

2025 SENATE AGRICULTURE AND VETERANS AFFAIRS

SB 2390

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2390

2/7/2025

A bill relating to a rural catalyst committee, grant program, and fund; and relating to definitions for regional planning councils; and to provide for a transfer.

11:23 a.m. Chairman Luick opened the hearing.

Members present: Chairman Luick, Vice-Chair Myrdal, Senator Marcellais, Senator Weston, Senator Weber, Senator Lemm

Discussion Topics:

- Regional planning councils
- Strategic Investments and Improvement Funds
- Project examples
- Limited resources and volunteers
- Application and process
- Grant management system
- Community need and population size
- Education and accessibility
- Philanthropy
- Community Foundation model
- Development infrastructure

11:24 a.m. Senator Wanzek, District 29, testified in favor and introduced the bill.

11:30 a.m. Dawn Mandt, Executive Director of the Red River Regional Council, testified in favor and submitted testimony #36066.

11:48 a.m. Kristi Henderickson-Wilfahrt, Public Arts Commission for the Nonprofit Consultant, testified in favor and submitted testimony #36135.

11:56 a.m. Zach Smith, ND Association of Rural Electric Cooperatives, introduced the following speaker.

11:57 a.m. Sandra Shively, executive Director of the North Central Planning Council, testified in favor and submitted testimony #36054.

Additional written testimony:

Sandra Larson, volunteer for the Sheyenne GRIT, submitted testimony #34749 in opposition.

Stacie Sevigny, Executive Director of the Walsh County JDA, submitted testimony #35917 in favor.

Jennifer Dusek, Community Development Director of the City of Grafton, submitted testimony #36014 in favor.

William Dahl, Director of Grafton Parks and Recreation, submitted testimony #36034 in favor.

Teran Doerr, Economic Development Association of ND, submitted testimony #36073 in favor.

William A. Wilber, member of the New Town Chamber, Mountrail Company JDA, New Town American Legion, ND Vietnam Vets, ND Submarine Vets, submitted testimony #36097 in favor.

Briselda Herrera, Executive Director of the Souris Basin Planning Council, submitted testimony #36111 in favor.

Angelle French, Director of the Pembina County JDA, submitted testimony #36127 in favor.

Brianna M. Mack, Committee Member of the Hoople Beautification Committee, submitted testimony #36133 in favor.

Ellen Huber, Rural Development Director of the ND Association of Rural Electric Cooperatives, submitted testimony #36139 in favor.

Ryan Gregg, Legislative Specialist ND Farmer's Union, submitted testimony #36151 in favor.

Leslie Icenogle, ND Corn Growers Association, submitted testimony #36238 in favor

11:58 a.m. Chairman Luick closed the hearing.

Audrey Oswald, Committee Clerk

The idea of this “Rural” Catalyst Fund is a slap in the face to rural communities in this state. As a volunteer grant writer for Sheyenne, my hometown of 178, I see nothing in this bill for “rural” representation. Besides, it just isn’t a wise appropriation of tax payer money. Here’s five reasons why you should forget about SB 2390 and focus on real solutions for rural North Dakota.

1. **Where is the rural representation on the committee?** Sheyenne is in Region 3. The North Central Planning Council is in Devils Lake. Why would Devils Lake give money to projects in Sheyenne when their own community, population 7135, would qualify?
2. **Unfair advantage.** 98% of communities in North Dakota have populations under 8500. 86% are under 1000. Cities in the 1001-8500 range, like Devils Lake, have paid grant writers. I volunteer to write grants for my small town in my limited spare time. I can’t compete with this. Small towns should not be pitted against their larger neighbors.
3. **Prioritizing existing projects** ignores the need for future planning to keep rural North Dakota going. If we didn’t already have the money to start a big project, this fund doesn’t do us any good.
4. **One time appropriation.** This ignores the definition of catalyst. A catalyst starts or speeds up a chemical reaction WITHOUT being used up in the reaction. The bill does not mention the fund being an endowment. Is the fund sustainable? A responsible use of taxpayer money would be a rural endowment that grows over time with responsible management.
5. **Matching funds.** The argument that organizations need to show “skin in the game” upsets me the most. What do you think these communities have been doing for generations? Bake sales. Fundraisers. Service projects. A few hundred dollars at a time is often raised by utilizing HUNDREDS of hours of volunteer time. These volunteers are council members, church board members, volunteer firefighters, and full time workers if they aren’t already retired. So when a make or break community project comes up that costs \$300,000, guess how many pieces of peach kuchen Sheyenne would have to bake to raise \$100,000? Be real.

Please DO NOT PASS SB 2390. If you have any questions, please call me at (701) 399-6203.

Sincerely,

Sandra Larson
 Sheyenne, ND
 58374



516 Cooper Avenue, Suite 101 | Grafton, ND 58237 | 701-352-3550

Testimony of Stacie Sevigny in Support of SB 2390

To the Senate Agriculture and Veterans Affairs

February 6, 2025

Sen. Luick and members of the Senate Agriculture and Veterans Affairs Committee:

My name is Stacie Sevigny and I am the Executive Director of the Walsh County Job Development Authority (WCJDA). I am writing in support of SB 2390.

Rural communities aren't dying. They provide the support network needed for our vital agricultural industry. In NE ND, they also support our effective manufacturing industry, with 20 small and large manufacturers employing approximately 1,200 people in Walsh and Pembina counties.

Realistically, our larger urban neighbors need us as well. For example, more than half of the sales tax collected in Grand Forks comes from visitors and commuting patterns show an interdependence between small towns and larger cities, like those in Region 4 (Walsh, Pembina, Nelson, and Grand Forks counties).

Rural areas have challenges just as more urban areas do, but the lift is often heavier due to size and scale. What we focus on grows, and our rural areas need some of the spotlight pointed their way. SB 2390 aims to do that.

One of the most important aspects of the Rural Catalyst/Challenge Grant is that it integrates the state's eight regional councils. RCs are already the "boots on the ground" in every county in the state. They are led by more than 200 local officials and community leaders. There may not be a better way to ensure rural communities are able to apply for projects that support quality of life improvement projects – everything from wall murals to housing to childcare centers.

It being a matching grant program requires local buy-in. This ensures projects that are applied for come to fruition. Additionally, it being a grant program allows time for a statewide portfolio to be developed showing impacts and understanding of rural needs. The goal is this will result in a portfolio of statewide impacts – a justification for a later endowment fund.

Examples of projects in Walsh County and Region 4 that could be future applicants of this program include:

- **Walsh County Childcare Center:** A turn-key childcare center that a provider will rent to operate her/his private childcare business from in an effort to increase childcare slots. This project is currently under construction on Grafton's Main Street and is expected to add 35 much-needed slots in Walsh County.

- **Housing:** Market rate and low-income, single-family and multi-family. We need it all. The 2024 Region 4 Housing Study found that 50% of survey respondents know people who would like to move to the region but are unable to due to a lack of suitable housing.
- **Park River Early Learning Center:** Free universal preschool for 3- and 4-year-olds in the Park River Area School District. Parents will be able to pay a fee for wrap-around childcare as well, helping with this much-needed crisis. This project is under construction and should be completed this fall.
- **Wall murals, pocket parks, and other Main Street vibrancy projects:** Fordville, Park River, Minto, Grafton, Hoople, Edinburg, and Pisek. Many of these communities have recently completed Phase 1 of a project and have seen the positive impacts arts and culture bring to our rural communities. They are inspired and energized to do more and implement further phases. Each project brings added economic impact and community connectedness.
- **Community and Fitness Center Projects:** Both Park River and Grafton are working on the development of multi-million dollar community and/or fitness center projects. The net will be cast wide to secure funding and the state's Rural Catalyst Grant program could be an integral partner.

The impact of SB 2390 would greatly help to level the playing field for smaller communities competing for resources more readily available to our larger communities.

Sincerely,

Stacie Sevigny
 Stacie@redriverrc.com
 701-360-4681



www.graftonnd.gov

PO Box 578 | 5 East 4th St | Grafton, ND 58237

Phone: 701.352.2730 | Fax: 701.352.2730 | TDD: 701.352.1411

Testimony of Jennifer Dusek in support of SB 2390

To the Senate Agriculture and Veterans Affairs

Friday February 7th, 2025

Chairman Luick, and members of the Senate Agriculture and Veterans Affairs Committee:

I am Jennifer Dusek, Community Development Director for the City of Grafton. I'm seeking your consideration to support SB 2390, a bill that will create a rural catalyst grant program to support quality of life improvement projects for rural communities.

This grant program identifies rural communities as those with a population of 8,500 or less. Grafton is a rural community of 4,100 residents and is a hub to neighboring communities with populations ranging from 250 to 1,500 people. Our communities vary in size yet rely on one another to succeed. Many of our residents live and work within an hour radius of one another. This means that when quality of life efforts are made in Park River (a town 15 miles away), they also positively impact the residents of Grafton.

When a new business, recreation center, or health service opens in Grafton, we see a strengthening to the entire region. This emphasizes the greater return that quality of life grants will make to rural communities as compared to urban cities.

Our local Economic Development Committee sees the needs of our town related to downtown improvements, housing, workforce attraction, community development, and essential services. We simply do not have the financial resources available to address many of these essential issues. We continue to receive grant requests from local groups with strategic plans and projects that would have a direct economic impact. Some of these requests total \$500,000. However, for years, us as rural towns have lacked the opportunity to access state grants that favor urban centers who have staff capacity and greater resources. This bill will allow our small towns with the opportunity to provide essential services and execute necessary quality of life projects to keep our rural towns healthy and prosperous. Some of these projects include a wellness facility, hockey rinks, improved town entrances, safer intersections, accessibility improvements to our library, bike paths, and downtown spaces. We are looking for support to complete sustainable projects that will have lasting impact.

Region 4 provides essential manufacturing and agriculture industries for the state of North Dakota.

Without rural communities, these industries suffer. To retain our workforce and rural industries, we must provide necessary quality of life services to the rural towns that carry these industries.

I would like to extend my gratitude for considering this bill, one that supports small towns and sees the needs of rural residents across the state. Rural North Dakota is ready to not just survive but prosper. For matters of quality of life and rural prosperity, I support this bill.

In closing, I encourage your support of SB 2390.

Respectfully submitted by Jennifer Dusek, District 19
 jdusek@graftonnd.gov
 (701) 352-1561



Testimony of Bill Dahl in support of SB 2390
February 6, 2025

Chairman Luick, Vice Chairwomen Myrdal, and Committee Members,

I am writing to express my strong support for **SB 2390**, which aims to establish the Rural Catalyst Grant Program. This program will be invaluable in supporting quality-of-life improvement projects for rural communities like ours.

As the director of **Grafton Parks and Recreation**, I can speak firsthand about the importance of community investments that enhance the well-being of our residents. Grafton is a small town with a population of around 4,200, and our Park District operates with just four full-time employees and very limited resources. Despite these constraints, the quality of life in Grafton plays a key role in attracting families and fostering a thriving community.

However, rural communities like ours face significant challenges in providing updated facilities, equipment, and recreational programs due to limited financial resources. Grants, fundraising efforts, donations, and volunteers are essential for our survival, but we are continually in competition with larger neighboring cities for the resources needed to grow and maintain our community amenities.

By supporting **SB 2390**, you will help level the playing field for small rural communities like ours. This program will provide critical funding to enhance the services we can offer our residents and attract new families to our community.

I respectfully urge you to pass **SB 2390** and support rural communities in their efforts to build a better quality of life for all.

Thank you for your attention and support.

Sincerely,
Bill Dahl
Director, Grafton Parks and Recreation



425 College Dr., S.
PO Box 651
Devils Lake, ND 58301
PH: 701-662-8131
www.northcentralplanningcouncil.com

Friday, February 7, 2025
Senate Agriculture and Veterans Affairs

RE: Support for SB 2390

Sen. Luick and members of the Senate Agriculture and Veterans Affairs Committee:

On behalf of the North Central Planning Council (NCPC), the ND Region 3 planning and development council, I want to express support for Senate Bill 2390.

North Dakota Region 3 includes six counties: Benson, Cavalier, Eddy, Ramsey, Rolette, and Towner and two reservations, Spirit Lake Nation and Turtle Mountain Band of Chippewa. There are 42 cities in Region 3, with Devils Lake being the largest, housing a population of 7,192. Among these 42 cities, 35 have populations under 500, and 23 of those have fewer than 100 residents. All these communities would be eligible to apply to the Rural Catalyst Grant Program.

Small towns of North Dakota are a crucial part of our rural lifestyle and provide support to our agriculture industry. SB2390 would provide for projects in art and culture, community and economic development, education and health and wellness. These are the areas that make our communities vibrant places to live.

NCPC has assisted its counties, small towns and residents in several areas including identifying funding sources and assisting with applications. Many of these program funds have gone to larger communities that have access to more resources. The Rural Catalyst Grant Program will remove the barrier of competition against larger cities and provide opportunities to the very small rural towns.

Thank you for your consideration and support for **SB 2390**.

Sandy Shively
Executive Director
sandyncpc@gondtc.com
701-662-8131



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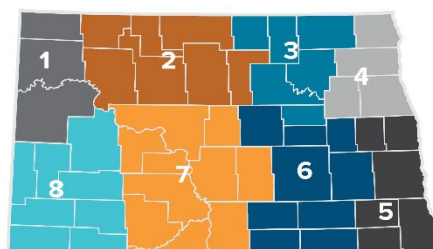
Testimony of Dawn Mandt in support of SB 2390

To the Senate Agriculture and Veterans Affairs

Friday, February 7, 2025

Chairman Luick, Vice Chairwoman Myrdal, and Committee Members,

Hello, my name is Dawn Mandt, and I'm the Executive Director of the Red River Regional Council in Grafton. My team serves four counties in the northeast corner of North Dakota. I've been working in rural development here since I was a junior at Jamestown College in 1992—so that's 33 years of experience helping small towns thrive.



I appreciate the chance to talk about SB 2390. We respect all the hard work that has gone demonstrating the great need for rural funding and we admire the dedication of small-town residents who work every day to keep their communities strong. As a small-town resident myself, I know how tough it can be to find funding for important projects.

We're offering an alternative to SB 2097 because we believe there's a way to create a more effective and organized funding structure that will have a greater impact.

I'm also the Chairwoman of the ND Association of Regional Councils. The state set up eight regional councils 50 years ago to provide leadership in economic and community development across North Dakota. Yesterday, our request for increased state funding for these councils received a **"Do Pass as Amended" recommendation with a 12-2 vote** in the House Finance and Taxation Committee. **This would be the first time the state directly invested in the system it created, helping expand services to small towns.**

Why SB 2390 Matters

We created this bill to help small towns get funding for important projects that often don't qualify for other state programs. The Rural Catalyst Program would support small towns up to 8,500 people, strengthen regional collaboration, and encourage more philanthropy.

