Sixty-ninth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT**
**with Senate Amendments**

# ENGROSSED HOUSE BILL NO. 1448

Introduced by

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

Senators Boschee, Meyer, Davison

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

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

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

**Definitions.**

In this chapter, unless the context otherwise requires:

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

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

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

c. One individual from the private sector with significant information and advanced technology knowledge, appointed by the governor;

d. One individual from the private sector with significant information and advanced technology knowledge, appointed by the majority leader of the house of representatives;

e. One individual from the private sector with significant information and advanced technology knowledge, appointed by the majority leader of the senate; and

f. The commissioner, or a designee within the department of commerce, who shall serve as a nonvoting member of the committee and provide recommendations to the committee regarding grant awards.

2. By July first of each odd-numbered year, the chief information officer and vice chancellor for information technology shall compile a list of individuals with significant private sector information and advanced technology knowledge working within the state to be forwarded to the governor and the majority leaders of the house of representatives and senate. The governor and the majority leaders of the house of representatives and senate must consider the listed individuals for committee membership appointments.

3. The chief information officer, vice chancellor for information technology, and commissioner are permanent members of the committee. The term of office of the members of the committee appointed from the private sector is four years except the initial term of office of the individual appointed by the majority leader of the senate is three years and the initial term of office of the individual appointed by the governor is two years. Each term of office commences on August first. Members serve at the pleasure of the appointing entity and may be reappointed for additional terms. By August first of each year, the chairman of the legislative management shall select one of the appointed members to serve as the chairman of the committee. The chairman of the committee shall select a vice chair. If a committee member ceases to qualify as a member of the appointing entity, that individual's membership on the committee ceases immediately and the appointing entity shall appoint a new member to the committee for the remainder of the term.

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

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

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

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

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

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

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

**Advanced technology grant fund.**

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

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

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

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

**SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO ADVANCED TECHNOLOGY GRANT FUND.** The office of management and budget shall transfer $300,000 from the strategic investment and improvements fund to the advanced technology grant fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 3. APPROPRIATION - DEPARTMENT OF COMMERCE - ADVANCED TECHNOLOGY GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the advanced technology grant fund in the state treasury, not otherwise appropriated,

the sum of $300,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of the advanced technology grant program, for the biennium beginning July 1, 2025, and ending June 30, 2027. This appropriation is considered a one-time funding item.