

**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; 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     ~~6-8.~~ "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.~~ "Region" means the area delineated by executive order of the governor.

5     ~~8-10.~~ "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.~~ "Regional council" means the council for comprehensive planning and development  
9             established in each region pursuant to this chapter.

10  ~~10-12.~~ "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       **SECTION 3.** A new section to chapter 54-40.1 of the North Dakota Century Code is created  
2 and enacted as follows:

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

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

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

26       **Rural catalyst fund.**

27       The rural catalyst fund is a special fund in the state treasury administered by the  
28 department. Moneys in the fund must be used for providing grants and for the payment of rural  
29 catalyst committee and department administrative expenses incurred related to the rural  
30 catalyst program, subject to legislative appropriations. Fifty percent of all monies in the fund not  
31 used for administrative expenses must be specifically allocated for distribution to communities

1 with a population of fewer than one thousand. The department may use up to ten percent of  
2 funding available in the fund for administrative expenses related to the program. Interest earned  
3 on moneys in the fund must be credited to the fund.

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