Every day, we hear from small-town leaders asking, "Are there any grants for this project?" We see the needs and the gaps in funding firsthand. This bill would help fill those gaps for projects that are difficult to fund.

Examples of Projects That Could Benefit

1. Gilby (Population: 240)

- The town's **community center needs a new HVAC system, costing \$35,000.**
- They applied for a state grant but didn't qualify. Federal programs require expensive energy audits and complex applications, making them hard for small towns to access.
- Despite these challenges, Gilby is a thriving small town. They have a volunteer-run coffee shop, host murder mystery dinners, and even welcome visitors for a national geocaching festival.
- Their community center is a vital gathering place, but they need help to keep it running.

2. Park River (Population: 1,385)

- **The town is planning a \$20 million wellness center to replace an old ice rink from the 1950s.**
- The new facility would include an ice rink, a walking track, a gym, a community center, and a concession area for events.
- This project builds on previous efforts, including a sports complex with baseball fields and a campground funded in part by the Outdoor Heritage Fund.
- A facility like this could serve as a regional hub for tournaments and events, bringing life and activity to the town.

3. Grafton (Population: 4,059)

- The Walsh County Childcare Center is a public-private partnership creating 35 much-needed childcare slots, doubling the size of an existing business.
- The JDA director and board members have worked tirelessly for 2.5 years on this \$1.4 million project, securing funding from 12 sources. **But they still need \$370,000.**
- **A Rural Catalyst Grant would provide the final piece to get this project completed.**

4. Swimming Pools Across the Region

- Many towns, including Grafton, Park River, Drayton, Walhalla, and Hoople, have pools that are failing or have already closed.
- The only state funding option offers a maximum of \$150,000, while a modest new outdoor pool costs between \$5 million and \$8 million.

Why Support Communities Up to 8,500 People?

- Small towns like Gilby, Park River, and Grafton operate similarly, relying heavily on volunteers and limited financial resources.

- **City and county budgets focus on essential government functions, leaving little room for community enhancements.**
- This region also faces frequent natural disasters, with at least one federal disaster declaration per year. That takes up resources that could otherwise go toward community projects.

Why a Matching Requirement?

- A match encourages partnership between communities, the state, and regional councils, strengthening relationships and improving long-term planning.
- Match funding could come from local cash contributions, donations, or volunteer hours. Volunteer work has real value—\$33.49 per hour in 2025, according to The Independent Sector.
- In some cases, if a community can't meet the match, the Grant Committee could waive it.

A Simple and Effective Grant Process

- Small projects would have an easy, straightforward application process.
- Larger projects would require more details, but regional councils can help guide communities through the process.
- Over the past five years, **regional councils have helped with 1,410 funding applications, securing \$365 million for projects of all sizes.**

With 50 years of experience in project development, grant writing, and grant management, regional councils are well-equipped to ensure funds are used responsibly and effectively.

Attached to this testimony, you'll find a comparison chart between SB 2390 and SB 2097, as well as a five-year impact report from the ND Association of Regional Councils.

I urge you to support SB 2390—it's an investment in the future of North Dakota's small towns.

Dawn Mandt, Executive Director
701-520-0487

[SB 2390 - Overview | North Dakota Legislative Branch](#) [SB 2097 - Overview | North Dakota Legislative Branch](#)

The first hearing is scheduled for Friday, February 7 at 11:15 a.m. before Senate Agriculture and Veterans Affairs Committee. Voting on SB 2097 has been held to hear SB 2390 and compare endowment vs. challenge grant and delivery mechanisms.

	SB 2390 Rural Catalyst / Challenge Grant	SB 2097 Rural Endowment Fund
Appropriation	<p>\$30 million</p> <p>Expected to be a four-year program providing grants ranging from \$10,000 to \$5 million. Will result in portfolio of statewide impacts and understanding of rural needs to later justify the need for an endowment fund. Responsive to a broad range of locally defined needs.</p>	<p>\$55 million</p> <p>Endowment would produce approximately \$2.5 million annually with up to \$250,000 for administration. If appropriations is reduced, less funding would be available annually.</p>
Delivery mechanism	<p>Integrates the eight regional councils – the state’s system to “<i>establish a consistent, comprehensive statewide policy for planning, economic development, program operations, coordination, and related cooperative activities of the state and local governmental units ...</i>” (NDCC 54.40.1)</p> <p>The regional councils are the boots on the ground supporting grassroots efforts as well as leading regional initiatives around workforce, housing, entrepreneurship. The regional councils are led by 202 local officials and community leaders from every county in the state. Each council has an average of 2.5 staff.</p> <p>HB 1524 also calls for state funding to enable more regional development staff, enabling higher impacts in small towns.</p>	<p>Provides an unnamed single nonprofit, presumably Strengthen ND, which does not have a statewide system or presence.</p>
Project development support and grant writing	<p>The regional councils have a 50-year history of “finding the money”. Experts in federal, state, regional, local, private funding – often linking multiple sources into one project.</p> <p>Regional Councils are experts in project development, grant writing, loan packaging, and more to individuals, communities,</p>	<p>Limited experience in public grant writing and stacking multiple sources of funds in a single project to solve root issues or achieve a maximum impact.</p>

	businesses, and established new programs by developing over 1,410 applications in the past five years yielding \$365 million in funds.	
Serves rural communities <div> <div>Total # Cities</div> <div>355</div> </div> <div> <div>Cities 5-1,000</div> <div>304</div> </div> <div> <div>Cities 1,001-8500</div> <div>40</div> </div> <div> <div>Cities 8,501+</div> <div>9</div> </div> <p>Note: Approximately half of the cities under 1,000 are under 100 people</p>	<p>Cities under 8,500</p> <p>The “Under 1,000 population” arbitrarily leaves out several small towns with slightly larger communities with comparable levels of resources. These slightly larger communities similarly lack flexible funding in key areas.</p> <p>Between 2019 and 2023, the RCs assisted with 1,410 successful funding applications, nearly half communities under 1,000 were impacted by these projects.</p>	<p>Cities under 1,000</p> <p>Limiting to communities under 1,000 creates a “missing middle” whereby other rural community of a slightly larger size with similar issues and resources levels do not have access.</p>
Grant management system	<p>The regional councils are experts in grant management and accountability and subjected to federal single audits annually.</p> <p>The regional councils have 50 years' experience in managing programs that have received federal, state, regional, local, and private funds and therefore apply prudent management practices that satisfy the smallest projects to the large, complex systems.</p> <p>The regional councils have also provided fiscal sponsorship and management for volunteer groups working to improve their community and require prudent fiscal management.</p> <p>This system and expertise would ensure accountability and accuracy in reporting.</p>	Limited experience in managing public funds.
How will funds be used?	Small towns often need help where there are no other sources available and/or funding requirements are a barrier for small-scale projects.	Has proposed to address broad large-scale complex issues such as public infrastructure and housing – duplicating other state program proposals and/or seeking to match state dollars with state dollars.

	<p>The Catalyst Fund proposes flexible funding for quality-of-life amenities, community and economic development, healthcare and education enhancements.</p> <p>There are other bills that address complex, costly issues such as housing and infrastructure and a growing awareness for the need for rural set asides with rural-friendly program rules – much due to input and advocacy by the regional councils.</p>	Demonstrates limited expertise in these areas or other available funding programs.
Leverage: Opportunity to incentivize philanthropy	<p>There is private wealth in ND.</p> <p>As a \$2 state grant matching \$1 nonstate funds, it requires more local conversations and planning as well as strengthening local ability to connect with local givers.</p> <p>The challenge grant would be a tool to leverage a portion of the \$380B generational wealth transfer (2005 ND Wealth Transfer Study and expectedly much greater today) and provide local opportunities for donor-advised investments and increasing giving to local and regional projects and initiatives.</p>	Does not consider system approach and fails to take advantage to leverage philanthropy.
“Skin in the game”	<p>The challenge grant requires match.</p> <p>Match would be flexible and waivable on a case-by-case basis. Match can be cash or in-kind donations or hours.</p> <p>Proposed projects can be opportunities to support boarder community building.</p>	Assumes no match is possible.
Grant Committee	<p>Grassroots appointments by integrating regional councils to appoint two rural people from each of the eight regions = 16 rural residents.</p> <p>A grassroots approach strengthened with a legislator, Governor (or designee) as chair, and Commerce Department.</p> <p>This approach will serve as an educational tool on rural needs, the gaps in the system, how funding could be leveraged well for larger projects, and demonstrate the need for the program.</p>	<p>Led by a single nonprofit without a statewide system.</p> <p>Commissioner + nine rural residents appointed by the Commissioner.</p>

REGIONAL COUNCILS

Sparking development, strengthening community.

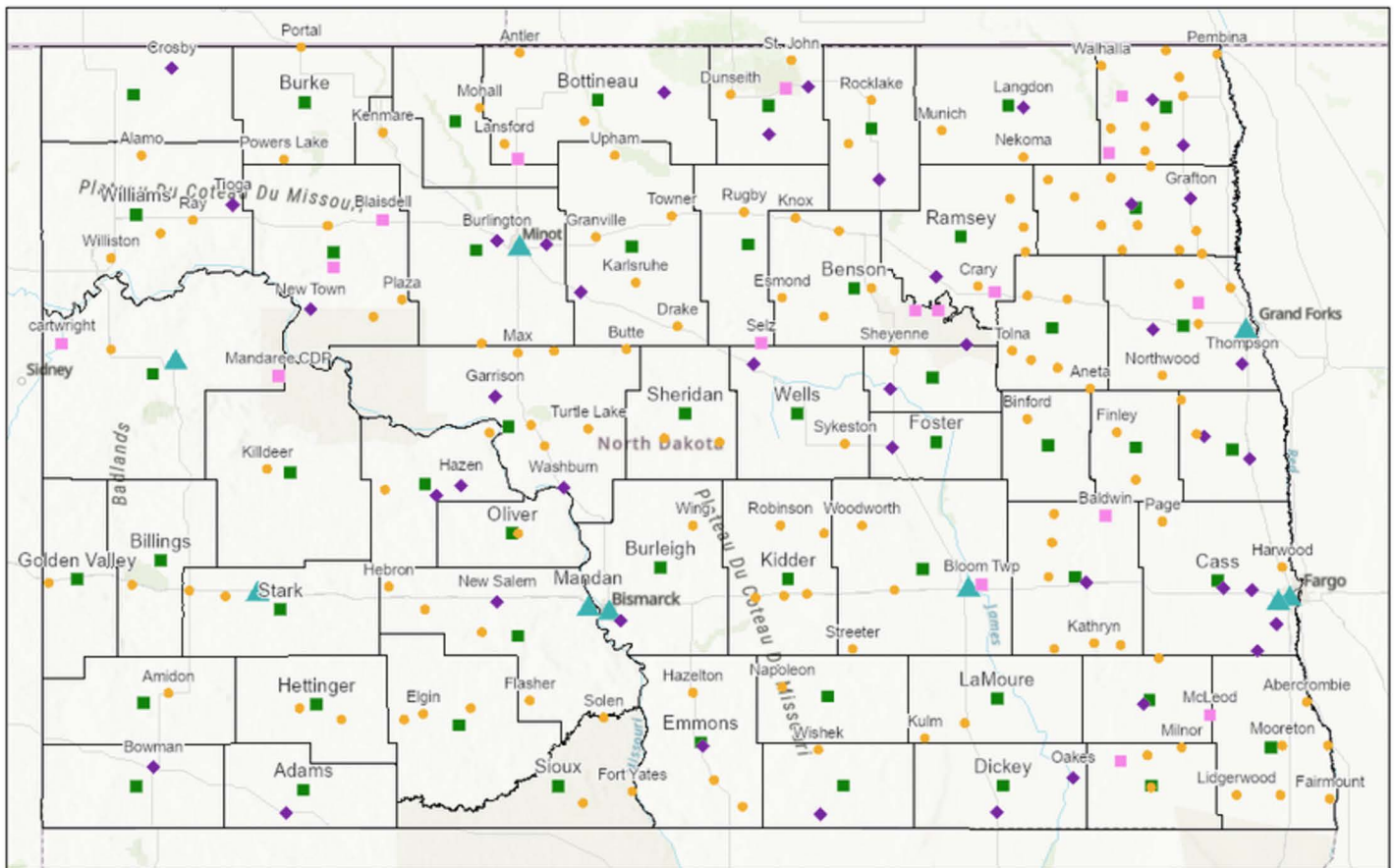
REGIONAL COUNCILS ARE A CORNERSTONE OF THE STATE'S ECONOMIC RENAISSANCE AND COMMUNITY REVITALIZATION. HERE'S A GLIMPSE INTO THE TRANSFORMATIVE IMPACT



- Cultivating the economy
- Implementing workforce attraction & retention systems
- Enhancing quality of life through enhanced community experiences
- Providing predictive expertise, skilled project planning, and funding solutions

REGIONAL COUNCILS' NETWORK OF DEVELOPMENT EXPERTS DRIVE IMPACTFUL RESULTS ACROSS EVERY COUNTY (SEE PAGE 2 FOR DATA)

ND Association of Regional Councils Impacts 2019-2023



2/3/2025

- Unincorporated Places
- Cities under 1,000 pop.
- ◆ Cities 1,000 to 8,500
- ▲ Cities 8,500 to 150,000
- Counties engaged with Regional Councils



ASSOCIATION
OF REGIONAL COUNCILS

North Dakota Association of Regional Councils Statewide Impact | 2019-2023

Effectiveness of the Regional Councils and contractual partner organizations

FUNDING APPLICATIONS ASSISTED 1,410

TOTAL FUNDING SECURED WITH
REGIONAL COUNCIL ASSISTANCE \$364,751,823

ADDITIONAL FUNDS LEVERAGED \$531,557,176

TOTAL INVESTMENT IN NORTH DAKOTA \$896,308,998

JOBS CREATED OR RETAINED 5,122

COMMUNITY & ECONOMIC DEVELOPMENT
PLANS CREATED 55

PUBLIC FORUMS, MEETINGS & PLANNING SESSIONS 411

TOTAL ATTENDEES ENGAGED 5,900

LOCAL LEADER BOARD MEMBERS 202

Long-term Stability and Accountability

Permanent funding for Regional Councils is essential for several reasons:

- Ensures **long-term stability** beyond a single biennium
- Local funds create **high levels of accountability**
- Regional Councils serve as **exemplary models for public-private partnerships**

REGIONAL COUNCILS REVOLUTIONIZING RURAL COMMUNITIES

SMART DEVELOPMENT | FUTURE-READY INFRASTRUCTURE COMMUNITY RESILIENCE & GROWTH

- Business development
- Zoning and land use planning
- Grant writing and technical assistance
- Housing development
- Child care support
- Workforce development
- Infrastructure planning
- Tourism and placemaking initiatives
- Disaster recovery planning
- Community leadership development

By permanently funding Regional Councils, North Dakota can maintain its commitment to fostering economic growth and community vitality across the state, particularly in rural areas that may otherwise struggle to access necessary resources and expertise.





