

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

REENGROSSED 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. ~~"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 ~~6-7.~~ "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 ~~7-8.~~ "Region" means the area delineated by executive order of the governor.

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

10 ~~40-11.~~ "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 and economic development projects~~to strengthen existing~~
16 ~~community systems, organizations, and individuals in partnership with each regional~~
17 ~~council.~~ The committee includes:

18 a. ~~Two individuals~~One individual from each regional council, appointed by the
19 executive boards of the regional councils;

20 b. Two members-at-large from communities eligible for grants under this chapter or
21 organizations that primarily serve communities eligible for grants under this
22 chapter, appointed by the governor;

23 c. One member of the legislative assembly, appointed by the chairman of legislative
24 management;

25 ~~e.d.~~ The governor or a designee appointed by the governor; and

26 ~~d.e.~~ The commissioner or a designee appointed by the commissioner.

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

- 1 3. The committee shall meet at least semiannually to ~~consider~~review and approve grant
2 recommendations from the department and award grant requests as part of the rural
3 catalyst grant program applications. The committee shall prioritize awarding funding for
4 existing community projects that need additional funding to reach project
5 completion projects that support rural prosperity and quality of life enhancements.
- 6 4. The committee shall develop guidelines for the rural catalyst grant program, including
7 eligibility criteria and reporting and matching requirements. Grant recipients must
8 provide at least one dollar of matching funds from nonstate sources for every
9 one dollar provided from the rural catalyst fund. The committee may consider
10 matching funds in the form of cash or in-kind contributions.
- 11 5. The department shall provide administrative support to the committee as needed.
- 12 5.6. Members of the committee are entitled to be reimbursed for expenses incurred in the
13 performance of their duties, in the same manner as other state officials are
14 reimbursed, according to sections 44-08-04 and 54-06-09, to be paid by the state
15 agency employing the member. A member of the committee who is a member of the
16 legislative assembly is entitled to receive reimbursement for allowable travel expenses
17 and compensation at the rate provided under section 54-35-10 for each day the
18 member performs official duties of the committee, to be paid by the legislative council.
19 If not otherwise employed by the state of North Dakota, members of the committee are
20 entitled to receive per diem compensation of one hundred thirty-five dollars for each
21 day of attending meetings and performing other duties relating to official business of
22 the committee, to be paid by the department.

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

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

- 27 1. The department ~~of commerce~~ shall administer the rural catalyst grant program to
28 support quality of life improvement and economic development projects for rural
29 communities in the state and provide grant award recommendations to the rural
30 catalyst committee.

1 2. Grant funding may be awarded for projects that will address a critical need in the
2 areas of ~~art and culture~~, community and economic development, education, health and
3 wellness, or for the purpose of preserving or reopening rural grocery stores in a rural
4 community with a population of ~~eight~~four thousand five hundred or fewer individuals.
5 The maximum grant award under the program is five hundred thousand dollars. At
6 least fifty percent of the grant funds must be allocated to communities with populations
7 of fewer than one thousand five hundred individuals.

8 3. ~~To be eligible for a grant under the program, a grant recipient shall provide one dollar~~
9 ~~of matching funds from nonstate sources for every two dollars provided from the rural~~
10 ~~catalyst fund. Matching funds may be in the form of cash or in-kind contributions.~~
11 ~~Pledges for matching funds may be considered for up to seven years.~~

12 ~~4.~~ By September first of each even-numbered year, the department shall submit a report
13 to the legislative management regarding the results of the program, including the
14 number of projects requested and supported through the program, information on
15 projects receiving funding, matching funds raised for each project, and how the project
16 has affected local communities. The department shall provide this report to the
17 appropriations committees of the next legislative assembly.

18 5.4. The department shall maintain a database on the department's website regarding data
19 and the status of each approved project.

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

22 **Rural catalyst fund.**

23 The rural catalyst fund is a special fund in the state treasury administered by the
24 department. Moneys in the fund must be used for providing grants ~~and for the payment of rural~~
25 ~~catalyst committee and department travel, per diem, and related expenses incurred related to~~
26 ~~the rural catalyst program~~pursuant to this chapter, subject to legislative appropriations. ~~Fifty~~
27 ~~percent of all monies in the fund not used for travel, per diem, and related expenses must be~~
28 ~~specifically allocated for distribution to communities with a population of fewer than one~~
29 ~~thousand.~~ Interest earned on moneys in the fund must be credited to the fund.

30 **SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**
31 **RURAL CATALYST FUND.** The office of management and budget shall transfer \$5,000,000

1 from the strategic investment and improvements fund to the rural catalyst fund during the
2 biennium beginning July 1, 2025, and ending June 30, 2027.

3 **SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST**

4 **GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the
5 rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or
6 so much of the sum as may be necessary, to the department of commerce for the purpose of
7 the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30,
8 2027. ~~This funding~~The appropriation in this section is considered a one-time funding item.