

Proposed Amendments to SB 2390

Sixty-ninth  
Legislative Assembly  
of North Dakota

**SECOND ENGROSSMENT**

**REENGROSSED SENATE BILL NO. 2390**

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

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

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

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

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

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

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

- 1 8. "Organized local development corporation" means any group organized for the  
2 purpose of promoting economic development which has filed for incorporation as  
3 such with the secretary of state.
- 4 9. "Region" means the area delineated by executive order of the governor.
- 5 10. "Regional comprehensive plan" means a long-range guide for the economic,  
6 physical, and social development of a region which identifies regional goals,  
7 objectives, and opportunities and embodies the policies of the regional council.
- 8 11. "Regional council" means the council for comprehensive planning and development  
9 established in each region pursuant to this chapter.
- 10 12. "Units of general local government" means cities, counties, and organized  
11 townships.

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

14 **Rural Catalyst Committee - Membership - Meetings.**

- 15 1. The rural catalyst committee is created to assist rural communities in the state with  
16 quality of life improvement and economic development projects. The committee  
17 consists of the following members:
  - 18 a. One individual from each regional council, appointed by the executive  
19 boards of the regional councils;
  - 20 b. Two at-large members from communities eligible for grants under this  
21 chapter or organizations that primarily serve communities eligible for grants  
22 under this chapter, appointed by the governor;
  - 23 c. One member of the legislative assembly, appointed by the chairman of  
24 legislative management;
  - 25 d. The governor or a designee, who shall serve as chair;
  - 26 e. The commissioner of the department of commerce or a designee.
- 27 2. The governor and the commissioner of commerce are permanent members.  
28 Members serve four-year terms and may be reappointed to additional terms. The  
29 chairman of the committee shall select a vice chairman.
- 30 3. The committee shall meet at least semiannually to review and approve grant  
31 applications. The committee shall prioritize funding for projects that support rural  
32 prosperity and quality of life enhancements.
- 33 4. The committee shall develop guidelines for the rural catalyst grants, including  
34 eligibility criteria, reporting requirements and match requirements, provided that all  
35 grant recipients are required to provide at least one dollar of matching funds from  
36 nonstate sources for every one dollar provided from the rural catalyst fund. The



1 committee may consider matching funds in the form of cash or in-kind  
2 contributions.

- 3 5. The department shall provide administrative support to the committee as needed.  
4 6. Members shall be reimbursed for expenses incurred in their duties in the same  
5 manner as state officials. Members not otherwise employed by the state shall  
6 receive a per diem compensation of one hundred thirty-five dollars per meeting day.  
7

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

10 **Rural Catalyst Grant Program - Eligibility - Use of Funds - Postaward Monitoring -**  
11 **Report to Legislative Management and Legislative Assembly.**

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

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

1           **Rural catalyst fund.**

2           The rural catalyst fund is a special fund in the state treasury administered by the  
3 department. Moneys in the fund must be used for providing grants and for the payment of  
4 rural catalyst committee and department travel, per diem, and related expenses incurred  
5 related to the rural catalyst program, subject to legislative appropriations. Fifty percent of  
6 all monies in the fund not used for travel, per diem, and related expenses must be  
7 specifically allocated for distribution to communities with a population of fewer than one  
8 thousand five hundred. Interest earned on moneys in the fund must be credited to the fund.

9           **SECTION 5. Transfer – Strategic Investment and Improvements Fund to Rural Catalyst**  
10 **Fund.** The office of management and budget shall transfer \$5,000,000 from the strategic  
11 investment and improvements fund to the rural catalyst fund for the biennium beginning  
12 July 1, 2025, and ending June 30, 2027.

13           **SECTION 6. Appropriation – Department of Commerce – Rural Catalyst Grant Program**  
14 **– One-Time Funding.** There is appropriated out of any moneys in the rural catalyst fund in  
15 the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the  
16 sum as may be necessary, to the department of commerce for the purpose of the rural  
17 catalyst grant program, for the biennium beginning July 1, 2025 and ending June 30, 2027.  
18 This funding is considered a one-time funding item.