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701-355-4458 • www.ednd.org

Testimony of Teran Doerr
Economic Development Association of North Dakota
In Support of SB 2390
Feb. 7, 2025

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee:

My name is Teran Doerr, and I am the President of the Economic Development Association of North Dakota (EDND). EDND represents economic development professionals across the state who work to strengthen communities, grow our economy, and improve the quality of life in North Dakota. Senate Bill 2390 supports these goals by establishing the Rural Catalyst Committee, a grant program, and a fund to help rural communities invest in important local projects.

Rural communities are the foundation of North Dakota's economy, and investing in their future is critical to keeping our state strong. This program will provide much-needed funding for projects in areas like arts and culture, economic development, education, and health. These investments will help small towns remain vibrant, competitive, and attractive places to live and work.

EDND appreciates two key provisions in this bill. First, we support the requirement for communities to contribute matching funds. Even a small match shows local buy-in and commitment, ensuring that communities are engaged in their own success. Encouraging local investment also helps attract additional funding and partnerships.

Second, we support the population eligibility threshold of 8,500 residents. North Dakota has 355 cities, but only nine have more than 8,500 people. This program ensures that rural communities of all sizes have access to resources that support growth, opportunity, and a strong quality of life.

Senate Bill 2390 is an important step in strengthening rural North Dakota. The Rural Catalyst Grant Program will help communities improve quality of life, attract and retain workforce, and create new economic opportunities. EDND urges the committee to give this bill a "Do Pass" recommendation.

Thank you for your time and consideration.

My name is William Wilber.
8569 39th St NW, New Town, ND.
701-509-0910
wawilber@restel.net

I support the following bills.

SB 2274 .. I support a bill to creating a farm management program within the department of agriculture; to amend and reenact section 1520.103 of the North Dakota Century Code.

SB 2265 ... As a member of the ND American Legion, Vietnam Vets of ND, Navy League of ND and Subvets of ND, I support a bill to provide an appropriation to the department of veterans' affairs for a veterans' national cemetery grant.

SB 2390 ... As a member of the New Town, ND Chamber and a member of the Mountrail county Job Development Authority (JDA), I support a bill to provide a rural catalyst committee, grant program, and fund; to amend and reenact section 5440.102 of the North Dakota Century Code.

Thank You
William Wilber

Testimony of Briselda Hernandez Herrera in support of SB2390
To the Senate Agriculture and Veterans Affairs
Friday, February 7, 2025

Chairman Luick, Vice Chairwoman Myrdal, and Committee Members,

My name is Briselda Hernandez Herrera, and I am the Executive Director of Souris Basin Planning Council (SBPC). SBPC serves a seven-county region comprised of Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, and Ward counties. I have had the privilege of working with communities, leaders, and businesses for over 10 years. I have seen firsthand the power of people and communities working together to improve quality of life and create opportunities for economic growth. On the other hand, many of the communities that I have worked with have struggled to advance community projects due to limited funding.

I come before you today in support of SB2390. SB2390 will provide the much-needed funding for rural communities with a population of **up to 8,500** that may not qualify for other programs and/or that need additional support to complete community projects. A population of 8,500 will ensure that communities like Bottineau, New Town, Rugby, Stanley, Surrey, and Velva also have an opportunity to apply for funding. Several projects that may benefit from this funding include a senior citizen home project in Mohall, a warning system in Glenburn, a housing project in Bottineau, food pantries in Makoti and Bowbells, and multiple daycare center projects throughout the region.

SB2390 encourages collaboration by engaging regional councils in the process. Formed by state law (NDCC 54-40.1), North Dakota's eight regional councils are a boots-on-the-ground resource that provide the support to advance community projects. Regional councils are deeply embedded in the community offering technical assistance, expertise, and a structure for collaboration. As a public servant, I understand the importance of ensuring that we are good stewards of public dollars. I believe regional councils have a proven track record of being transparent and accountable. Regional councils operate under strict governance which includes annual reporting and audits. Their boards are made up of elected city officials and county commissioners (majority) and regional stakeholders. Additionally, regional councils are well-connected and rely on strategic partnerships to tackle needs. They have a network of long-term, trusted relationships with local and state leadership.

Thank you for your time and consideration.

Briselda Hernandez Herrera
briselda@sourisbasin.org
701.712.7308



307 Main Street
PO Box 595
Cavalier, ND 58220
(701) 331-2121
angelle@redriverrc.com

Testimony of Angelle French
Pembina County Job Development Authority
In Favor Senate Bill 2390
February 7, 2025

Dear Chairman Luick and Members of the Senate Agriculture and Veterans Affairs Committee,

On behalf of the Pembina County Job Development Authority (PCJDA), I am writing to express our strong support for Senate Bill 2390. This bill is an important step in fostering economic growth and sustainability in rural communities by establishing a Rural Catalyst Committee, Grant Program, and Fund. Additionally, it ensures fair representation, expands the definition of rural communities, and provides much-needed resources for economic development initiatives.

One of the key strengths of Senate Bill 2390 is that it creates a direct link between community projects and development staff at the regional planning councils and economic development networks. This structured approach ensures that rural communities have the necessary expertise and resources to successfully implement projects that enhance economic opportunity, infrastructure, and quality of life.

The bill also appropriately defines rural as communities with populations of 8,500 or less, going lower than this will exclude many communities that face the same challenges as smaller towns but lack adequate resources to address them. Expanding the definition creates a larger pool of funds, allowing for support of projects that benefit a broader range of rural communities and prevent the creation of a "missing middle" where communities slightly above 1,000 residents are left without the resources they need.

By supporting Senate Bill 2390, the state will provide vital resources to rural communities, allowing them to invest in long-term sustainability and growth. The bill's provisions will strengthen the economic resilience of rural North Dakota by ensuring that more communities have access to the tools and funding they need to thrive.

We encourage your support of Senate Bill 2390 and appreciate your commitment to empowering rural communities through strategic investment and representation.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Angelle French", written in a cursive style.

Angelle French
Director
Pembina County JDA

Testimony of Brianna Mack in support of SB 2390
To the Senate Agriculture and Veterans Affairs Committee
February 7th, 2025

Sen. Luick and members of the Senate Agriculture and Veterans Affairs Committee:

My name is Brianna Mack and I am a committee member of the Hoople Beautification Committee and a board member of the Hoople Swimming Pool Board. I support the passing of SB 2390.

Our rural community is built on committees, board members, and their volunteer hours. As an active member of the community, I see this bill being nothing but beneficial for our small town. We have a population of 247 with a good number being young and active members that support the growth and development of our rural community. We want to see our community thrive for years to come.

The organizations in our community would like to see multiple improvement projects take place in the coming years. Our pool needs a new bathhouse, a new liner, and plumbing is a constant concern to keep it running. The park would like to see new equipment for kids of all ages and for kids with disabilities. The Hoople Community Center group would like to build a patio for gatherings outside. The Beautification Committee would like to put up a gazebo in our town square and keep making improvements to our outdoor spaces and buildings around town. This bill could help kick start all these projects.

Hoople has done grants and fundraising efforts with match programs before so I believe we could use this again in the future for any big projects. We also have many community members that volunteer much of their time if that is a possibility to use volunteer hours instead. We are willing to put in the extra effort if it means we make a big impact in our community.

The struggle of being in a rural community is time, money, and resources. We would not be a thriving community without our members and their support but if we want to see rural communities grow and flourish we need extra resources to make that possible. The passing of SB 2390 could be one of those resources that make the big impacts in our small community possible.

Sincerely,

Brianna Mack

Briannaathen@gmail.com

701-331-2819

Kristi Henriksen Wilfahrt –in support of SB 2390
Friday, Feb 7th, 2025

Chairman Luick and Members of the Senate Agriculture and Veterans Affairs Committee;

DO PASS! The Rural Catalyst Fund is a challenge grant match that strategically works to encourage private philanthropic investment in North Dakota's rural communities.

My Background

My name is Kristi Henriksen Wilfahrt. I have 30 years' experience doing nonprofit project and fund development work in the northeast region of North Dakota and in Central Minnesota. My passion is to help people with means make high-impact gifts – something I often refer to as “donor-centered giving”. My favorite “type” of nonprofit that supports donor centered giving is a “community foundation” model. Donors establish “named funds” – like donor advised funds or one of several types of funds (like a charitable checkbook) that are either invested in perpetuity (an endowment fund) where interest is earned, and the earnings used to provide annual support to the nonprofit(s) that donors choose to give to, or they are short-term funds and granted out at the donor's advising.

Why this is important -- this mechanism provides an infrastructure to support a “donors need to give vs. a charity's need to have”. Donors like this. We need to be more proactive in meeting the needs of donors to give vs reactive with urgent and emergent requests for support. Which is really where we are today -- we have many urgent needs to meet in our rural communities. We need to start somewhere, and the challenge grant is a good place to start.

The Bigger Picture

Imagine if North Dakota communities didn't look like they were “suffering” and hanging on by a thread, rather they look like well cared for places that draw us back and make us feel like we are home. Communities that have that small-town café, places to gather in fellowship together, have unique ways of displaying their identities through arts, culture, heritage and talent; they have swimming pools, parks, ambulance service and health care access, well-maintained cemeteries, access to education, food, and other things that matter where people choose to live. Communities that display pride in place and help preserve the culture that matters to those who live there and also represent the things that we value most -- caring for each other and our place.

As North Dakotans we are now considered people of means. We have privilege as a state. This is where the opportunity lays. We must think about stewardship of our resources – including wealth, our land, our communities – especially our rural communities – where much of the wealth has been built from the hard work of the generations before us.

My dream is that all North Dakotans will have an opportunity to give in a way that is meaningful to them. That collectively, North Dakotans would become known as the most generous state in the nation - strategically supporting their communities, modeling donor centered giving, all while creating amazing, high-impact legacies that are meaningful to them personally. It feels good to make a difference and it helps a community do more than survive – it helps them thrive. (BTW – you don't have to be “rich” to make high impact gifts – if you are curious about how to do this – it's my favorite conversation). It's a win-win.

ND Generational Transfer of Wealth – Philanthropic Opportunity for Community Investment

Did you know that a study commissioned by the Dakota Medical and Impact Foundations by Boston College noted that 308 billion dollars of wealth will transfer generations in the next 4 decades? Think about that opportunity. What if we cultivated, assisted, and stewarded these folks from a community “investment” perspective. If we were deliberate in having more conversations with donors who live in their communities and helped them connect to the heart of what matters to them? Even if we captured just 10% of that \$308 Billion – (btw, that number is likely much larger given the oil boom in ND) – think about that impact for our small towns... for all North Dakota communities.

Philanthropic Incentives

People have an insatiable need to give, but they often need a little help to do this. One strategy that encourages a culture of philanthropy includes a challenge match for community focused - quality of life improvement projects.

The Rural Catalyst Fund / concept is modeled after the North Dakota University System challenge grant fund – a wonderful tool (incentive) to help donors give and give largely to support secondary education in North Dakota. I believe this session the fund request has been increased to \$50 million. How about we use this same concept – pilot it, and start cultivating rural philanthropy? Kill two birds with one stone – provide some much needed “flexible” funding for small towns, leverage local giving, while creating a culture of philanthropy and community responsibility.

The grant-administration offers flexibility, but also accountability and stewardship by including legislators, board governance, and the governor’s ability to participate in the grant award process.

Closing

North Dakotans have a reputation of being good stewards of their resources. Let’s help them do more. Do better. And help them be more fulfilled with their giving by offering this challenge grant incentive where they can also put skin in the game in projects that are meaningful to them. Let’s be deliberate in our approach and encourage a culture of community giving.

This challenge Rural Catalyst Fund is a great place to start. The Regional Councils are quasi-government organizations who have a 40-year history of helping rural communities survive. This challenge grant is a significant first step and will help rural communities thrive. The councils have the capacity, the network, and the ability to help foster the development of infrastructure that supports the cultivation of a more philanthropic state for all our rural communities.

I am a supporter of endowment however I believe there are serious urgent needs that should come first. I also believe there are strategies that should be built that help donors build endowed support through named charitable funds and by taking advantage of ND’s tax credit for endowments. This is part of the bigger conversation and why we have got to move forward in a more strategic and planned method.

Thank you

Kristi Henriksen Wilfahrt

Nonprofit Project & Fund Development Consultant

Phone: 701-317-6729 email: kristi.wilfahrt@outlook.com

February 7, 2025

To: North Dakota Senate Agriculture and Veteran Affairs Committee

From: Ellen Huber, NDAREC Rural Development Director

RE: **Support of Senate Bill 2390**

Chairman Luick and members of the Senate Agriculture and Veteran Affairs Committee, on behalf of the North Dakota Association of Rural Electric Cooperatives (NDAREC) and our members, I share our support for Senate Bill 2390 to create a rural catalyst committee and grant program, which we view as an important investment in rural development, small towns and small businesses.

For 30-plus years, our state association has supported rural development. The purpose of the NDAREC Rural Development Center is to power grassroots efforts with development experience and resources to assure quality of life in North Dakota's communities. Initiatives and projects are in the areas of rural emergency services, health care, childcare, grocery and local food access, meat processing, housing, infrastructure, quality of life amenities, and more.

This impactful work is made possible through support from North Dakota's electric and broadband cooperatives, the Broadband Association of North Dakota (BAND), and a USDA Rural Cooperative Development Grant. Elected board members and staff from these co-ops guide our work. Electric and broadband cooperatives, NDAREC and BAND are also members of the Rural Development Finance Corporation (RDFC), which helps finance the implementation of many community, co-op, small business and non-profit initiatives with low-interest loans and grants.

A philanthropic organization also contracts with NDAREC to facilitate applications that assist rural community, nonprofit or cooperative-based projects serving low to moderate income persons. These projects must show strong community, evidence of fundraising, and a gap preventing implementation.

With this toolkit of support for rural development, we've had much success. Yet the 76 projects on our active tracking list demonstrate the needs outweigh the means. There's plenty of work to be done.

The proposed catalyst fund would be a strategic investment in small towns that provide essential services to people producing our food and energy. Regional councils would be an effective partner in assuring statewide deployment of funds and a challenge or matching format assures some "skin in the game." NDAREC asks for a "Do Pass" recommendation on SB2390.



Contact:
Ryan Gregg, Lobbyist
rgregg@ndfu.org | 701-952-0104

**Testimony
of
Ryan
Gregg
North Dakota Farmers Union
Before the
Senate Agriculture & Veteran
Affairs Committee
February 6, 2025**

Chairman Luick and members of the committee,

Thank you for the opportunity to testify on Senate Bill No. 2390. My name is Ryan Gregg, and I am testifying on behalf of the members of the North Dakota Farmers Union (NDFU). NDFU supports SB 2390.

