

**SENATE BILL NO. 2224**

Introduced by

Senators Wanzek, Meyer, Sorvaag

Representatives Keiser, Sanford, Schreiber-Beck

1 A BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota  
2 Century Code, relating to a bioscience innovation grant program; to amend and reenact  
3 sections 54-65-01, 54-65-06, and 54-65-07 of the North Dakota Century Code, relating to  
4 research North Dakota; to repeal section 10-30.5-14, chapters 15-59 and 54-65, and sections  
5 54-65-02, 54-65-03, 54-65-04, and 54-65-05 of the North Dakota Century Code, relating to the  
6 centers of excellence, centers of research excellence, and research North Dakota; to provide a  
7 continuing appropriation; to provide an appropriation; ~~and~~ to provide for a transfer; and to  
8 provide an effective date.

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

10 **SECTION 1.** A new section to chapter 4.1-01 of the North Dakota Century Code is created  
11 and enacted as follows:

12 **Bioscience innovation grant program - Continuing appropriation.**

- 13 1. The ~~agriculture~~-commissioner shall collaborate with a local association having  
14 bioscience experience to develop and administer a bioscience innovation grant  
15 program through the bioscience innovation grant fund. The commissioner shall  
16 collaborate with the department of commerce when awarding bioscience innovation  
17 grants to coordinate the management of the commissioner's bioscience innovation  
18 grant program and the department of commerce's biotechnology grant program.
- 19 2. The commissioner shall collaborate with the committee established under  
20 subsection 5 to adopt rules and criteria necessary to administer the bioscience  
21 innovation grant program. The rules must include criteria for program eligibility,  
22 including requiring a bioscience business that receives funding through the program  
23 match up to fifty percent of the amount of the grant received.

- 1       3. The bioscience innovation grant fund is a special fund created in the state treasury.  
2       Moneys in the fund are appropriated on a continuing basis to the commissioner to  
3       award grants to:
  - 4       a. Support biotechnology innovation and commercialization in areas including crop  
5       genetics, biofuels, biomaterials, biosensors, and biotechnology in relation to food,  
6       nutrition, animals, humans, equipment, medical and health products and  
7       services, medical diagnostics, medical therapeutics, and farm-based  
8       pharmaceuticals;
  - 9       b. Promote the creation of bioscience jobs in the state to be filled by graduates from  
10       institutions under the control of the state board of higher education;
  - 11       c. Encourage the development of new bioscience technologies and bioscience  
12       startup companies in the state;
  - 13       d. Leverage the agriculture industry in the state to support the development of  
14       bioscience technologies impacting livestock operations and crop production;
  - 15       e. Promote bioscience research and development at institutions under the control of  
16       the state board of higher education; and
  - 17       f. Encourage coordination and collaboration among other entities and programs in  
18       the state to promote bioscience innovation goals.
- 19       4. A bioscience business operating in the state is eligible to receive a grant under the  
20       program if the business:
  - 21       a. Employs at least two employees;
  - 22       b. Has documented annual sales of less than two million five hundred thousand  
23       dollars; and
  - 24       c. Is a corporation, partnership, limited liability company, limited partnership, or  
25       limited liability partnership registered in the state.
- 26       5. The bioscience innovation program shall award grant funding through a committee  
27       consisting of:
  - 28       a. One representative from the department of agriculture appointed by the  
29       agriculture commissioner;
  - 30       b. One representative from the bioscience association of North Dakota appointed by  
31       the board of the bioscience association of North Dakota; and

1           c. One representative from the department of commerce appointed by the  
2           commissioner of the department of commerce.

3           6. Grant funds awarded under this section may not be used for capital improvements,  
4           academic programming or curriculum, or workforce training.

5           **SECTION 2. AMENDMENT.** Section 54-65-01 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7           **54-65-01. Definitions.**

8           In this chapter, unless the context otherwise requires:

9           1. ~~"Center" means a center of research excellence that has been designated under this~~  
10           ~~chapter.~~

11           ~~2. "Commission" means the centers of excellence commission as defined under chapter~~  
12           ~~15-69.~~

13           ~~3. "Department" means the department of commerce.~~

14           ~~4. "Industry cluster" means one of the following industries:~~

15           ~~a. Advanced manufacturing;~~

16           ~~b. Energy;~~

17           ~~c. Information and technology;~~

18           ~~d. Value added agriculture; or~~

19           ~~e. An industry, including the aerospace industry, specifically identified by the~~  
20           ~~department of commerce as an industry that will contribute to the gross state~~  
21           ~~product.~~

22           ~~5. "Infrastructure" means new building construction or major building renovation. The~~  
23           ~~term does not include a purchase of equipment or remodel of an existing building.~~

24           ~~6.2.~~ "Research university" means an institution under the control of the state board of  
25           higher education which has a full-time student enrollment in excess of nine thousand  
26           students.

