

Sixty-ninth
Legislative Assembly
of North Dakota

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 an appropriation to the department of commerce; to provide for a
5 transfer; and to provide for a report.

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

7 **SECTION 1.** A new section to chapter 54-60 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Rural community endowment fund - Rural community endowment fund committee -**

10 **Purpose - Limitations - Report.**

- 11 1. There is created in the state treasury a special fund known as the rural community
12 endowment fund, which is a permanent endowment fund under the administration of
13 the department.
- 14 2. The rural community endowment fund consists of any moneys transferred to the fund
15 by the legislative assembly and any gifts, donations, or bequests received by the
16 department for purposes identified in this section. The principal of the fund may not be
17 expended. The department shall determine if any gifts, donations, or bequests
18 provided for deposit in the fund are considered permanent in nature and to be
19 dedicated as principal of the fund in perpetuity or for a term of years, in which case
20 only the income earned as a result of the investment of those funds may be expended.
- 21 3. Investment of the rural community endowment fund must be under the supervision of
22 the state investment board in accordance with chapter 21-10. Interest earned on
23 moneys in the fund must be credited to the fund, which may be spent by the
24 department, pursuant to legislative appropriations, for providing grants in accordance

1 with this section to rural communities in the state to support, create, or improve local
2 housing, workforce, business recruitment and commerce, infrastructure, or other
3 community needs. Funding may not be provided for operating funds of a local entity.

4 4. The commissioner shall appoint a rural community endowment fund committee
5 consisting of the commissioner, nine individuals residing in rural communities, and a
6 representative of a nonprofit organization dedicated to supporting housing initiatives,
7 social and cultural events, and small businesses in rural communities of the state. Of
8 the nine individuals residing in rural communities, five individuals must be appointed
9 for a term of two years and four individuals must be appointed for an initial term of
10 one year. Thereafter, the four individuals must be appointed for two-year terms. Terms
11 shall commence on September first of the year of appointment. The commissioner
12 shall serve as the chairman of the committee.

13 5. The rural community endowment fund committee shall award grants from the rural
14 community endowment fund. When awarding grants from the fund, the committee
15 shall prioritize projects that support the long-term prosperity, independence, safety,
16 health, and quality of life of rural communities and their citizens. The committee shall
17 determine funding application and evaluation processes, including grant award
18 amounts and recipients, priority of projects, and evaluation criteria of approved
19 projects.

20 6. The department shall contract with a nonprofit organization dedicated to supporting
21 housing initiatives, social and cultural events, and small businesses in rural
22 communities in the state to assist the department in administering the rural community
23 endowment fund and provide recommendations to the rural community endowment
24 fund committee related to funding, awards, projects, and other purposes. The
25 department may expend up to ten percent of funding available for distribution in the
26 rural community endowment fund for costs of administering the program.

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

29 8. Before July first of each year, the department shall report to the legislative
30 management regarding the status of the rural community endowment fund, use of

1 funding, and program results. The department shall provide an additional status report
2 to each appropriations committee during regular legislative sessions.

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

4 **FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not
5 otherwise appropriated, the sum of \$50,000,000, which the office of management and budget
6 shall transfer to the rural community endowment fund, during the biennium beginning July 1,
7 2025, and ending June 30, 2027.

8 **SECTION 3. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL COMMUNITY**

9 **ENDOWMENT GRANTS.** There is appropriated out of any moneys in the rural community
10 endowment fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so
11 much of the sum as may be necessary, to the department of commerce for the purpose of
12 awarding rural community endowment grants and for administering the program in accordance
13 with provisions of section 1 of this Act, for the biennium beginning July 1, 2025, and ending
14 June 30, 2027.