At our most recent annual convention, our members adopted a list of priorities for this legislative session, which includes investments in childcare, rural food access, affordable housing, and rural economic development. Our members recognize that the future of agriculture is closely tied to the overall quality of life in rural communities. We believe strongly support investments in rural North Dakota.

SB 2390 establishes a rural catalyst committee and creates a rural catalyst fund to assist rural communities. The Department of Commerce would use this fund to provide grants of up to \$5 million to communities with populations of 8,500 or fewer. These grants would address needs related to art and culture, community and economic development, education, or health and wellness.

We appreciate the committee's ongoing discussions about how to best support our rural communities. We do not have strong opinions on the best format or vehicle for these important investments. We simply believe investing in rural areas is a critical step toward a stronger future for our state.

We respectfully request a "Do Pass" recommendation on SB 2390. I will be happy to answer any questions.



In Favor of SB 2390
Senate Agriculture and Veterans Affairs
February 7, 2025

Chairman Luick and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2390.

SB 2390 seeks to improve the quality of life in rural communities where our members live and work. NDCGA supports efforts to attract and retain workforce, a critical need for North Dakota's agriculture economy.

We know the committee is evaluating multiple proposals on this topic, and we urge a Do Pass recommendation on SB 2390 or a similar proposal to build strong communities in rural North Dakota. Thank you for your consideration, and I am happy to answer any questions.

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2390

2/7/2025

A bill relating to a rural catalyst committee, grant program, and fund; and relating to definitions for regional planning councils; and to provide for a transfer.

2:05 p.m. Chairman Luick opened the hearing.

Members present: Chairman Luick, Vice-Chair Myrdal, Senator Marcellais, Senator Weston, Senator Weber, Senator Lemm

Discussion Topics:

- Qualified Endowment Tax Credit
- Rural nonprofits and access to funding opportunities
- Matching requirement and sustainable fundraising streams
- Donor base growth and fundraiser capacity expansion
- Administration costs and the Department of Commerce
- Populations under 1000 and funding access barriers

2:07 p.m. Parrell Grossman, ND Soybean Growers Association, testified in favor.

2:09 p.m. Ryan Gregg, ND Farmer's Union, testified in favor and referenced testimony #36151 from (2/7/25 a.m.).

2:10 p.m. Patrick Kirby, founder of Do Good Better Consulting, testified in favor.

2:14 p.m. Megan Langley, Executive Director, Strengthen ND, testified in neutral.

2:23 p.m. Senator Myrdal moved that sixteen percent of the appropriated funds would be designated for towns with a population of one thousand or less.

2:23 p.m. Senator Lemm seconded the motion.

Senators	Vote
Senator Larry Luick	N
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	N
Senator Mark F. Weber	N
Senator Kent Weston	N

Motion failed 2-4-0.

2:35 p.m. Senator Weber moved to adopt amendment LC# 25.1355.01001.

2:35 p.m. Senator Weston seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	N
Senator Randy D. Lemm	N
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 4-2-0.

2:36 p.m. Senator Myrdal moved a Do Pass As Amended and Rerefer to Appropriations.

2:26 p.m. Senator Weston seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

Senator Luick will carry the bill.

2:38 p.m. Chairman Luick closed the hearing.

Audrey Oswald, Committee Clerk

25
2/7/25
1.44

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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.

**REPORT OF STANDING COMMITTEE
SB 2390**

Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **AMENDMENTS** ([25.1355.01001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2390 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 SENATE APPROPRIATIONS

SB 2390

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2390
2/17/2025

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; and to provide for a transfer.

9:03 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, and Senator Erbele. Member absent: Senator Sickler.

Discussion Topics:

- Rural project funding and regional development councils
- Application process
- ND rural population statistics
- Matching requirement
- Sources of funding

9:04 a.m. Dawn Mandt, Chairwoman, Red River Regional Council, testified in favor and submitted testimony #37857, and #37858.

9:21 a.m. Briselda Hernandez Herrera, Executive Director, Souris Basin Planning Council, testified in favor.

9:31 a.m. Parrell Grossman, Legislative Director, ND Soybean Growers Association, testified in favor.

9:33 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

0/17/25
SB 2390
Down Mandt

ND Cities and Populations

2023 Rank	City	2023 Estimate[2]	2020 Census[3]	Change	County
1	Fargo	133,188	125,990	5.71%	Cass
2	Bismarck	75,092	73,622	2.00%	Burleigh
3	Grand Forks	58,921	59,166	-0.41%	Grand Forks
4	Minot	47,373	48,377	-2.08%	Ward
5	West Fargo	40,400	38,626	4.59%	Cass
6	Williston	27,706	29,160	-4.99%	Williams
7	Dickinson	25,130	25,679	-2.14%	Stark
8	Mandan	24,586	24,206	1.57%	Morton
9	Jamestown	15,691	15,849	-1.00%	Stutsman
10	Wahpeton	8,000	8,007	-0.09%	Richland
11	Devils Lake	7,135	7,192	-0.79%	Ramsey
12	Valley City	6,551	6,575	-0.37%	Barnes
13	Watford City	6,020	6,207	-3.01%	McKenzie
14	Horace	5,643	3,085	82.92%	Cass
15	Lincoln	4,426	4,257	3.97%	Burleigh
16	Grafton	4,059	4,170	-2.66%	Walsh
17	Beulah	3,034	3,058	-0.78%	Mercer
18	New Town	2,725	2,764	-1.41%	Mountrail
19	Casselton	2,472	2,479	-0.28%	Cass
20	Rugby	2,446	2,509	-2.51%	Pierce
21	Hazen	2,276	2,281	-0.22%	Mercer
22	Stanley	2,184	2,321	-5.90%	Mountrail
23	Lisbon	2,173	2,204	-1.41%	Ransom
24	Bottineau	2,171	2,194	-1.05%	Bottineau
25	Tioga	2,097	2,202	-4.77%	Williams
26	Carrington	2,009	2,080	-3.41%	Foster
27	Langdon	1,847	1,909	-3.25%	Cavalier
28	Mayville	1,805	1,854	-2.64%	Traill
29	Oakes	1,764	1,798	-1.89%	Dickey
30	Hillsboro	1,641	1,649	-0.49%	Traill
31	Harvey	1,600	1,650	-3.03%	Wells
32	Garrison	1,464	1,462	0.14%	McLean
33	Mapleton	1,435	1,320	8.71%	Cass
34	Surrey	1,417	1,357	4.42%	Ward
35	Bowman	1,411	1,470	-4.01%	Bowman
36	Park River	1,385	1,424	-2.74%	Walsh
37	New Rockford	1,310	1,361	-3.75%	Eddy
38	Burlington	1,306	1,291	1.16%	Ward
39	Washburn	1,283	1,300	-1.31%	McLean

MISSING MIDDLE IN SB 2097

84	Ashley	602	613	-1.79% McIntosh
85	Lidgerwood	593	600	-1.17% Richland
86	Center	581	588	-1.19% Oliver
87	Portland	577	578	-0.17% Traill
88	Edgeley	576	585	-1.54% LaMoure
89	Turtle Lake	537	542	-0.92% McLean
90	Elgin	519	543	-4.42% Grant
91	Pembina	497	512	-2.93% Pembina
92	Forman	494	509	-2.95% Sargent
93	Argusville	474	480	-1.25% Cass
94	Berthold	467	490	-4.69% Ward
95	Rolette	462	484	-4.55% Rolette
96	Towner	458	479	-4.38% McHenry
97	Fessenden	452	462	-2.16% Wells
98	Wyndmere	448	454	-1.32% Richland
99	Emerado	441	443	-0.45% Grand Forks
100	Leeds	423	442	-4.30% Benson
101	Glenburn	403	404	-0.25% Renville
102	South Heart	403	394	2.28% Stark
103	Finley	391	401	-2.49% Steele
104	Maddock	384	402	-4.48% Benson
105	McVille	379	392	-3.32% Nelson
106	Powers Lake	375	385	-2.60% Burke
107	Westhope	374	374	0.00% Bottineau
108	Oxbow	371	381	-2.62% Cass
109	Manvel	369	377	-2.12% Grand Forks
110	Kulm	366	368	-0.54% LaMoure
111	Strasburg	364	379	-3.96% Emmons
112	Stanton	362	368	-1.63% Mercer
113	Buxton	349	348	0.29% Traill
114	Neche	338	344	-1.74% Pembina
115	Fairmount	336	343	-2.04% Richland
116	Hunter	327	332	-1.51% Cass
117	Arthur	324	328	-1.22% Cass
118	Max	323	331	-2.42% McLean
119	McClusky	319	322	-0.93% Sheridan
120	St. John	313	322	-2.80% Rolette
121	St. Thomas	312	323	-3.41% Pembina
122	Alexander	307	319	-3.76% McKenzie
123	Sawyer	307	319	-3.76% Ward
124	Bowbells	285	301	-5.32% Burke
125	Gackle	282	281	0.36% Logan
126	Drake	277	292	-5.14% McHenry
127	Hope	277	272	1.84% Steele

172	Fort Yates	166	176	-5.68%	Sioux
173	Regent	166	170	-2.35%	Hettinger
174	Litchville	165	169	-2.37%	Barnes
175	Binford	163	170	-4.12%	Griggs
176	Sanborn	162	161	0.62%	Barnes
177	Rutland	160	163	-1.84%	Sargent
178	Petersburg	159	162	-1.85%	Nelson
179	Rhame	156	158	-1.27%	Bowman
180	Medora	155	121	28.10%	Billings
181	Christine	151	151	0.00%	Richland
182	Willow City	149	149	0.00%	Bottineau
183	Streeter	148	149	-0.67%	Stutsman
184	Kensal	147	146	0.68%	Stutsman
185	Makoti	145	148	-2.03%	Ward
186	Bowdon	139	137	1.46%	Wells
187	Carplo	138	144	-4.17%	Ward
188	Edmore	138	139	-0.72%	Ramsey
189	Lignite	136	141	-3.55%	Burke
190	Noonan	134	137	-2.19%	Divide
191	Columbus	131	139	-5.76%	Burke
192	Tolna	131	136	-3.68%	Nelson
193	Wing	131	132	-0.76%	Burleigh
194	Upham	130	135	-3.70%	McHenry
195	Pick City	128	123	4.07%	Mercer
196	Gardner	127	129	-1.55%	Cass
197	Mercer	125	88	42.05%	McLean
198	Marion	124	125	-0.80%	LaMoure
199	Reeder	124	125	-0.80%	Adams
200	Hannaford	123	126	-2.38%	Griggs
201	Adams	122	127	-3.94%	Walsh
202	Palermo	122	125	-2.40%	Mountrail
203	Portal	119	125	-4.80%	Burke
204	Selfridge	118	127	-7.09%	Sioux
205	Crary	112	113	-0.88%	Ramsey
206	Galesburg	112	118	-5.08%	Traill
207	Crystal	111	116	-4.31%	Pembina
208	Forest River	111	109	1.83%	Walsh
209	Goodrich	110	106	3.77%	Sheridan
210	Wildrose	110	115	-4.35%	Williams
211	Oriska	108	114	-5.26%	Barnes
212	Lankin	103	102	0.98%	Walsh
213	Osnabrock	103	105	-1.90%	Cavalier
214	Ryder	103	108	-4.63%	Ward
215	Bisbee	100	110	-9.09%	Towner

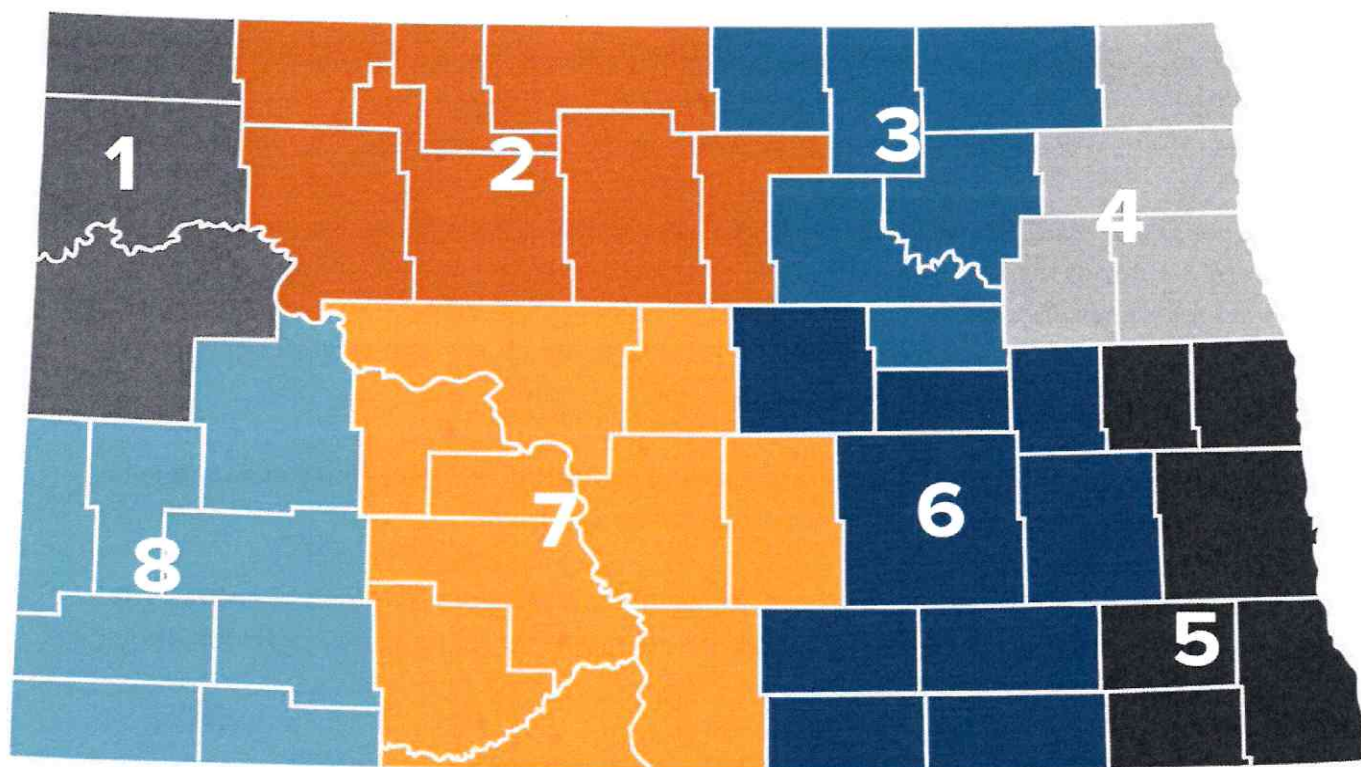
259	Kathryn	64	66	-3.03%	Barnes
260	Jud	63	65	-3.08%	LaMoure
261	McHenry	63	64	-1.56%	Foster
262	Sentinel Butte	63	61	3.28%	Golden Valley
263	Cleveland	61	57	7.02%	Stutsman
264	Flaxton	61	60	1.67%	Burke
265	Martin	61	63	-3.17%	Sheridan
266	Balta	60	66	-9.09%	Pierce
267	Hurdsfield	60	64	-6.25%	Wells
268	Pettibone	58	60	-3.33%	Kidder
269	Tuttle	58	60	-3.33%	Kidder
270	Verona	58	59	-1.69%	LaMoure
271	Fullerton	57	62	-8.06%	Dickey
272	North River	56	55	1.82%	Cass
273	Prairie Rose	55	56	-1.79%	Cass
274	Alamo	53	53	0.00%	Williams
275	Briarwood	53	57	-7.02%	Cass
276	Grace City	53	53	0.00%	Foster
277	Great Bend	51	49	4.08%	Richland
278	Dickey	50	42	19.05%	LaMoure
279	Warwick	50	55	-9.09%	Benson
280	Bathgate	48	47	2.13%	Pembina
281	Nome	48	51	-5.88%	Barnes
282	Rogers	48	49	-2.04%	Barnes
283	Woodworth	45	44	2.27%	Stutsman
284	Pingree	43	41	4.88%	Stutsman
285	Voltaire	43	46	-6.52%	McHenry
286	Wolford	43	43	0.00%	Pierce
287	Barney	42	40	5.00%	Richland
288	Hamilton	42	46	-8.70%	Pembina
289	Niagara	42	46	-8.70%	Grand Forks
290	Tolley	42	41	2.44%	Renville
291	Alice	41	41	0.00%	Cass
292	Milton	40	39	2.56%	Cavalier
293	Souris	39	37	5.41%	Bottineau
294	Cayuga	38	40	-5.00%	Sargent
295	Forbes	38	36	5.56%	Dickey
296	Fredonia	38	38	0.00%	Logan
297	Landa	38	41	-7.32%	Bottineau
298	Courtenay	37	36	2.76%	Stutsman
299	Inkster	37	38	-2.63%	Grand Forks
300	Robinson	35	36	-2.78%	Kidder
301	Regan	34	35	-2.86%	Burleigh
302	Ardoch	33	31	6.45%	Walsh

