

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2390
(Senators Wanzek, Myrdal, Thomas)
(Representatives Brandenburg, Beltz, Kempenich)
(Approved by the Delayed Bills Committee)

AN ACT to create and enact three new sections to chapter 54-40.1 of the North Dakota Century Code, relating to a rural catalyst committee, grant program, and fund; to amend and reenact section 54-40.1-02 of the North Dakota Century Code, relating to definitions for regional planning councils; to provide an appropriation; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-40.1-02 of the North Dakota Century Code is amended and reenacted as follows:

54-40.1-02. Definitions.

In this chapter, unless the context or subject matter otherwise requires:

1. "City" means any city incorporated under the laws of this state.
2. "Commissioner" means the commissioner of the department.
3. "Department" means the department of commerce.
4. "Governing body" means the city council or the board of city commissioners or the board of county commissioners.
- ~~3.5.~~ "Industry" includes agriculture and business.
- ~~4.6.~~ "Member-at-large" means a person who represents the general citizenry of the county.
- ~~5.~~ ~~"Minority group" means any identifiable group of people, regardless of numerical size, whose members are denied or limited in employment, education, or training opportunities because of sex, race, creed, color, religion, national origin, or low income.~~
- ~~6.7.~~ "Organized local development corporation" means any group organized for the purpose of promoting economic development which has filed for incorporation as such with the secretary of state.
- ~~7.8.~~ "Region" means the area delineated by executive order of the governor.
- ~~8.9.~~ "Regional comprehensive plan" means a long-range guide for the economic, physical, and social development of a region which identifies regional goals, objectives, and opportunities and embodies the policies of the regional council.
- ~~9.10.~~ "Regional council" means the council for comprehensive planning and development established in each region pursuant to this chapter.
- ~~10.11.~~ "Units of general local government" means cities, counties, and organized townships.

SECTION 2. A new section to chapter 54-40.1 of the North Dakota Century Code is created and enacted as follows:

Rural catalyst committee - Membership - Meetings.

1. The rural catalyst committee is created to assist communities in the state with quality of life improvement and economic development projects. The committee includes:
 - a. One individual from each regional council, appointed by the executive boards of the regional councils;
 - b. Two members-at-large from communities eligible for grants under this chapter or organizations that primarily serve communities eligible for grants under this chapter, appointed by the governor;
 - c. One member of the legislative assembly, appointed by the chairman of legislative management;
 - d. The governor or a designee appointed by the governor; and
 - e. The commissioner or a designee appointed by the commissioner.
2. The governor and the commissioner are permanent members of the committee. The term of office of the remaining members is four years. Members may be appointed to additional terms. The governor, or the governor's designee, shall serve as chairman of the committee. The chairman of the committee shall select a vice chairman.
3. The committee shall meet at least semiannually to review and approve grant applications. The committee shall prioritize funding projects that support rural prosperity and quality of life enhancements.
4. The committee shall develop guidelines for the rural catalyst grant program, including eligibility criteria and reporting and matching requirements. Grant recipients must provide at least one dollar of matching funds from nonstate sources for every one dollar provided from the rural catalyst fund. The committee may consider matching funds in the form of cash or in-kind contributions.
5. The department shall provide administrative support to the committee as needed.
6. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09, to be paid by the state agency employing the member. A member of the committee who is a member of the legislative assembly is entitled to receive reimbursement for allowable travel expenses and compensation at the rate provided under section 54-35-10 for each day the member performs official duties of the committee, to be paid by the legislative council. If not otherwise employed by the state of North Dakota, members of the committee are entitled to receive compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the committee, to be paid by the department.

SECTION 3. A new section to chapter 54-40.1 of the North Dakota Century Code is created and enacted as follows:

Rural catalyst grant program - Eligibility - Use of funds - Postaward monitoring - Report to legislative management and legislative assembly.

1. The department shall administer the rural catalyst grant program to support quality of life improvement and economic development projects for rural communities in the state.
2. Grant funding may be awarded for projects that will address a critical need in the areas of community and economic development, education, health and wellness, or for the purpose of preserving or reopening rural grocery stores in a rural community with a population of four

thousand five hundred or fewer individuals. The maximum grant award under the program is five hundred thousand dollars. At least fifty percent of the grant funds must be allocated to communities with populations of fewer than one thousand five hundred individuals.

3. By September first of each even-numbered year, the department shall submit a report to the legislative management regarding the results of the program, including the number of projects requested and supported through the program, information on projects receiving funding, matching funds raised for each project, and how the project has affected local communities. The department shall provide this report to the appropriations committees of the next legislative assembly.
4. The department shall maintain a database on the department's website regarding data and the status of each approved project.

SECTION 4. A new section to chapter 54-40.1 of the North Dakota Century Code is created and enacted as follows:

Rural catalyst fund.

The rural catalyst fund is a special fund in the state treasury administered by the department. Moneys in the fund must be used for providing grants in accordance with this chapter, subject to legislative appropriations. Interest earned on moneys in the fund must be credited to the fund.

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO RURAL CATALYST FUND. The office of management and budget shall transfer \$2,500,000 from the strategic investment and improvements fund to the rural catalyst fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST GRANT PROGRAM - ONE-TIME FUNDING. There is appropriated out of any moneys in the rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$2,500,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2390.

Senate Vote: Yeas 42 Nays 5 Absent 0

House Vote: Yeas 72 Nays 18 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,

at _____ o'clock _____ M.

Secretary of State