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Title.

Prepared by the Legislative Council  
staff for Senator Dwyer  
February 18, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2390**

Introduced by

Senators Wanzek, Myrdal, Thomas  
Representatives Brandenburg, Beltz, Kempenich  
(Approved by the Delayed Bills Committee)

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

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

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

8 **54-40.1-02. Definitions.**

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

- 10 1. "City" means any city incorporated under the laws of this state.
- 11 2. "Commissioner" means the commissioner of the department.
- 12 3. "Department" means the department of commerce.
- 13 4. "Governing body" means the city council or the board of city commissioners or the  
14 board of county commissioners.
- 15 ~~3-5.~~ "Industry" includes agriculture and business.
- 16 ~~4-6.~~ "Member-at-large" means a person who represents the general citizenry of the county.
- 17 ~~5-7.~~ ~~"Minority group" means any identifiable group of people, regardless of numerical size,~~  
18 ~~whose members are denied or limited in employment, education, or training~~  
19 ~~opportunities because of sex, race, creed, color, religion, national origin, or low~~  
20 ~~income.~~

1 | ~~6.9.7.~~ "Organized local development corporation" means any group organized for the  
2 | purpose of promoting economic development which has filed for incorporation as such  
3 | with the secretary of state.

4 | ~~7.9.8.~~ "Region" means the area delineated by executive order of the governor.

5 | ~~8.10.9.~~ "Regional comprehensive plan" means a long-range guide for the economic, physical,  
6 | and social development of a region which identifies regional goals, objectives, and  
7 | opportunities and embodies the policies of the regional council.

8 | ~~9.11.10.~~ "Regional council" means the council for comprehensive planning and development  
9 | established in each region pursuant to this chapter.

10 | ~~10.12.11.~~ "Units of general local government" means cities, counties, and organized townships.

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

13 | **Rural catalyst committee - Membership - Meetings.**

14 | 1. The rural catalyst committee is created to assist communities in the state with quality  
15 | of life improvement projects to strengthen existing community systems, organizations,  
16 | and individuals in partnership with each regional council. The committee includes:

17 | a. Two individuals appointed by the executive boards of the regional councils;

18 | b. One member of the legislative assembly, appointed by the chairman of legislative  
19 | management;

20 | c. The governor or a designee appointed by the governor; and

21 | d. The commissioner or a designee appointed by the commissioner.

22 | 2. The governor and the commissioner are permanent members of the committee. The  
23 | term of office of the remaining members is four years. Members may be appointed to  
24 | additional terms. The governor, or the governor's designee, shall serve as chairman of  
25 | the committee. The chairman of the committee shall select a vice chairman.

26 | 3. The committee shall meet at least semiannually to consider grant recommendations  
27 | from the department and award grant requests as part of the rural catalyst grant  
28 | program. The committee shall prioritize awarding funding for existing community  
29 | projects that need additional funding to reach project completion.

30 | 4. The department shall provide administrative support to the committee as needed.

1 5. Members of the committee are entitled to be reimbursed for expenses incurred in the  
2 performance of their duties, in the same manner as other state officials are  
3 reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed  
4 by the state of North Dakota, members of the committee are entitled to receive  
5 per diem compensation of one hundred thirty-five dollars for each day of attending  
6 meetings and performing other duties relating to official business of the committee.

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

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

- 11 1. The department of commerce shall administer the rural catalyst grant program to  
12 support quality of life improvement projects for rural communities in the state and  
13 provide grant award recommendations to the rural catalyst committee.
- 14 2. Grant funding may be awarded for projects that will address a critical need in the  
15 areas of art and culture, community and economic development, education, ~~or~~ health  
16 and wellness ~~for~~, or for the purpose of preserving or reopening rural grocery stores in  
17 a rural community with a population of eight thousand five hundred or ~~less~~ fewer  
18 individuals. The maximum grant award under the program is ~~five million~~ five-hundred  
19 thousand dollars.
- 20 3. To be eligible for a grant under the program, a grant recipient shall provide one dollar  
21 of matching funds from nonstate sources for every two dollars provided from the rural  
22 catalyst fund. Matching funds may be in the form of cash or in-kind contributions.  
23 Pledges for matching funds may be considered for up to seven years.
- 24 4. By September first of each even-numbered year, the department shall submit a report  
25 to the legislative management regarding the results of the program, including the  
26 number of projects requested and supported through the program, information on  
27 projects receiving funding, matching funds raised for each project, and how the project  
28 has affected local communities. The department shall provide this report to the  
29 appropriations committees of the next legislative assembly.
- 30 5. The department shall maintain a database on the department's website regarding data  
31 and the status of each approved project.

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

3       **Rural catalyst fund.**

4       The rural catalyst fund is a special fund in the state treasury administered by the  
5 department. Moneys in the fund must be used for providing grants and for the payment of rural  
6 catalyst committee and department ~~administrative travel, per diem, and related~~ expenses  
7 incurred related to the rural catalyst program, subject to legislative appropriations. Fifty percent  
8 of all monies in the fund not used for ~~administrative travel, per diem, and related~~ expenses must  
9 be specifically allocated for distribution to communities with a population of fewer than one  
10 thousand. The department may use up to ten percent of funding available in the fund for  
11 ~~administrative travel, per diem, and related~~ expenses related to the program. Interest earned on  
12 moneys in the fund must be credited to the fund.

13       **SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**  
14 **~~NORTH DAKOTA~~ RURAL CATALYST FUND.** The office of management and budget shall  
15 transfer ~~\$30,000,000~~ \$5,000,000 from the strategic investment and improvements fund to the  
16 ~~North Dakota~~ rural catalyst fund during the biennium beginning July 1, 2025, and ending  
17 June 30, 2027.

18       **SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST**  
19 **GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the  
20 rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or  
21 so much of the sum as may be necessary, to the department of commerce for the purpose of  
22 the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30,  
23 2027. This funding is considered a one-time funding item.