347	Loraine	10	9	11.11%	Renville
348	Overly	10	10	0.00%	Bottineau
349	Wales	9	10	-10.00%	Cavalier
350	Kief	8	8	0.00%	McHenry
351	Loma	8	10	-20.00%	Cavalier
352	Hannah	7	8	-12.50%	Cavalier
353	Calio	5	8	-37.50%	Cavalier
354	Perth	5	6	-16.67%	Towner
355	Ruso	5	1	400.00%	McLean

2025–2027 BIENNIUM

Building North Dakota Regions

January 2025



PROPOSED BY:

1. Tri County Regional Council
2. Souris Basin Planning Council
3. North Central Planning Council
4. Red River Regional Council
5. Lake Agassiz Development Group
6. South Central Dakota Regional Council
7. Lewis and Clark Development Group
8. Roosevelt Custer Regional Council









ASSOCIATION
OF REGIONAL COUNCILS

Contact: Dawn Mandt, Chairwoman •
dawn@redriverrc.com •
701-520-0487

2025-2027 REQUEST

Each region will tailor positions to its most pressing needs—housing, tourism, workforce, business development, or entrepreneurship, based on its CEDS Plan and work plan. These roles will be embedded in communities, attending local meetings, securing funding, and driving projects forward.

Funding Level	What it Will Provide – each level adds new roles
\$4M	<p> Two Rural Development FTEs per region Expands support for rural project development and grant funding, ensuring more communities receive direct assistance to tackle infrastructure, community, workforce, and business needs.</p> <p>Both roles will be actively engaged on the ground, attending local meetings, working alongside community leaders, and driving projects forward.</p>
\$5.75M	<p> Workforce & Housing Coordination (Regions 2, 3, 4, 6, 7, 8) Adds dedicated staff to address housing solutions, workforce attraction, childcare expansion, and economic mobility in rural communities.</p> <p> Rehab & Energy Efficiency Management (Region 5) Works to secure funding for commercial rehabilitation and energy efficiency upgrades, revitalizing local business districts.</p>
\$7M	<p> Regional Tourism Coordination (Regions 2, 3, 4, 5, 8) Strengthens local tourism networks, supports tourism businesses, and promotes regional attractions to drive economic growth.</p>
\$8M	<p> Communications Management Helps communities improve outreach, share funding opportunities, and engage residents in economic development efforts.</p> <p> Incubator Coordination (Region 4) Supports entrepreneurs and startups with funding access, mentorship, and resources to grow local businesses.</p>

*Funding per Full-Time Equivalent (FTE) was calculated at an estimated \$125,000 per year, which includes salary, fringe benefits, and overhead costs.

STATEWIDE IMPACT | 2019-2023

Regional Councils have a long history of driving impactful economic and community development across North Dakota. With a strong foundation of success, we are committed to expanding our reach, ensuring even more rural communities have the support, expertise, and resources needed to thrive.



FUNDING APPLICATIONS ASSISTED	1,410
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TOTAL FUNDING SECURED WITH REGIONAL COUNCIL ASSISTANCE	\$364,751,823
ADDITIONAL FUNDS LEVERAGED	\$531,557,176
TOTAL INVESTMENT IN NORTH DAKOTA	\$896,308,998

JOBS CREATED OR RETAINED	5,122
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COMMUNITY & ECONOMIC DEVELOPMENT PLANS CREATED	55
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PUBLIC FORUMS, MEETINGS, & PLANNING SESSIONS	411
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TOTAL ATTENDEES ENGAGED	5,900
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TOTAL ATTENDEES ENGAGED	202
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REGIONAL COUNCILS CREATE RESILIENCE IN RURAL COMMUNITIES

- Business development
- Zoning and land use planning
- Grant writing and technical assistance
- Housing development
- Child care support
- Workforce development
- Infrastructure planning
- Tourism and placemaking initiatives
- Disaster recovery planning
- Community leadership development



Expanding Business Support: Providing Access to Capital for Small Businesses

In response to COVID-19 challenges, Souris Basin Planning Council (SBPC) secured \$1.28 million through the CARES Act Revolving Loan Fund to provide critical financing for small businesses. This funding helped businesses survive during and after the pandemic by offering accessible capital.

Since launching, SBPC has provided financing to 15 businesses and technical assistance to over 120. The program's impact has been significant, creating or retaining 148 full-time jobs and attracting \$13.8 million in additional investment. Now in its revolving phase, the fund continues to support business growth in Region 2.

This program accelerates growth and creates lasting community impact by offering flexible capital and ongoing support. It highlights how regional councils help businesses access funding and contribute to local economic development. This successful model was also replicated in six other regions with similar results.

Six other regional councils established CARES Act RLF programs with similar results.



Regional Councils Assist in Assuring State Program Access and Success

Regional councils play a key role in helping communities access funding and complete important projects.

When the ND Department of Commerce launched the **Regional Workforce Impact Program (RWIP)**, Roosevelt Custer took the lead. Without charging administrative fees, they brought counties together, guided applicants, and ensured funding reached the most impactful projects. However, when the state later removed regional coordination, the process became disorganized—applications were incomplete, funds went unused, and there was little transparency.

A similar success happened with the **ND Department of Agriculture's Regional Livestock Planning Program**. Regional councils helped counties work together, submit strong applications, and smoothly implement projects. Unlike RWIP's second round, this program provided administrative funding, recognizing the councils' value in connecting local needs with state resources.

These examples show why investing in regional councils matters. With strong local relationships, they make sure funds are used effectively, cut red tape, and help rural communities succeed. This keeps the message clear, engaging, and to the point. Let me know if you'd like any tweaks!

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2390
2/18/2025

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; and to provide for a transfer.

9:15 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- 30-million-dollar appropriation
- Balanced budget requirement
- Rural endowment

9:26 a.m. Senator Dwyer will formulate amendments for SB 2390, based upon this discussion.

9:28 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2390
2/18/2025

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; and to provide for a transfer.

3:28 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Rural grocery stores
- Mission of regional councils

3:31 p.m. Senator Dwyer introduced amendments and submitted testimony #38079.

3:33 p.m. Senator Dwyer moved to Adopt Amendment 25.1355.02002 for SB 2390.
3:33 p.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

3:35 p.m. Senator Dwyer moved to further amend the bill by removing the sentence beginning on line 10 of page four.

3:36 p.m. Senator Burckhard seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

3:38 p.m. Senator Dwyer moved a Do Pass as Amended for SB 2390.

3:38 p.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed. 5-0-0

Senator Dwyer will carry the bill.

3:39 p.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

2/18/25

25.1355.02002
Title.

Prepared by the Legislative Council
staff for Senator Dwyer
February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO 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; 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 ~~5.7. "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 | ~~6.8.7.~~ "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 | ~~7.9.8.~~ "Region" means the area delineated by executive order of the governor.
- 5 | ~~8.10.9.~~ "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 | ~~9.11.10.~~ "Regional council" means the council for comprehensive planning and development
9 | established in each region pursuant to this chapter.
- 10 | ~~10.12.11.~~ "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 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 5. Members of the committee are entitled to be reimbursed for expenses incurred in the
2 performance of their duties, in the same manner as other state officials are
3 reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed
4 by the state of North Dakota, members of the committee are entitled to receive
5 per diem compensation of one hundred thirty-five dollars for each day of attending
6 meetings and performing other duties relating to official business of the committee.

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

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

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

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

3 **Rural catalyst fund.**

4 The rural catalyst fund is a special fund in the state treasury administered by the
5 department. Moneys in the fund must be used for providing grants and for the payment of rural
6 catalyst committee and department ~~administrative travel, per diem, and related~~ expenses
7 incurred related to the rural catalyst program, subject to legislative appropriations. Fifty percent
8 of all monies in the fund not used for ~~administrative travel, per diem, and related~~ expenses must
9 be specifically allocated for distribution to communities with a population of fewer than one
10 thousand. The department may use up to ten percent of funding available in the fund for
11 ~~administrative travel, per diem, and related~~ expenses related to the program. Interest earned on
12 moneys in the fund must be credited to the fund.

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

18 **SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST**
19 **GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the
20 rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or
21 so much of the sum as may be necessary, to the department of commerce for the purpose of
22 the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30,
23 2027. This funding is considered a one-time funding item.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2390
2/19/2025

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; and to provide for a transfer.

4:19 p.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Removing Minority Group Wording and Definition
- Pass Through Grant and Endowment Fund

4:20 p.m. Senator Dwyer introduced the bill and submitted testimony #38101.

4:22 p.m. Senator Dwyer moved amendment LC 25.1355.02003.

4:22 p.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-1-0.

4:23 p.m. Senator Dwyer moved a Do Pass as Amended.

4:23 p.m. Senator Schaible seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	N
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 14-2-0.

Senator Dwyer will carry the bill.

4:28 p.m. Chairman Bekkedahl adjourned the meeting.

Elizabeth Reiten, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2390

Introduced by

Senators Wanzek, Myrdal, Thomas

Representatives Brandenburg, Beltz, Kempenich

(Approved by the Delayed Bills Committee)

2-19-25

Jan 1084

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 ~~5-7. "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 ~~6.8.7.~~ "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 ~~7.9.8.~~ "Region" means the area delineated by executive order of the governor.

5 ~~8.10.9.~~ "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 ~~9.11.10.~~ "Regional council" means the council for comprehensive planning and development
9 established in each region pursuant to this chapter.

10 ~~10.12.11.~~ "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 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.

5. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the committee are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the committee.

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

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

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

404

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

Rural catalyst fund.

The rural catalyst fund is a special fund in the state treasury administered by the department. Moneys in the fund must be used for providing grants and for the payment of rural catalyst committee and department ~~administrative~~ travel, per diem, and related expenses incurred related to the rural catalyst program, subject to legislative appropriations. Fifty percent of all monies in the fund not used for ~~administrative~~ travel, per diem, and related expenses must be specifically allocated for distribution to communities with a population of fewer than one thousand. ~~The department may use up to ten percent of funding available in the fund for administrative expenses related to the program.~~ Interest earned on moneys in the fund must be credited to the fund.

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

SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST GRANT PROGRAM - ONE-TIME FUNDING. There is appropriated out of any moneys in the rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30, 2027. This funding is considered a one-time funding item.

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2390**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.1355.02003](#)) and when so amended, recommends **DO PASS** (14 YEAS, 2 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2390 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2-19-25
Dwyer
25.1355.02003
Title.

Prepared by the Legislative Council
staff for Senator Dwyer
February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO 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; 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 ~~5-7. "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 ~~6-8-7.~~ "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 ~~7-9-8.~~ "Region" means the area delineated by executive order of the governor.

5 ~~8-10-9.~~ "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 ~~9-11-10.~~ "Regional council" means the council for comprehensive planning and development
9 established in each region pursuant to this chapter.

10 ~~40-12-11.~~ "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 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 5. Members of the committee are entitled to be reimbursed for expenses incurred in the
2 performance of their duties, in the same manner as other state officials are
3 reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed
4 by the state of North Dakota, members of the committee are entitled to receive
5 per diem compensation of one hundred thirty-five dollars for each day of attending
6 meetings and performing other duties relating to official business of the committee.

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

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

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

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

3 **Rural catalyst fund.**

4 The rural catalyst fund is a special fund in the state treasury administered by the
5 department. Moneys in the fund must be used for providing grants and for the payment of rural
6 catalyst committee and department ~~administrative~~travel, per diem, and related expenses
7 incurred related to the rural catalyst program, subject to legislative appropriations. Fifty percent
8 of all monies in the fund not used for ~~administrative~~travel, per diem, and related expenses must
9 be specifically allocated for distribution to communities with a population of fewer than one
10 thousand. ~~The department may use up to ten percent of funding available in the fund for~~
11 ~~administrative expenses related to the program.~~ Interest earned on moneys in the fund must be
12 credited to the fund.

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

18 **SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST**
19 **GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the
20 rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or
21 so much of the sum as may be necessary, to the department of commerce for the purpose of
22 the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30,
23 2027. This funding is considered a one-time funding item.

2025 HOUSE POLITICAL SUBDIVISIONS

SB 2390

2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2390
3/13/2025

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 provide an appropriation; and to provide for a transfer.

11:09 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Hager, Hatlestad, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Members Absent: Representatives Davis, Heilman

Discussion Topics:

- Potential allocations of grant program funds
- North Dakota urban development

11:10 a.m. Senator Terry Wanzek, North Dakota Senator for District 29, introduced the bill.

11:20 a.m. Dawn Mandt, Executive Director of the Red River Regional Council, testified in favor and provided testimony #41327.

11:27 a.m. Ellen Huber, Rural Development Director for the North Dakota Association of Rural Electric Cooperatives, testified in favor and provided testimony #41250.

