
25 assistance, and capacity building in collaboration with the department of human services under  
26 section 50-11.1-14.1.

27        **SECTION 13. INNOVATION 2020 AWARD.** The department may administer an innovation  
28 2020 award program to provide proof-of-concept funding to a qualified entrepreneur to assist in  
29 moving a new technology from academia into the commercialization cycle, for the biennium  
30 beginning July 1, 2011, and ending June 30, 2013. The following provisions apply to an award  
31 under this section:

- 1        1.    An applicant must be an individual who is associated with a North Dakota institution of  
2            higher education as a student, an employee, or other relationship the department may  
3            authorize.
- 4        2.    The applicant must have an early-stage technology with high commercial potential.
- 5        3.    The department shall establish the qualified uses of funds received under this section.
- 6        4.    As a term for receipt of funds under this section, the recipient shall agree to the  
7            department's repayment terms equal to two times the amount of the award.
- 8        5.    The department's repayment terms may include the department taking an equity  
9            position in, providing a loan to, or using any other innovative financing mechanism to  
10           provide the funds to the recipient. The terms of repayment may be conditioned on the  
11           new technology becoming income generating.
- 12       6.    An award under this section may not exceed fifty thousand dollars. A recipient may not  
13           receive more than one award under this section.
- 14       7.    An award under this section is not a business incentive under chapter 54-60.1.

15        **SECTION 14. TECHNOLOGY AWARD EQUITY INVESTMENT PROGRAM.** The  
16        department may administer a technology award equity investment program that provides  
17        matching equity investments to technology-based businesses, for the biennium beginning  
18        July 1, 2011, and ending June 30, 2013. The following provisions apply to technology award  
19        equity investments:

- 20       1.    An applicant must:
  - 21           a.    Be a North Dakota business that is at the startup stage;
  - 22           b.    Be a primary sector business in the technology field; and
  - 23           c.    Have a legal structure that was established following comprehensive vetting,  
24           development of proof of concept, and a completed business plan.
- 25       2.    Before funds are distributed under this section, the recipient shall provide the  
26           department with detailed documentation of the availability of two dollars of angel fund  
27           investment matching funds for each dollar of state funds distributed under this section.  
28           Matching funds must come from a North Dakota angel fund certified under section  
29           57-38-01.26 and be in cash. Matching funds may not be in-kind assets.
- 30       3.    An equity investment under this section may not exceed fifty thousand dollars. A  
31           recipient may not receive more than one award under this section.

1           4.    An award equity investment under this section is not a business incentive under  
2                   chapter 54-60.1.

3           **SECTION 15. EXEMPTION.** The amount appropriated for the agricultural products  
4 utilization commission in section 1 of chapter 46 of the 2009 Session Laws is not subject to  
5 section 54-44.1-11 and any unexpended funds from this line item for grants are available for  
6 grants during the biennium beginning July 1, 2011, and ending June 30, 2013.

7           **SECTION 16. EXEMPTION.** The amount appropriated for the discretionary funds line item  
8 in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any  
9 unexpended funds from this line item are available during the biennium beginning July 1, 2011,  
10 and ending June 30, 2013.

11          **SECTION 17. EXEMPTION - TRANSFER.** The amount appropriated for internships  
12 contained in the operating expenses line item in section 1 of chapter 46 of the 2009 Session  
13 Laws is not subject to section 54-44.1-11. The office of management and budget shall transfer  
14 any unexpended funds from this appropriation to the internship fund at the end of the 2011-13  
15 biennium.

16          **SECTION 18. EXEMPTION - TRANSFER.** Up to \$665,000 of the amount appropriated for  
17 the great plains applied energy research center in section 1 of chapter 26 of the 2009 Session  
18 Laws is not subject to section 54-44.1-11. The department of commerce may spend these  
19 funds for the purposes provided for in this section, for the biennium beginning July 1, 2011, and  
20 ending June 30, 2013. The department of commerce may use up to \$600,000 of these funds for  
21 a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson  
22 safeguard complex in Nekoma. The department of commerce may use up to \$65,000 of these  
23 funds for grants to child care service providers for workforce development, quality improvement,  
24 technical assistance, and capacity building in collaboration with the department of human  
25 services under section 50-11.1-14.1.

