

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1448

Introduced by

Representatives Christy, Bahl, Hagert, Ista, Nathe, O'Brien, Toman, Warrey, Dockter

Senators Boschee, Meyer, Davison

1 A BILL for an Act to create and enact a new chapter to title 54 of the North Dakota Century
2 Code, relating to the advanced technology review committee, advanced technology grant
3 program, and advanced technology grant fund.

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

5 **SECTION 1.** A new chapter to title 54 of the North Dakota Century Code is created and
6 enacted as follows:

7 **Definitions.**

8 In this chapter, unless the context otherwise requires:

- 9 1. "Chief information officer" means the chief information officer of the information
10 technology department.
11 2. "Commissioner" means the commissioner of the department of commerce.
12 3. "Committee" means the advanced technology review committee.
13 4. "Department" means the department of commerce.
14 5. "Vice chancellor for information technology" means the chief information officer and
15 vice chancellor for information technology of the North Dakota university system.

16 **Advanced technology review committee - Membership - Meetings.**

- 17 1. The advanced technology review committee consists of:
18 a. The chief information officer or a designee within the information technology
19 department;
20 b. The vice chancellor for information technology or a designee within the North
21 Dakota university system;

- 1 c. One individual from the private sector with significant information and advanced
2 technology knowledge, appointed by the governor;
- 3 d. One individual from the private sector with significant information and advanced
4 technology knowledge, appointed by the majority leader of the house of
5 representatives;
- 6 e. One individual from the private sector with significant information and advanced
7 technology knowledge, appointed by the majority leader of the senate; and
- 8 f. The commissioner, or a designee within the department of commerce, who shall
9 serve as a nonvoting member of the committee and provide recommendations to
10 the committee regarding grant awards.
- 11 2. By July first of each odd-numbered year, the chief information officer and vice
12 chancellor for information technology shall compile a list of individuals with significant
13 private sector information and advanced technology knowledge working within the
14 state to be forwarded to the governor and the majority leaders of the house of
15 representatives and senate. The governor and the majority leaders of the house of
16 representatives and senate must consider the listed individuals for committee
17 membership appointments.
- 18 3. The chief information officer, vice chancellor for information technology, and
19 commissioner are permanent members of the committee. The term of office of the
20 members of the committee appointed from the private sector is four years except the
21 initial term of office of the individual appointed by the majority leader of the senate is
22 three years and the initial term of office of the individual appointed by the governor is
23 two years. Each term of office commences on August first. Members serve at the
24 pleasure of the appointing entity and may be reappointed for additional terms. By
25 August first of each year, the chairman of the legislative management shall select one
26 of the appointed members to serve as the chairman of the committee. The chairman of
27 the committee shall select a vice chair. If a committee member ceases to qualify as a
28 member of the appointing entity, that individual's membership on the committee
29 ceases immediately and the appointing entity shall appoint a new member to the
30 committee for the remainder of the term.

1 4. A committee member representing the private sector is entitled to receive
2 compensation in an amount not exceeding one hundred thirty-five dollars per day and
3 travel and expense reimbursement as provided by law for state officers for attending
4 meetings of the committee, to be paid by the department within the limits of legislative
5 appropriations.

6 5. The committee shall meet as necessary at the call of the committee chairman to
7 review and approve grant applications from entrepreneurs, startup companies, and
8 small businesses that are in the initial phases of advanced technology product
9 research, development, and innovation and are unable to access financial resources
10 for prototype product development.

11 **Advanced technology grant program - Eligibility - Use of funds.**

12 1. The department shall administer the advanced technology grant program to provide
13 grants for activities identified in this chapter. The department shall provide
14 administrative support for the program, including the drafting of application forms,
15 receiving applications, reviewing applications for completeness and compliance with
16 committee policy, and forwarding complete applications to the committee in
17 accordance with the guidelines established by the committee.

18 2. The committee shall establish guidelines for entities to qualify for an advanced
19 technology grant under this section. Program guidelines relating to ownership of
20 intellectual property, inventions, and discoveries must address activities and issues
21 unique to technologies, patents, and companies created as a result of an advanced
22 technology grant.

23 3. In determining whether to approve an application for grant funding, the committee
24 shall consider the extent to which the applicant's proposal will support early stage
25 research and development of advance technologies, promote economic development,
26 and advance the workforce in the state. The committee shall give priority to
27 applications promoting the advancement of artificial intelligence, machine learning,
28 quantum computing, and similar research and development and product innovation
29 proposals. The committee shall consider and process applications in a timely manner
30 to allow applicants an opportunity to leverage other funds.

1 4. Grant recipients shall use funding awarded under this section to enhance advance
2 technology product research, development, and innovation, and to the extent possible,
3 leverage state, federal, and private sources of funding. An entity receiving a grant
4 under this section may not use the funds for capital or building investments or other
5 activities not identified in this chapter. The funds may not be used for administrative
6 costs or to supplant funding for regular operations of the entity. If an entity awarded a
7 grant no longer conducts its activities in the state, the entity must repay the awarded
8 grant funding to department.

9 **Advanced technology grant fund.**

10 The advanced technology grant fund is a special fund in the state treasury administered by
11 the department. Moneys in the fund must be used for providing grants and for the payment of
12 committee and department administrative expenses incurred related to the requirements of this
13 chapter, subject to legislative appropriations. Interest earned on moneys in the fund must be
14 credited to the fund.

15 **Advanced technology grant program - Postaward monitoring.**

16 Upon completion of work performed from funding provided by an advanced technology
17 grant, the department shall conduct an independent review of the results. Evaluation criteria
18 may include how the work performed has:

- 19 1. Contributed to development of an advanced technology product or process and
20 enhanced the ability of a company to make investments in the state, or otherwise
21 enticed a company to invest in or move to the state;
22 2. Promoted economic development of the public or private sectors in the state;
23 3. Led to a patent or research that is commercially viable; or
24 4. Positively affected workforce in the state.