11:34 a.m. Parrell Grossman, Legislative Director of North Dakota Soybean Growers Association, testified in favor and provided testimony #41246.

11:37 a.m. Briselda Herrera, Minot, North Dakota, testified in favor and provided testimony #41177.

11:41 a.m. Sandra Shively, Executive Director of North Dakota Planning Council, testified in favor and provided testimony #41166.

11:44 a.m. Matt Perdue, North Dakota Farmers Union, testified in favor.

11:49 a.m. Lesley Icenogle, North Dakota Corn Growers Association, testified in favor and provided testimony #41150.

Additional written testimony:

Laura Lacher, Executive Director of Economic Development Association of North Dakota, submitted testimony in favor #41100.

Joanna Larson, North Dakota Rancher, submitted testimony in opposition #41204.

Megan Langley, Executive Director of Strengthen ND, submitted neutral testimony #41156.

11:54 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk



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Testimony of Laura Lacher
Economic Development Association of North Dakota
In Support of SB 2390
March 13, 2025

Chairman Longmuir and members of the House Political Subdivisions Committee:

My name is Laura Lacher, I am the executive director of the Economic Development Association of North Dakota (EDND). EDND represents economic development professionals across the state who work to strengthen communities, grow our economy, and improve the quality of life in North Dakota. SB 2390 supports these goals by establishing the Rural Catalyst Committee, a fund to help rural communities invest in important local projects.

Rural communities are the foundation of North Dakota's economy, and investing in their future is critical to keeping our state strong. This program will provide much-needed funding for projects in areas like arts and culture, economic development, education, and health. These investments will help small towns remain vibrant, competitive, and attractive places to live and work.

EDND appreciates the recent efforts to build capacity in rural communities through regional councils. This support is critical because capacity is often the greatest need in project development, helping communities navigate complex funding sources, plan for long-term sustainability, and successfully implement initiatives. However, even with increased capacity, there remains a significant funding gap for getting projects completed. Many rural communities can plan and develop projects but struggle to secure the final dollars necessary to bring them to fruition. SB 2390 helps fill that gap by providing essential funding to move projects across the finish line.

We also appreciate two key provisions in this bill. First, we support the requirement for communities to contribute matching funds. Even a small match shows local buy-in and commitment, ensuring that communities are engaged in their own success. Encouraging local investment also helps attract additional funding and partnerships.

Second, we support the population eligibility threshold of 8,500 residents. North Dakota has 355 cities, but only nine have more than 8,500 people. This program ensures that rural communities of all sizes have access to resources that support growth, opportunity, and a strong quality of life.

SB 2390 is an important step in strengthening rural North Dakota. The Rural Catalyst Grant Program will help communities improve quality of life, attract and retain workforce, and create new economic opportunities. EDND urges the committee to give this bill a “Do Pass” recommendation.

Thank you for your time and consideration.



In Favor of SB 2390
House Political Subdivisions
March 13, 2025

Chairman Longmuir and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2390.

SB 2390 seeks to improve the quality of life in rural communities where our members live and work. NDCGA supports efforts to attract and retain workforce, a critical need for North Dakota's agriculture economy.

We urge a Do Pass recommendation on SB 2390 to build strong communities in rural North Dakota. Thank you for your consideration, and I am happy to answer any questions.

Testimony on SB 2390 and SB 2097**Submitted to House Political Subdivisions Committee****March 13, 2025****Megan Langley**

Chair Longmuir and members of the committee, thank you for the opportunity to provide testimony today. I am submitting this testimony to clarify the distinctions between SB 2390 and SB 2097, as there was some confusion in the previous hearing on SB 2097 where SB 2390 was referenced. My intent is to provide an objective comparison to ensure an accurate understanding of both pieces of legislation.

Overview of SB 2390

SB 2390 establishes the **Rural Catalyst Committee** and the **Rural Catalyst Grant Program** to provide financial support for quality-of-life improvement projects in rural communities. This bill creates a \$5 million **Rural Catalyst Fund**, funded through a transfer from the Strategic Investment and Improvements Fund, and is administered by the **North Dakota Department of Commerce**.

Key aspects of SB 2390 include:

- **Grant Eligibility:** Projects must address critical needs in arts and culture, economic and community development, education, health and wellness, or rural grocery store preservation.
- **Funding Structure:** A one-time \$5 million appropriation for grants, with a maximum award of \$500,000 per project.
- **Matching Requirement:** Recipients must provide a **1:2 match** (one dollar from non-state sources for every two dollars from the fund).
- **Governance:** Grants are reviewed by the **Rural Catalyst Committee**, which consists of representatives from regional councils, the legislature, the governor's office, and the Department of Commerce.
- **Geographic Distribution:** At least 50% of funds must be allocated to communities under 1,000 in population.

Overview of SB 2097

SB 2097 establishes the **Rural Community Endowment Fund**, a **permanent endowment** designed to support the long-term viability, independence, and sustainability of communities under 1,000 in population. Initially introduced as a \$50 million endowment with \$5 million available for immediate grants, the bill has been amended to a **\$5 million endowment fund without immediate disbursement**.

Key aspects of SB 2097 include:

- **Grant Eligibility:** Communities under 1,000 in population for projects that enhance long-term prosperity, independence, safety, health, and overall quality of life. Priority is given to initiatives that create sustainable local economies, strengthen infrastructure, and support workforce development.
- **Funding Structure: Endowment model,** where principal is invested, and only interest earnings are distributed as grants.
- **No Matching Requirement:** Unlike SB 2390, there is no match required for communities to access funds.
- **Governance:** Administered by a **state-appointed Rural Community Endowment Fund Committee**, consisting of the commissioner, nine rural community representatives, and a nonprofit entity dedicated to rural development.
- **Long-Term Sustainability:** Designed to provide **perpetual funding** through investment earnings, ensuring that rural communities have ongoing financial support to address evolving needs over time.

Key Differences Between SB 2390 and SB 2097

1. **Approach to Funding:**
 - **SB 2390** is a short-term grant program with a single \$5 million appropriation.
 - **SB 2097** is a permanent endowment that grows over time, generating continuous funding.
2. **Grantmaking Process:**
 - **SB 2390** distributes grants immediately based on project proposals.
 - **SB 2097** distributes grants based on investment earnings, ensuring ongoing financial support.
3. **Matching Funds:**
 - **SB 2390** requires a **1:2 match** from non-state sources.
 - **SB 2097** does not require matching funds.
4. **Governance:**
 - **SB 2390** grants are reviewed by the **Rural Catalyst Committee**.
 - **SB 2097** is managed by a **state-appointed Rural Community Endowment Fund Committee** with oversight for long-term impact.
5. **Community Focus:**
 - **SB 2390** funds projects in communities up to **8,500** in population, with 50% reserved for towns under **1,000**.
 - **SB 2097** was designed by rural community members and is **exclusively for communities under 1,000** in population. Over 100 communities have signed on to support this funding strategy.

Clarification on Confusion from SB 2097's Hearing

During SB 2097's hearing, references to SB 2390 may have led to misunderstandings about the intent and structure of these two bills. While both seek to enhance rural development, they do so in fundamentally different ways, including the intended grantmaking strategy, as SB 2097 is geared for a permanent time horizon.

- **SB 2390** is a **short-term catalyst fund** designed to provide **one-time grants** for rural projects.
- **SB 2097** is a **long-term endowment fund** designed to provide **perpetual financial support** for rural communities.

By clarifying these distinctions, I hope to ensure that the committee and stakeholders have a clear understanding of each bill's purpose and structure. Thank you for your time and consideration. I am happy to answer any questions the committee may have.

Respectfully submitted,

Megan Langley
Executive Director
Strengthen ND
(701) 303-0840
megan@strengthennd.com



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March 12, 2025

RE: Support for SB 2390

Representative Longmuir and members of the Political Subdivisions Committee:

On behalf of the North Central Planning Council (NCPC), the ND Region 3 planning and development council, I want to express support for SB 2390.

North Dakota Region 3 includes six counties: Benson, Cavalier, Eddy, Ramsey, Rolette, and Towner and two reservations, Spirit Lake Nation and Turtle Mountain Band of Chippewa. There are 42 cities in Region 3, of which 36 have populations under 1000. All these communities would be eligible to apply to the Rural Catalyst Grant Program and benefit for the opportunities it could provide in art and culture, community and economic development, education, and health and wellness.

There are three communities in Region 3 with populations just over 1,000 people including Rolla with 1,223, Cando with 1,117, and New Rockford 1,361. These are the population centers for their respective counties with services such as clinics, hospitals, dentists, grocery stores and support our agriculture industry. These communities could benefit from the Rural Catalyst Grant Program if the population limit were increased to 1,500.

In a recent survey by the Regional Councils projects identified in Region 3 include a new grocery store in the closed Edmore school, handicapped accessible playground/park equipment in Crary, a new ambulance for the Leeds Ambulance Association, rehabilitating a historic building on main street Rolla for retail space and housing, and repurposing a vacant building in New Rockford into a community building for offices, retail space and meeting space. Multiple communities have a need for childcare expansion, road improvements, replacing aging sewer lines, and pool improvements. Other items include rebuilding an outdoor theater, splashpads, community centers and a business incubator.

The Rural Catalyst Grant Program will remove the barrier of competition against larger cities and provide opportunities to the very small rural towns.

Thank you for your consideration and support for **SB 2390**.

Sandy Shively
Executive Director
sandyncpc@gondtc.com

Testimony of Briselda Hernandez Herrera in support of SB 2390
To the House Political Subdivisions
Thursday, March 13, 2025

Chairman Longmuir, Vice Chairman Fegley, and Committee Members,

My name is Briselda Hernandez Herrera, and I am the Executive Director of Souris Basin Planning Council (SBPC). SBPC serves a seven-county region comprised of Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, and Ward counties.

I come before you today in support of SB 2390 with an amendment.

First, I would like to acknowledge and express gratitude for the support and advocacy that rural communities have received during this legislative session. **Last month, the House passed [HB 1524](#) which allocates funding to regional councils.** With fewer than half of North Dakota's counties having local economic development organizations and only 19 small towns employing part- or full-time development staff, **this bill is an important step toward strengthening rural capacity.**

While HB 1524 is intended to provide the "people power" needed to develop and implement community and economic development projects, **SB 2390 will ensure the necessary funding is available to bring these projects to life.** SB 2390 is designed to benefit rural communities with populations of **up to 8,500** that may not qualify for other programs and/or that need additional funding support. A population of 8,500 will ensure that communities like Bottineau, New Town, Rugby, Stanley, Surrey, and Velva have access to this funding. Additionally, SB 2390 **encourages collaboration among communities and organizations** by involving regional councils in the process.

I recommend the following amendment to SB 2390 – Fifty percent of all monies in the fund not used for travel, per diem, and related expenses must be specifically allocated for distribution to communities with a population of fewer than one thousand five hundred. This will include 20 additional communities (Garrison, Mapleton, Surrey, Bowman, Park River, New Rockford, Burlington, Washburn, Larimore, Cavalier, Rolla, Ellendale, Thompson, Cando, Velva, Linton, Hettinger, Crosby, New Salem, Kindred).

Thank you for your time and consideration.

Briselda Hernandez Herrera
briselda@sourisbasin.org
701.712.7308

Lawmakers' discussion around SB 2390 (Rural Catalyst) must include discussion of SB 2097 (Rural Endowment). I think it is helpful to speak of both bills here in explaining my opposition to SB 2390.

Does the ND legislature still care about rural folks? SB 2097 vs SB 2390

Why do our Class B graduates keep moving to the cities? Housing crisis, lack of childcare, and outdated infrastructure among other things. Two bills are being considered. SB 2097 provides a solution: a Rural Endowment Fund where interest would provide competitive grants for housing, childcare, infrastructure repairs, and more in towns with under 1000 residents. The resident threshold is key because previous state grants have forced volunteer-led communities to compete against cities with professional grant writers. The reality has been small towns that work to hold onto their schools like Maddock, Oberon, Fessenden, Munich, and Napoleon competing against thriving college towns like Wahpeton or Devils Lake! (note all these communities are under 8500)

In contrast, SB 2390 looks good on the surface, but has major issues that rural folks understand. First, it raises the population criteria to include cities up to 8,500 people. Secondly, **ongoing projects will be prioritized, and matching funds will be required**. So, if your small community didn't have the money to start a project in the first place, then tough luck! Defending the matching requirement, supporters of SB 2390 want our community volunteers to "prove they have skin in the game". Really? We live out here, what more do we have to prove? Simply put, SB 2390 is not a good bill. It isn't an endowment, so the money would dry up in two years, creating uncertainty for potential grantees and a future strain on taxpayers.

Rural folks keep our communities going, while driving the ag and energy industries, and sending our best and brightest to fuel the workforce in the cities. All we ask is for our share in the wealth that we helped generate for our State. The legislature needs to increase the investment in SB 2097 and pass it as originally written.

SB 2390 is not the right answer for our truly small and rural towns. You will notice that larger cities are the ones that support SB 2390 in testimony, and yes it may be good for them! But the fact is they have paid community development people, and an exponentially larger tax base to support projects. They can even pay mileage for people to come testify in person. There must be a way for you to see that our smaller towns need SB 2097. As a community volunteer, I know how urgent the needs in our smallest communities are. I also know how much opportunity there is to make meaningful changes for relatively little investment per community. My town has demonstrated this! If you pass SB 2390, and also shelve or severely underfund SB 2097, it will prove that ND has abandoned our smallest communities and can't claim to have rural values anymore.

Kill SB 2390. Pass SB 2097 unamended.

Submitted by Joanna Larson, Sheyenne ND, 3/12/2025



ENGROSSED SENATE BILL NO. 2390
HOUSE POLITICAL SUBDIVISIONS COMMITTEE
DONALD W. LONGMUIR, CHAIR
TESTIMONY IN SUPPORT OF ENGROSSED SENATE BILL 2390
MARCH 13, 2025

Chairman Longmuir and members of the House Political Subdivisions Committee. I am Parrell Grossman, and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear on behalf of the Association in support of Engrossed Senate Bill 2390, with amendments.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota farmers planted 6.6 million acres of soybeans, producing over 245 million bushels of soybeans in North Dakota.

This legislation is hugely important for all of rural North Dakota and its residents. The grant funding provided in Section 3 of the engrossed bill for projects that will address a critical need in the areas of art and culture, community and economic development, education, health and wellness, *et cetera* will be hugely beneficial to quality of life in rural North Dakota.

The Association likes the governance in Section 2 of the Bill. The Association has significant confidence in the membership of this committee, and maintains this committee will exercise good judgment, be transparent, and hold all grantees accountable.

For example, regional planning councils will have a significant role in this program. The Association is a strong supporter of the eight regional planning councils. They have an established track record and are effective for rural North Dakota in so many projects and aspects. and they perform unique work and serve an important and effective role for rural North Dakota. These councils leverage a small amount of funds to assist communities, townships, and counties with many projects. They will continue to do so with these funds for the specified and approved purposes provided in this legislation.