27           **SECTION 3. AMENDMENT.** Section 54-65-06 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29           **54-65-06. Research North Dakota grants.**

30           The department shall establish and administer a research North Dakota grant program to  
31 provide grants to a research university for research, development, and commercialization

1 activities related to a private sector partner. The ~~centers of excellence commission, established~~  
2 ~~under chapter 15-69,~~ department shall make grant award determinations under this section. The  
3 department shall ~~work with the centers of excellence commission in establishing~~ establish  
4 guidelines to qualify for a grant under this section, including the requirement that an application  
5 must be accompanied by a partnership agreement between the private sector partner and a  
6 research university. The agreement must include details regarding the scope of the work, the  
7 budget, the location of the work to be completed, the intellectual property ownership rights, and  
8 the intellectual property income distribution. The ~~commission~~ department may approve changes  
9 to the scope of the work or the budget only to the extent that the changes are agreed upon by  
10 the private sector partner and the research university. Before the ~~commission directs the~~  
11 department ~~to distribute~~ distributes funds awarded under this section, the research university  
12 shall provide the ~~commission~~ department with detailed documentation of private sector  
13 participation and the availability of one dollar of matching funds for each dollar of state funds to  
14 be distributed. Matching funds must be in the form of cash and may not include in-kind assets.

15 **SECTION 4. AMENDMENT.** Section 54-65-07 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **54-65-07. Research North Dakota venture grants.**

18 The department shall establish and administer a research North Dakota venture grant  
19 program to provide grants to a research university for pursuing further commercialization of  
20 technology developed by the research university or developed jointly by the research university  
21 and a startup or spinoff business operating in North Dakota. The department shall ~~collaborate~~  
22 ~~with the centers of excellence commission in establishing~~ establish guidelines to qualify for a  
23 grant under this section.

24 **SECTION 5. REPEAL.** Section 10-30.5-14 and chapter 54-65 of the North Dakota Century  
25 Code are repealed.

26 **SECTION 6. REPEAL.** Chapter 15-69 and sections 54-65-02, 54-65-03, 54-65-04, and  
27 54-65-05 of the North Dakota Century Code are repealed.

28 **SECTION 7. TRANSFER - CENTERS OF EXCELLENCE FUND AND CENTERS OF**  
29 **RESEARCH EXCELLENCE FUND TO THE RESEARCH NORTH DAKOTA FUND.** The office  
30 of management and budget shall transfer any balance in the centers of excellence fund and the  
31 centers of research excellence fund to the research North Dakota fund on July 1, 2019.

1       **SECTION 8. ~~APPROPRIATION~~ --TRANSFER - RESEARCH NORTH DAKOTA FUND TO**  
2 **BIOSCIENCE INNOVATION GRANT FUND.** ~~There is appropriated out of any moneys in the~~  
3 ~~general fund in the state treasury, not otherwise appropriated,~~The director of the office of  
4 management and budget shall transfer the sum of ~~\$1,000,000~~\$700,000, ~~or so much of the sum~~  
5 ~~as may be necessary, which the director of the office of management and budget shall~~  
6 ~~transfer~~from the research North Dakota fund to the bioscience innovation grant fund during the  
7 biennium beginning July 1, 2019, and ending June 30, 2021. Of the funds ~~provided~~transferred  
8 in this section, up to ~~\$400,000~~\$200,000 may be awarded to entities providing assistance to  
9 develop bioscience companies.

10       **SECTION 9. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE STATE**  
11 **GENERAL FUND.** Notwithstanding the amount appropriated in section 8 of this Act, the office of  
12 management and budget shall transfer any balance in the research North Dakota fund to the  
13 state general fund on June 30, 2021.

14       **SECTION 10. EFFECTIVE DATE.** Section 5 of this Act becomes effective July 1, 2021.