

**FIRST ENGROSSMENT  
with House Amendments**

**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  
21 until the principal of the fund is at least ten million dollars, of which at least five million  
22 dollars must be derived from gifts, donations, bequests, or other funding from nonstate

1 sources collected by the department for deposit in the fund. Funding directly from state  
2 sources may not be used unless appropriated by the legislature.

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

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

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

26 6. The department shall contract with a nonprofit organization dedicated to supporting  
27 housing initiatives and small businesses of vital community importance in rural  
28 communities in the state to assist the department in administering the rural community  
29 endowment fund and provide recommendations to the rural community endowment  
30 fund committee related to funding, awards, projects, and other purposes. The

1            department may expend up to ten percent of funding available for distribution in the  
2            rural community endowment fund for costs of administering the program.

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

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

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

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