Further, the Association believes that in awarding and supervising these grants for the authorized purposes, the Committee will improve and strengthen these communities in a manner that will result in supporting and strengthening agriculture. These rural communities have a symbiotic relationship with farmers, ranchers and their families.

There have been suggestions of combining the best parts of each of Senate Bill Nos. 2097 and 2390. We are aware that there may be efforts to combine the Bills and we have not had the opportunity to learn more. Certainly, we are open to that possibility and process.

In the meantime, the Association respectfully asks this Committee to approve this legislation for the reasons explained and amend it to the original request of \$30 million. Or, at a minimum, an amount much higher than the \$5 million approved by the Senate. That sum will be spread too thin to accomplish the important objectives of this Bill, or the other Bill, 2097.

Mr. Chairman and members of the Committee, for these reasons, the Association respectfully asks the House Political Subdivisions Committee to give Engrossed Senate Bill 2390 a “Do Pass” recommendation with amendments.

Thank you for your consideration and I will try and answer any questions.



North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727



ND
Living

Phone: 701.663.6501 or 800.234.0518
Fax: 701.663.3745 www.ndarec.com

March 13, 2025

To: North Dakota House Political Subdivisions Committee

From: Ellen Huber, NDAREC Rural Development Director

RE: **Support of Senate Bill 2390**

Chairman Longmuir and members of the House Political Subdivisions Committee,

On behalf of the North Dakota Association of Rural Electric Cooperatives (NDAREC) and our members, I share our support for Senate Bill 2390 to create a rural catalyst committee and grant program. We view this proposal as an important investment in rural development, small towns and small businesses.

For 30-plus years, our state association has operated a Rural Development Center to power grassroots efforts with development experience and resources to assure quality of life in North Dakota's communities. Specialty areas of focus for initiatives and projects include rural emergency services, health care, childcare, grocery and local food access, meat processing, and quality of life amenities.

This impactful work is made possible through support from North Dakota's electric and broadband cooperatives, the Broadband Association of North Dakota (BAND), and a USDA Rural Cooperative Development Grant. Elected board members and staff from these co-ops guide our work. Electric and broadband cooperatives, NDAREC and BAND are also members of the Rural Development Finance Corporation (RDFC), which helps finance the implementation of many initiatives for community, co-op, small business and non-profit organizations with low-interest loans and grants.

A philanthropic organization also contracts with NDAREC to facilitate applications that assist rural community, nonprofit or cooperative-based projects serving low to moderate income persons. The organization is a grantor of last resort for projects with a funding gap that show evidence of community financial support and fundraising.

With this toolkit of support for rural development, we've had much success. Yet the 76 projects on our active tracking list demonstrate the needs in small towns outweigh the means. There's plenty of work to be done and we need many hand to accomplish it.

The NDAREC also submitted written testimony in support of Senate Bill 2097, which proposes a rural endowment. We favor combining the best features of each bill into one piece of legislation. The ceiling for SB2097 is a population of 1,000. SB2390 requires that at least 50% of funding after expenses to be allocated to communities under population 1,000. With either bill, increasing this population threshold to 1,500 could offer help to 20 more communities.

Having representation on a rural catalyst committee from regional councils helps assure geographic representation across our state with knowledge of each region's unique and diverse needs. Regional councils are trusted partners in economic and community development. We frequently collaborate to help a community, organization or business with grants and financing.

A challenge or matching format assures some "skin the in the game" from the local community, that the idea for which grant funding is being sought is embraced and supported by the residents.

In conclusion, the proposed catalyst fund is a strategic investment in small towns that provide essential services to people producing our food and energy.

NDAREC asks for a "Do Pass" recommendation on SB2390.



Chase Building
516 Cooper Avenue, Suite 101
Grafton, ND 58237
T: 701.352.3550
www.redriverrc.com

Testimony of Dawn Mandt in support of SB 2390

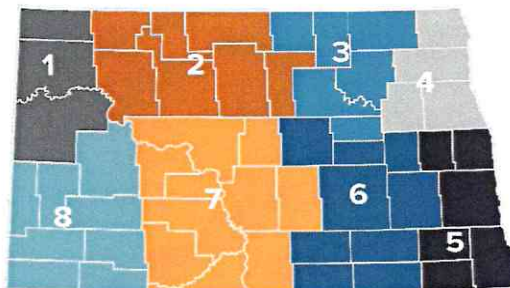
To the House Political Subdivisions Committee

Thursday, March 13, 2025

Chairman Longmuir and Committee Members,

Hi, my name is Dawn Mandt, and I'm the Executive Director of the Red River Regional Council in Grafton. Our team serves four counties in the northeast corner of North Dakota known as Region 4. There are eight regions in the state.

I'm here to discuss the need for flexible funding to support quality-of-life projects in North Dakota's small towns.



Small Town Quality of Life Needs

The ND Association of Regional Councils recently conducted a statewide survey on quality of life project needs. There were 81 communities that responded identifying 193 specific projects with a total cost exceeding \$305 million. With projects ranging in size from \$5,000 to \$50,000,000.

These projects include:

- **Arts & Culture:** Theater renovations, large-scale murals, town squares, and outdoor gathering spaces.
- **Health & Wellness:** Recreation centers, ice rinks, and community gardens.
- **Economic Development:** Upgrading equipment for small businesses, renovating vacant buildings, and creating business incubators.
- **Childcare:** Expanding or constructing childcare facilities.
- **Community Development:** Repairs to community centers, libraries, and fire halls.
- **Parks & Recreation:** New pickleball courts, campgrounds, picnic shelters, walking trails, and swimming pools.

Why is this Needed?

Many of these projects struggle to secure traditional funding for capital projects. For example for parks and recreation in small towns have significant financial constraints.

- The tax mill value in Grafton (population 4,200) is around \$10,282 per mill, compared to nearly \$300,000 in Grand Forks and over \$700,000 in Fargo.
- Additionally, construction costs in rural areas can be 20% or 30% than in larger cities, making project costs a barrier to completion. Many rural counties have lost licensed contractors.
- Even further, rural residents travel to the larger cities as retail and entertainment hubs and contribute upwards of 50% of the sales tax revenues – providing additional resources to build the very quality of life amenities they lack in their hometowns.

Linking Leaders with Professional Expertise

Experience tells us that these communities will need assistance with these projects from the **Regional Councils. We are experts in project and funding development.** Over the past five years, we have helped businesses, communities, nonprofits, and volunteers **secure funding 1,410 times and securing over \$365 million.** These councils, established in the 1970s for cohesive and orderly development of the state, regularly update economic strategies based on data and community input.

Match Requirement

SB 2390 also includes a **matching funds component**, where every \$1 raised in nonstate funds could be matched with \$2 from the program. This encourages local investment and allows in-kind contributions, such as donated labor or equipment, with the possibility of waiving the match in some cases. This is a prudent requirement that ensures the community buy in and support for the proposed projects as well as builds local capacity.

Community Size

The Senate amended the bill to allocate half of the funding to communities under 1,000 people. We **recommend raising this threshold to 1,500**, recognizing that towns slightly over 1,000 serve as critical service hubs for even smaller rural communities.

I urge your support for SB 2390, emphasizing its potential to enhance the quality of life and ensure the sustainability of North Dakota's rural communities.

Thank you for your time and support of rural North Dakota.

Dawn Mandt

dawn@redriverrc.com

701-520-0487



ASSOCIATION
OF REGIONAL COUNCILS

Small Town Quality of Life Survey Comments

“

Expand our existing health and fitness facility to improve accessibility and functionality, replace other aging structures, and provide essential space for our volunteer-led fire and ambulance services, city offices, additional office spaces and 3 to 5 motel rooms, supporting economic growth.

Dawn Flaten
Hope Development Corp.

“This has been an issue in Ellendale for a long time and there is not an active daycare in the community to address the concerns. We are actively sourcing grants and other means of funding to assist.”

Andrea Mireles
Ellendale

“Our community center, which has the daycare center and several businesses in it, is in desperate need of a new heating system.”

Keith Burt, Mayor
City of Tolna

Park, playground, and sport field improvements. These would make the ball-fields and park more user-friendly as our community has increased in size significantly and more children in our community than ever before. (\$25,000)

Tasha Pond
City of Amenia

“

Improvements and updates to the Sherwood City Gym/Fitness Area. This facility is important to the entire community, and surrounding area. The project would promote positive health and wellness, and impact community development.

Kristy Titus
City of Sherwood

”



small town voices

—”

Convert a former parochial elementary school building into six apartment units with variety of sizes.

Bob Wurt
Hankinson CDC

—”

“Remove delapidated buildings in the business district. The cost of removal and the price of rebuilding is beyond the ability of a small-town business owner and the city doesn't have the funding on its own.

Eric Hoberg
Napoleon
Logan County JDA

“

“It is vital for our community to have a grocery store - need a roof, flooring, signage and equipment.”

Kari Enget
City of Powers Lake

“MULTI-FAMILY HOUSING IS NEEDED.”

Carol Peterson
Milnor

“We want to start a grocery store in the former Edmore School Building.”

Sharon Blekestad
City of Edmore



ASSOCIATION
OF REGIONAL COUNCILS

INTRODUCTION

The North Dakota Association of Regional Councils conducted a statewide survey of communities with populations under 8,500 to develop a list of quality of life improvement projects and estimated costs to support the need for flexible rural funding. The survey was conducted February 25 to March 4, 2025.

There were responses from 81 communities with 193 project proposals.

Projects ranged in size from \$5,000 to \$50 million. The total estimated costs are \$305 million.

TYPES OF PROPOSED PROJECTS

Arts and Culture

- Historic place renovation
- Museum renovation, restoration
- Indoor and outdoor theater improvements
- Large scale murals
- Cultural and historical interpretive signage, maps, walking paths
- Outdoor gathering spaces
- Education and meeting center at historical society
- Community signage
- ADA improvements in historic buildings
- Rebuild historic theater
- Build town square
- Statue renovations

Economic Development

- Building conversions for business growth
- Business incubators, business development space, office rentals, retail space
- Shared-Use commercial kitchen
- Equipment upgrades in food places
- Renovate vacant buildings to make way for new business
- Extend natural gas to other side of interstate to enable new housing, commercial and industrial growth

Childcare

- Renovate existing space
- Build addition
- Developing childcare solutions and build new facilities

Community Development

- Renovate community center, new HVAC system, handicap accessibility, building repairs, new roof
- Build new fire hall
- Renovate laundromat
- Renovate bowling alley
- Build gym
- Community gardens
- Create new community centers/gathering spaces
- New city hall/community center, ADA, new kitchen
- Facelift to downtown
- Create green space downtown
- Create storywalks along bike paths
- Renovate library
- Install pavers or cement for community events

Health and Wellness

- New diagnostic lab equipment
- Building repairs and renovations on community center
- Community gardens
- New community recreation/wellness center, indoor ice rink, fitness center, walking paths
- Obstetrics wing renovation
- Indoor aquatics and wellness center
- Building new cancer and birthing center

Housing

- Renovate old buildings
- New apartments, townhomes, and houses
- Infrastructure to support new housing
- Rental housing
- Single family homes

Infrastructure

- Water mains
- Replace sewer infrastructure, repair lagoon and lift stations
- Seal coat streets, street improvements
- Emergency generators
- Sidewalks
- New city shed
- Surface water drainage
- Water towers, water leakage

Parks and Recreation

- Pickleball and tennis courts
- Ice rinks - indoor and outdoor
- Campgrounds - new, expansion, renovation
- Swimming pools and splash pads
- Walking trails and bike paths
- Playground equipment including ADA
- Park improvements
- Dredge lake
- New baseball and softball complex
- New picnic shelters
- Safe walking paths
- Skate park
- New pier at city pond

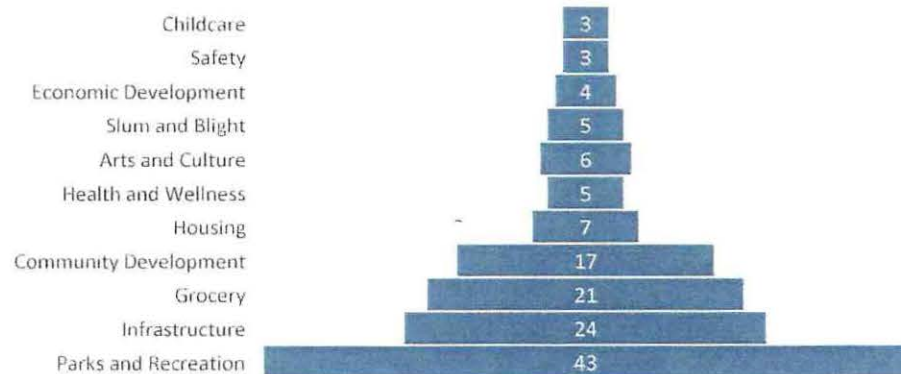
City	Population	City	Population
Abercrombie	258	Leal	24
Almont	98	Leeds	423
Amenia	84	Lidgerwood	593
Beach	972	Lignite	136
Cleveland	61	Litchville	165
Colfax	202	Ludden	17
Columbus	131	McVille	379
Cooperstown	961	Medina	265
Crary	112	Michigan	259
Crystal	111	Milnor	614
Dazey	75	Minnewaukan	187
Drake	277	Minto	609
Dunseith	611	Mohall	689
Edinburg	194	Napoleon	745
Edmore	138	Neché	388
Enderlin	856	Northwood	950
Esmond	88	Oriska	108
Fingal	90	Pekin	72
Finley	391	Peterburg	159
Fordville	202	Powers Lake	375
Forest River	111	Rolette	462
Gilby	240	Rutland	160
Glenburn	403	Sherwood	189
Glenfield	95	St. John	313
Hankinson	918	St. Thomas	312
Harwood	827	Tolna	131
Hoople	244	Walhalla	880
Hope	277	Wing	131
Kulm	366	Wishek	841
Lakota	685	Wyndmere	448
Lankin	103		

Total Project List:

\$63.7 million

Under 1,000 People: 138 Projects in 60 cities

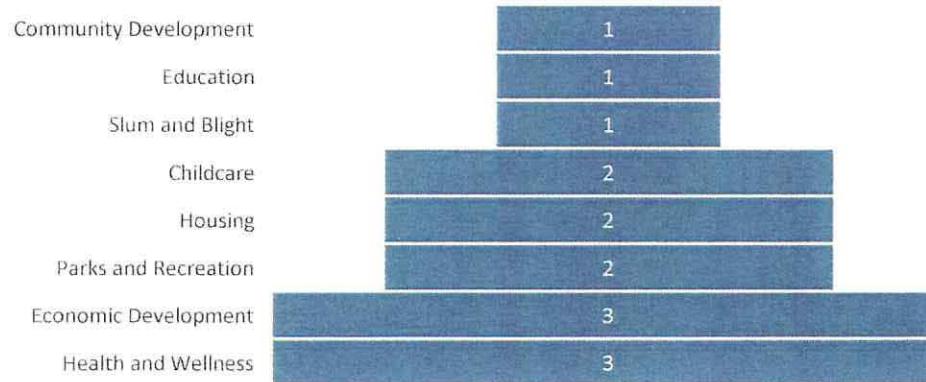
Cost Range: \$5,000 to \$6 million



Total Project List: \$119.5 million

City	Population
Devils Lake	7,135
Valley City	6,551
Wahpeton	8,000
Watford City	6,020

Population: 5,000 to 8,500
 15 Projects from 4 cities
 Cost Range: \$500,000 to \$50,000,000



2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2390
3/28/2025

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 provide an appropriation; and to provide for a transfer.

