

Sixty-ninth  
Legislative Assembly  
of North Dakota

## FIRST ENGROSSMENT

### ENGROSSED 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 for a transfer; and to provide for a report.

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

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

#### 8 **Rural community endowment fund - Rural community endowment fund committee -**

#### 9 **Purpose - Limitations - Report.**

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

department, pursuant to legislative appropriations, for providing grants in accordance with this section to rural communities in the state to support, create, or improve local housing, workforce, business recruitment and commerce, infrastructure, or other community needs. Funding may not be provided for operating funds of a local entity.

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

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

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

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

8. Before July first of each year, the department shall report to the legislative 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 \$5,000,000, 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.