

March 28, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2097

Introduced by

Senators Mathern, Wanzek

Representative Brandenburg

1 A BILL for an Act to create and enact a new section to chapter 54-60 of the North Dakota
2 Century Code, relating to the creation of a rural community endowment fund and a rural
3 community endowment fund committee; to provide an appropriation for the rural community
4 endowment fund; to provide for a transfer; and to provide for a report.

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

6 **SECTION 1.** A new section to chapter 54-60 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Rural community endowment fund - Rural community endowment fund committee -**

9 **Purpose - Limitations - Report.**

- 10 1. There is created in the state treasury a special fund known as the rural community
11 endowment fund, which is a permanent endowment fund under the administration of
12 the department.
- 13 2. The rural community endowment fund consists of any moneys transferred to the fund
14 by the legislative assembly and any gifts, donations, or bequests received by the
15 department for purposes identified in this section. The principal of the fund may not be
16 expended. The department shall determine if any gifts, donations, or bequests
17 provided for deposit in the fund are considered permanent in nature and to be
18 dedicated as principal of the fund in perpetuity or for a term of years, in which case
19 only the income earned as a result of the investment of those funds may be expended.
20 The department may not expend moneys from the rural community endowment fund

1 until the principal of the fund is at least ten million dollars, of which at least five million
2 dollars must be derived from gifts, donations, bequests, or other funding from nonstate
3 sources collected by the department for deposit in the fund. Funding directly from state
4 sources may not be used unless appropriated by the legislature.

5 3. Investment of the rural community endowment fund must be under the supervision of
6 the state investment board in accordance with chapter 21-10. ~~Interest-~~
7 ~~earned~~Investment earnings on moneys in the fund must be credited to the fund, which
8 may be spent by the department, pursuant to legislative appropriations, for providing
9 grants in accordance with this section to rural communities in the state to support,
10 create, or improve local housing, workforce, business recruitment and commerce,
11 infrastructure, or other community needs. Funding may not be provided for operating
12 funds of a local entity.

13 4. The commissioner shall appoint a rural community endowment fund committee
14 consisting of the commissioner, nine individuals residing in rural communities, and a
15 representative of a nonprofit organization dedicated to supporting housing initiatives,
16 ~~social and cultural events,~~ and small businesses ~~in~~that are critical to the vitality of rural
17 communities ~~of~~in the state. Of the nine individuals residing in rural communities, five
18 individuals must be appointed for a term of two years and four individuals must be
19 appointed for an initial term of one year. Thereafter, the four individuals must be
20 appointed for two-year terms. Terms shall commence on September first of the year of
21 appointment. The commissioner shall serve as the chairman of the committee.

22 5. The rural community endowment fund committee shall award grants from the rural
23 community endowment fund. When awarding grants from the fund, the committee
24 shall prioritize capital projects that support the long-term prosperity, independence,
25 safety, health, and quality of life of rural communities and their citizens. The committee
26 shall determine funding application and evaluation processes, including grant award
27 amounts and recipients, priority of projects, and evaluation criteria of approved
28 projects.

29 6. The department shall contract with a nonprofit organization dedicated to supporting
30 housing initiatives, ~~social and cultural events,~~ and small businesses of vital community
31 importance in rural communities in the state to assist the department in administering

1 the rural community endowment fund and provide recommendations to the rural
2 community endowment fund committee related to funding, awards, projects, and other
3 purposes. The department may expend up to ten percent of funding available for
4 distribution in the rural community endowment fund for costs of administering the
5 program.

6 7. For purposes of this section, "rural community" means a city with a population of fewer
7 than one thousand **two hundred** individuals as determined by the most recent
8 decennial census.

9 8. Before July first of each year, the department shall report to the legislative
10 management regarding the status of the rural community endowment fund, use of
11 funding, and program results. The department shall provide an additional status report
12 to each appropriations committee during regular legislative sessions.

13 **SECTION 2. APPROPRIATION - TRANSFER TO RURAL COMMUNITY ENDOWMENT**

14 **FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in
15 the state treasury, not otherwise appropriated, the sum of \$5,000,000, which the office of
16 management and budget shall transfer to the rural community endowment fund, during the
17 biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is
18 considered a one-time funding item.