

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; and to provide an appropriation.

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

6 **SECTION 1.**

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

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

1 **SECTION 2.**

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

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

19 **SECTION 3.**

20 **Economic diversification research grant fund.**

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

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

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

28 Fifteen percent of any legacy fund earnings transferred to the general fund at the end of
29 each biennium in accordance with section 26 of article X of the Constitution of North Dakota
30 must be transferred immediately by the state treasurer to the economic diversification research
31 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.