

PROPOSED AMENDMENTS TO SENATE BILL NO. 2224

Page 1, line 2, after the semicolon insert "to amend and reenact sections 54-65-01, 54-65-06, and 54-65-07 of the North Dakota Century Code, relating to research North Dakota; to repeal section 10-30.5-14, chapters 15-59 and 54-65, and sections 54-65-02, 54-65-03, 54-65-04, and 54-65-05 of the North Dakota Century Code, relating to the centers of excellence, centers of research excellence, and research North Dakota;"

Page 1, line 3, remove "and"

Page 1, line 3, after "transfer" insert "; and to provide an effective date"

Page 1, line 8, remove "agriculture"

Page 1, line 10, after the underscored period insert "The commissioner shall collaborate with the department of commerce when awarding bioscience innovation grants to coordinate the management of the commissioner's bioscience innovation grant program and the department of commerce's biotechnology grant program."

Page 2, after line 27, insert:

**"SECTION 2. AMENDMENT.** Section 54-65-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-65-01. Definitions.**

In this chapter, unless the context otherwise requires:

1. ~~"Center" means a center of research excellence that has been designated under this chapter.~~
2. ~~"Commission" means the centers of excellence commission as defined under chapter 15-69.~~
3. ~~"Department" means the department of commerce.~~
4. ~~"Industry cluster" means one of the following industries:~~
  - a. ~~Advanced manufacturing;~~
  - b. ~~Energy;~~
  - c. ~~Information and technology;~~
  - d. ~~Value-added agriculture; or~~
  - e. ~~An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.~~
5. ~~"Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.~~

- 6-2. "Research university" means an institution under the control of the state board of higher education which has a full-time student enrollment in excess of nine thousand students.

**SECTION 3. AMENDMENT.** Section 54-65-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-65-06. Research North Dakota grants.**

The department shall establish and administer a research North Dakota grant program to provide grants to a research university for research, development, and commercialization activities related to a private sector partner. The ~~centers of excellence commission, established under chapter 15-69, department~~ shall make grant award determinations under this section. The department shall ~~work with the centers of excellence commission in establishing~~ establish guidelines to qualify for a grant under this section, including the requirement that an application must be accompanied by a partnership agreement between the private sector partner and a research university. The agreement must include details regarding the scope of the work, the budget, the location of the work to be completed, the intellectual property ownership rights, and the intellectual property income distribution. The ~~commission~~ department may approve changes to the scope of the work or the budget only to the extent that the changes are agreed upon by the private sector partner and the research university. Before the ~~commission directs the department to distribute~~ distributes funds awarded under this section, the research university shall provide the ~~commission~~ department with detailed documentation of private sector participation and the availability of one dollar of matching funds for each dollar of state funds to be distributed. Matching funds must be in the form of cash and may not include in-kind assets.

**SECTION 4. AMENDMENT.** Section 54-65-07 of the North Dakota Century Code is amended and reenacted as follows:

**54-65-07. Research North Dakota venture grants.**

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

**SECTION 5. REPEAL.** Section 10-30.5-14 and chapter 54-65 of the North Dakota Century Code are repealed.

**SECTION 6. REPEAL.** Chapter 15-69 and sections 54-65-02, 54-65-03, 54-65-04, and 54-65-05 of the North Dakota Century Code are repealed.

**SECTION 7. TRANSFER - CENTERS OF EXCELLENCE FUND AND CENTERS OF RESEARCH EXCELLENCE FUND TO THE RESEARCH NORTH DAKOTA FUND.** The office of management and budget shall transfer any balance in the centers of excellence fund and the centers of research excellence fund to the research North Dakota fund on July 1, 2019."

Page 2, line 28, remove "APPROPRIATION -"

Page 2, line 28, after "**TRANSFER**" insert "**- RESEARCH NORTH DAKOTA FUND TO BIOSCIENCE INNOVATION GRANT FUND**"

Page 2, line 28, remove "There is appropriated out of any moneys in"

Page 2, line 29, replace "the general fund in the state treasury, not otherwise appropriated," with "The director of the office of management and budget shall transfer"

Page 2, line 29, replace "\$1,000,000" with "\$700,000"

Page 2, line 29, remove "or so"

Page 2, remove line 30

Page 2, line 31, replace "budget shall transfer" with "from the research North Dakota fund"

Page 3, line 1, replace "provided" with "transferred"

Page 3, line 1, replace "\$400,000" with "\$200,000"

Page 3, after line 2, insert:

**"SECTION 9. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE STATE GENERAL FUND.** Notwithstanding the amount appropriated in section 8 of this Act, the office of management and budget shall transfer any balance in the research North Dakota fund to the state general fund on June 30, 2021.

**SECTION 10. EFFECTIVE DATE.** Section 5 of this Act becomes effective July 1, 2021."

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Repeals the centers of excellence and centers of research excellence programs and transfers the 2017-19 biennium ending balances in the centers of excellence fund and centers of research excellence fund to the Research North Dakota fund on July 1, 2019;
- Changes the transfer to the bioscience innovation grant fund to \$700,000 from the Research North Dakota fund rather than \$1,000,000 from the general fund during the 2019-21 biennium; and
- Transfers the remaining balance in the Research North Dakota fund on June 30, 2021, to the general fund and repeals Research North Dakota on July 1, 2021.