9:37 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Representatives Bolinske, Hager, Hatlestad, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Members Absent: Vice-Chair Jonas, Representatives Davis, Heilman

Discussion Topics:

- Permanent members on regional planning councils
- Other North Dakota state funds
- Determination of city populations

9:40 a.m. Chairman Longmuir recessed the meeting.

9:47 a.m. Chairman Longmuir reconvened the meeting.

9:48 a.m. Representative Motschenbacher proposed an Amendment, testimony #44371.

9:51 a.m. Matt Perdue, North Dakota Farmers Union, answered committee questions.

10:18 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk

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.

2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2390
4/3/2025

Relating to definitions for regional planning councils; to provide an appropriation; and to provide for a transfer.

10:27 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Davis, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Discussion Topics:

- Committee action

10:29 a.m. Representative Motschenbacher proposed Amendment LC: 25.1355.03001, testimony #44622.

10:32 a.m. Representative Warrey moved to Amend LC: 25.1355.03001, testimony #44622.

10:32 a.m. Representative Hatlestad seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	Y
Representative Macy Bolinske	Y
Representative Jayme Davis	N
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	Y
Representative Jonathan Warrey	Y

10:33 a.m. Motion passed 12-1-0

10:33 a.m. Representative Ostlie moved a Do Pass as Amended and rerefer to Appropriations.

10:34 a.m. Representative Hatlestad seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	Y
Representative Macy Bolinske	N
Representative Jayme Davis	N
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	N
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	N
Representative Jonathan Warrey	Y

10:36 a.m. Motion passed 8-5-0

10:37 a.m. Representative Ostlie will carry the bill.

10:39 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

VC 4/3/25
1 of 5

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 10-11. "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.

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

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

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

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

**REPORT OF STANDING COMMITTEE
REENGROSSED SB 2390**

Political Subdivisions Committee (Rep. Longmuir, Chairman) recommends **AMENDMENTS** ([25.1355.03001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (8 YEAS, 5 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed SB 2390 was placed on the Sixth order on the calendar.

25.1355.03001
Title.

Prepared by the Legislative Council
staff for Representative
Motschenbacher
March 28, 2025

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 ~~10-11.~~ "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.~~

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

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

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

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

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

Rural catalyst fund.

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

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO 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 is considered a one-time funding item.

2025 HOUSE APPROPRIATIONS

SB 2390

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2390
4/7/2025

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 provide an appropriation; and to provide for a transfer.

10:52 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members absent: Vice Chairman Kempenich, Representatives: Mitskog, J. Nelson

Discussion Topics:

- Economic Development in Rural Communities

10:52 a.m. Representative Longmuir introduced the bill.

10:59 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2390
4/11/2025

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 provide an appropriation; and to provide for a transfer.

9:39 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Committee Action

9:53 a.m. Representative J. Nelson moved to Amend Section 3, line 28 to 3000 population.

9:54 a.m. Representative Monson seconded the motion.

9:55 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:55 a.m. Motion passed 23-0-0.

9:56 a.m. Representative J. Nelson moved Do Pass as amended.

9:56 a.m. Representative Mitskog seconded the motion.

9:58 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

9:58 a.m. Motion passed 23-0-0.

9:58 a.m. Representative Mitskog will carry the bill.

10:00 a.m. Chairman Vigesaa adjourned the meeting.

Krystal Eberle, Committee Clerk

April 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

VC 4/11/25
1 of 5

REENGROSSED SENATE BILL NO. 2390

Introduced by

Senators Wanzek, Myrdal, Thomas

Representatives Brandenburg, Beltz, Kempenich

(Approved by the Delayed Bills Committee)

In place of the amendments (25.1355.03001) adopted by the House, Engrossed Senate Bill No. 2390 is amended by amendment (25.1355.03002) as follows:

- 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~~

1 opportunities because of sex, race, creed, color, religion, national origin, or low
2 income.

3 ~~6-7.~~ "Organized local development corporation" means any group organized for the
4 purpose of promoting economic development which has filed for incorporation as such
5 with the secretary of state.

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

7 ~~8-9.~~ "Regional comprehensive plan" means a long-range guide for the economic, physical,
8 and social development of a region which identifies regional goals, objectives, and
9 opportunities and embodies the policies of the regional council.

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

12 ~~10-11.~~ "Units of general local government" means cities, counties, and organized townships.

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

15 **Rural catalyst committee - Membership - Meetings.**

16 1. The rural catalyst committee is created to assist communities in the state with quality
17 of life improvement and economic development projects to strengthen existing
18 community systems, organizations, and individuals in partnership with each regional
19 council. The committee includes:

20 a. Two individuals One individual from each regional council, appointed by the
21 executive boards of the regional councils;

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

25 c. One member of the legislative assembly, appointed by the chairman of legislative
26 management;

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

28 d.e. The commissioner or a designee appointed by the commissioner.

29 2. The governor and the commissioner are permanent members of the committee. The
30 term of office of the remaining members is four years. Members may be appointed to

1 additional terms. The governor, or the governor's designee, shall serve as chairman of
2 the committee. The chairman of the committee shall select a vice chairman.

3 3. The committee shall meet at least semiannually to ~~consider~~review and approve grant
4 ~~recommendations from the department and award grant requests as part of the rural~~
5 ~~catalyst grant program~~applications. The committee shall prioritize ~~awarding funding for~~
6 ~~existing community projects that need additional funding to reach project~~
7 ~~completion~~projects that support rural prosperity and quality of life enhancements.

8 4. The committee shall develop guidelines for the rural catalyst grant program, including
9 eligibility criteria and reporting and matching requirements. Grant recipients must
10 provide at least one dollar of matching funds from nonstate sources for every
11 one dollar provided from the rural catalyst fund. The committee may consider
12 matching funds in the form of cash or in-kind contributions.

13 5. The department shall provide administrative support to the committee as needed.

14 5.6. Members of the committee are entitled to be reimbursed for expenses incurred in the
15 performance of their duties, in the same manner as other state officials are
16 reimbursed, according to sections 44-08-04 and 54-06-09, to be paid by the state
17 agency employing the member. A member of the committee who is a member of the
18 legislative assembly is entitled to receive reimbursement for allowable travel expenses
19 and compensation at the rate provided under section 54-35-10 for each day the
20 member performs official duties of the committee, to be paid by the legislative council.
21 If not otherwise employed by the state of North Dakota, members of the committee are
22 entitled to receive ~~per diem~~ compensation of one hundred thirty-five dollars for each
23 day of attending meetings and performing other duties relating to official business of
24 the committee, to be paid by the department.

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

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

29 1. The department ~~of commerce~~ shall administer the rural catalyst grant program to
30 support quality of life improvement and economic development projects for rural

communities in the state ~~and provide grant award recommendations to the rural catalyst committee.~~

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

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

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

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

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

Rural catalyst fund.

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

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

5 **SECTION 6. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL CATALYST**
6 **GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the
7 rural catalyst fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or
8 so much of the sum as may be necessary, to the department of commerce for the purpose of
9 the rural catalyst grant program, for the biennium beginning July 1, 2025, and ending June 30,
10 2027. ~~This funding~~ The appropriation in this section is considered a one-time funding item.

**REPORT OF STANDING COMMITTEE
REENGROSSED AND AMENDED SB 2390**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.1355.03002](#)) and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed SB 2390, as amended, was placed on the Sixth order on the calendar.

2025 CONFERENCE COMMITTEE

SB 2390

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2390

4/25/2025

Conference Committee

A bill relating to a rural catalyst committee, grant program, and fund; and relating to definitions for regional planning councils; to provide and appropriation; and to provide for a transfer.

10:30 a.m. Chairman Dwyer called the meeting to order.

Members present: Chairman Dwyer, Senator Luick, Senator Magrum, Representative Louser, Representative Fisher, Representative Longmuir,

Discussion Topics:

- Changes in the House
- Economic development projects
- Matching funds
- In kind contributions
- Department of Commerce
- Grant recommendations
- Art and culture removal
- Population changes
- Population increases
- Three additional communities
- Restriction on limits
- Construction costs
- Rural Development money and funding conflicts
- Committee makeup

10:30 a.m. Chairman Dwyer led the discussion.

10:44 a.m. Matthew Purdue, ND Farmers Union, answered the committee's question.

10:51 a.m. Senator Luick moved to adopt an amendment increasing the population ceiling to 4,500 people per town.

10:52 a.m. Senator Magrum seconded the motion.

10:52 a.m. Roll Call Vote on Amendment - Motion passed - 6-0-0.

10:52 a.m. Chairman Dwyer adjourned the meeting.

Audrey Oswald, Committee Clerk

SB 2390 042525 1053 AM Roll Call Vote

Amendment

SB 2390

Date Submitted: April 25, 2025, 10:53 a.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Luick, Larry

Seconded By: Magrum, Jeffery J.

Emergency Clause: None

Vote Results: 6 - 0 - 0

Description: 3,000 to 4,500 population

Sen. Dwyer, Michael	Yea
Sen. Magrum, Jeffery J.	Yea
Sen. Luick, Larry	Yea
Rep. Louser, Scott	Yea
Rep. Fisher, Jay	Yea
Rep. Longmuir, Donald W.	Yea

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2390

4/28/2025

Conference Committee

A bill relating to a rural catalyst committee, grant program, and fund; and relating to definitions for regional planning councils; to provide an appropriation; and to provide for a transfer.

3:01 p.m. Chairman Dwyer called the meeting to order.

Members present: Chairman Dwyer, Senator Luick, Senator Magrum, Representative Fisher, Representative Louser, Representative Longmuir

Discussion Topics:

- Reduction of funds
- Necessity for funding
- Needs vs wants
- Food desert solutions
- Department of Commerce
- Program Initiation
- Committee action

3:01 p.m. Chairman Dwyer led the discussion.

3:07 p.m. Chairman Dwyer recessed the meeting.

3:10 p.m. Chairman Dwyer reconvened the meeting.

3:10 p.m. Representative Longmuir moved to further adopt an amendment reducing the funding from 5 million dollars to 2.5 million dollars.

3:10 p.m. Senator Luick seconded the motion.

3:11 p.m. Roll call vote on Amendment - Motion passed - 6-0-0.

3:11 p.m. Senator Luick moved amendment LC#25.1355.03003 in place of amendment LC#25.1355.03002.

3:11 p.m. Representative Fisher seconded the motion.

3:12 p.m. Roll Call Vote - Motion Passed - 6-0-0.

Senator Dwyer will carry the bill for the Senate.

Representative Louser will carry the bill for the House.

3:12 p.m. Chairman Dwyer adjourned the meeting.

Audrey Oswald, Committee Clerk

April 28, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

4/28/25 VC
1 of 5

REENGROSSED SENATE BILL NO. 2390

Introduced by

Senators Wanzek, Myrdal, Thomas

Representatives Brandenburg, Beltz, Kempenich

(Approved by the Delayed Bills Committee)

In place of amendment (25.1355.03002) adopted by the House, Engrossed Senate Bill No. 2390 is amended by amendment (25.1355.03003) as follows:

- 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.~~

6-7. "Organized local development corporation" means any group organized for the purpose of promoting economic development which has filed for incorporation as such with the secretary of state.

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

8-9. "Regional comprehensive plan" means a long-range guide for the economic, physical, and social development of a region which identifies regional goals, objectives, and opportunities and embodies the policies of the regional council.

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

10-11. "Units of general local government" means cities, counties, and organized townships.

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

Rural catalyst committee - Membership - Meetings.

1. The rural catalyst committee is created to assist communities in the state with quality of life improvement and economic development projects to strengthen existing community systems, organizations, and individuals in partnership with each regional council. The committee includes:

a. Two individualsOne individual from each regional council, appointed by the executive boards of the regional councils;

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

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

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

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

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

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

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

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

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

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

Rural catalyst fund.

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

SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO RURAL CATALYST FUND. The office of management and budget shall transfer

1 | \$5,000,000 \$2,500,000 from the strategic investment and improvements fund to the rural
2 | catalyst fund during the 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
6 | \$5,000,000 \$2,500,000, or so much of the sum as may be necessary, to the department of
7 | commerce for the purpose of the rural catalyst grant program, for the biennium beginning
8 | July 1, 2025, and ending June 30, 2027. ~~This funding~~ The appropriation in this section is
9 | considered a one-time funding item.

SB 2390 042825 1511 PM Roll Call Vote

Amendment

SB 2390

Date Submitted: April 28, 2025, 3:11 p.m.

Action: Passed

Amendment LC #: Pending LC #

Motioned By: Longmuir, Donald W.

Seconded By: Luick, Larry

Emergency Clause: None

Vote Results: 6 - 0 - 0

Description: population and fiscal changes

Sen. Dwyer, Michael	Yea
Sen. Magrum, Jeffery J.	Yea
Sen. Luick, Larry	Yea
Rep. Louser, Scott	Yea
Rep. Fisher, Jay	Yea
Rep. Longmuir, Donald W.	Yea

SB 2390 042825 1512 PM Roll Call Vote

Final Recommendation

SB 2390

Date Submitted: April 28, 2025, 3:12 p.m.

Recommendation: In Place Of

Amendment LC #: 25.1355.03003

Engrossed LC #: N/A

Motioned By: Luick, Larry

Seconded By: Fisher, Jay

House Carrier: Louser, Scott

Senate Carrier: Dwyer, Michael

Emergency Clause: None

Vote Results: 6 - 0 - 0

Description: N/A

Sen. Dwyer, Michael	Yea
Sen. Magrum, Jeffery J.	Yea
Sen. Luick, Larry	Yea
Rep. Louser, Scott	Yea
Rep. Fisher, Jay	Yea
Rep. Longmuir, Donald W.	Yea

**REPORT OF CONFERENCE COMMITTEE
REENGROSSED SB 2390**

Your conference committee (Sens. Dwyer, Magrum, Luick and Reps. Louser, Fisher, Longmuir) recommends that in place of amendment [25.1355.03002](#) adopted by the House, Reengrossed SB 2390 is amended by amendment [25.1355.03003](#).

Reengrossed SB 2390 was placed on the Seventh order of business on the calendar.