26          **SECTION 19. EXEMPTION.** The amount appropriated for the technology-based  
27 entrepreneurship grant program contained in the grants line item in section 1 of chapter 46 of  
28 the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from  
29 this line item are available during the biennium beginning July 1, 2011, and ending June 30,  
30 2013.

1       **SECTION 20. EXEMPTION.** The amount appropriated for early childhood facility grants in  
2 section 6 of chapter 108 of the 2009 Session Laws is not subject to section 54-44.1-11 and any  
3 unexpended funds from this line item are available during the biennium beginning July 1, 2011,  
4 and ending June 30, 2013.

5       **SECTION 21. EXEMPTION.** The amount appropriated for the biofuel blender pump  
6 incentive program in sections 1 and 2 of chapter 46 of the 2009 Session Laws is not subject to  
7 section 54-44.1-11 and any unexpended funds from this line item are available during the  
8 biennium beginning July 1, 2011, and ending June 30, 2013.

9       **SECTION 22. TRANSFER - WORKFORCE ENHANCEMENT FUND.** The office of  
10 management and budget shall transfer the amount appropriated in the workforce enhancement  
11 line item in section 1 of this Act to the workforce enhancement fund for the purpose of  
12 implementing and administering sections 54-60-21 and 54-60-22 for the biennium beginning  
13 July 1, 2011, and ending June 30, 2013.

14       **SECTION 23. TRANSFER - EARLY CHILDHOOD FACILITY LOANS.** The office of  
15 management and budget shall transfer \$250,000 of the amount appropriated in the North  
16 Dakota development fund line item in section 1 of this Act to the North Dakota development  
17 fund, incorporated, for the purpose of providing financing to early childhood facilities for the  
18 biennium beginning July 1, 2011, and ending June 30, 2013.

19       **SECTION 24. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The total North  
20 Dakota trade office special line and the general fund appropriation in section 1 of this Act  
21 include \$2,553,000 of funding relating to the North Dakota trade office. The department of  
22 commerce may spend seventy percent of this amount without requiring any matching funds  
23 from the trade office. Any additional amounts may be spent only to the extent that the North  
24 Dakota trade office provides \$1 of matching funds from private or other public sources for each  
25 \$1 provided by the department for the biennium beginning July 1, 2011, and ending June 30,  
26 2013. Matching funds may include money spent by businesses or organizations to pay salaries  
27 to export assistants, provide training to export assistants, or buy computer equipment as part of  
28 the North Dakota trade office's export assistance program.

29       **SECTION 25. DEPARTMENT OF COMMERCE - GRANTS FOR EARLY CHILDHOOD**  
30 **FACILITIES.**

- 1        1.    During the biennium beginning July 1, 2011, and ending June 30, 2013, the  
2            department of commerce shall establish and implement a grant program to provide  
3            matching grants to North Dakota early childhood facilities.
- 4        2.    A recipient of a grant under this section shall use the grant funds for technical  
5            assistance, a business plan, or infrastructure. A grant awarded under this section for  
6            infrastructure may not exceed \$5,000 per recipient and a grant awarded under this  
7            section for technical assistance or a business plan may not exceed \$10,000 per  
8            recipient.
- 9        3.    To receive a grant under this section, an applicant shall establish the applicant has  
10           available \$1 of matching funds for every \$3 of grant funds. The matching funds must  
11           be in cash and may come from private or public sources, or from a combination of  
12           private and public sources.
- 13       4.    In making awards under this program, the department shall ensure funds are fairly  
14           distributed between for-profit early childhood facilities, nonprofit early childhood  
15           facilities, and public early childhood facilities.

16        **SECTION 26. REPEAL.** Chapter 15-69 of the North Dakota Century Code is repealed.

17        **SECTION 27. EFFECTIVE DATE.** Section 26 of this Act becomes effective on August 1,  
18        2023.

19        **SECTION 28. EXPIRATION DATE.** Section 8 of this Act is effective through July 31, 2013,  
20        and after that date is ineffective.

21        **SECTION 29. EMERGENCY.** Funding of \$900,000 in the operating expenses line item in  
22        section 1 of this Act, relating to the operation intern program, and sections 8, 9, and 18 of this  
23        Act are declared to be an emergency measure.