

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2282**

Introduced by

Senators Sorvaag, Holmberg, Wardner

Representatives Hanson, J. Nelson, Pollert

1 A BILL for an Act to provide for an economic diversification through research grant program and
2 advisory committee and to create an economic diversification research grant fund; to create and
3 enact a new section to chapter 54-27 of the North Dakota Century Code, relating to legacy fund
4 earnings; to provide for a report to the legislative management; to provide an appropriation; and
5 to provide an expiration date.

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

7 **SECTION 1.**

8 **Economic diversification through research grant program - Bank of North Dakota line**
9 **of credit.**

10 The Bank of North Dakota shall administer an economic diversification through research
11 grant program for the purpose of stimulating economic activity across the state through
12 innovation of new businesses, products, and industries; promotion of job creation and career
13 and wage growth; enhancing health care outcomes; and providing experiential learning
14 opportunities for students. The Bank of North Dakota shall distribute grants as directed by the
15 economic diversification through research grant advisory committee. The Bank of North Dakota
16 may provide the program a line of credit to allow grants to be awarded and disbursed before
17 general fund transfers into the economic diversification research grant fund at the end of each
18 biennium. The line of credit may not exceed fifty percent of the biennial appropriation for
19 economic diversification through research grants. The interest rate associated with the line of
20 credit must be the same as the prevailing interest rate charged by the Bank of North Dakota to
21 North Dakota governmental entities. Any outstanding line of credit balance must be repaid
22 within ten days from the date the state treasurer deposits general fund revenues into the
23 economic diversification research grant fund at the end of each biennium.

24 **SECTION 2.**

1 **Economic diversification through research grant advisory committee - Grant**
2 **awards - Legislative management report.**

3 The Bank of North Dakota shall create an economic diversification through research grant
4 advisory committee consisting of the president of the Bank of North Dakota, as chairman; four
5 members with experience in research or venture capital appointed by the president of the Bank
6 of North Dakota; the commissioner of the department of commerce; the chairman of the state
7 board of higher education; and the president of each research university under the control of the
8 state board of higher education. The research advisory committee shall award grants to
9 research universities under the control of the state board of higher education. The annual total
10 of grant awards to each research university must be equal, and the committee may not award
11 more than fifty percent of the biennial appropriation during the first year of the biennium. Each
12 research university shall comply with reporting requirements established by the advisory
13 committee. The advisory committee shall develop criteria for assessing performance outcomes
14 related to the grants and report annually to the legislative management. The report must include
15 information on how the research efforts by each research university align with the state's
16 priorities, how the research universities collaborate when appropriate, and how the outcomes of
17 the research meet established performance expectations.

18 **SECTION 3.**

19 **Economic diversification research grant fund.**

20 The economic diversification research grant fund is a special fund in the state treasury and
21 must be administered by the Bank of North Dakota. The moneys in the fund may be used,
22 subject to legislative appropriations, to provide grants to research universities under the control
23 of the state board of higher education.

24 **SECTION 4.** A new section to chapter 54-27 of the North Dakota Century Code is created
25 and enacted as follows:

26 **Transfer of legacy fund earnings - Economic diversification research grant fund.**

27 Fifteen percent of any legacy fund earnings transferred to the general fund at the end of
28 each biennium in accordance with section 26 of article X of the Constitution of North Dakota, up
29 to a maximum of forty-five million dollars, must be transferred immediately by the state treasurer
30 to the economic diversification research grant fund.

1 **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the economic
2 diversification research grant fund in the state treasury, not otherwise appropriated, the sum of
3 \$45,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the
4 purpose of providing economic diversification through research grants, for the biennium
5 beginning July 1, 2019, and ending June 30, 2021.

6 **SECTION 6. EXPIRATION DATE.** This Act is effective through June 30, 2023, and after that
7 date is ineffective.