

**FIRST ENGROSSMENT
with Conference Committee Amendments**

ENGROSSED SENATE BILL NO. 2010

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the council on the
2 arts; to provide an appropriation from the cultural endowment fund; to amend and reenact
3 sections 21-10-06, 54-54-04, and 54-54-08.2 of the North Dakota Century Code, relating to
4 funds under the management of the state investment board, employees of the council on the
5 arts, and to the cultural endowment fund; and to provide a statement of legislative intent.

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

7 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
8 section represent the base level funding component appropriated to the council on the arts in
9 section 3 of this Act as follows:

10 Salaries and wages	\$425,568
11 Operating expenses	221,443
12 Grants	1,415,857
13 Lewis and Clark bicentennial	<u>163,750</u>
14 Total all funds - Base level	\$2,226,618
15 Less estimated income - Base level	<u>1,222,215</u>
16 Total general fund - Base level	\$1,004,403

17 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
18 amounts identified in this section represent the funding adjustments or enhancements to the
19 base funding level for the council on the arts which are included in the appropriation in
20 section 3 of this Act as follows:

21 Salaries and wages	\$26,184
22 Operating expenses	6,543
23 Grants	60,400
24 Lewis and Clark bicentennial	<u>(55,450)</u>

1	Total all funds - Adjustments/enhancements	\$37,677
2	Less estimated income - Adjustments/enhancements	<u>46,103</u>
3	Total general fund - Adjustments/enhancements	(\$8,426)

4 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
5 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and
7 other income, to the council on the arts for the purpose of defraying the expenses of that
8 agency, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

9	Salaries and wages	\$451,752
10	Operating expenses	227,986
11	Grants	1,476,257
12	Lewis and Clark bicentennial	<u>108,300</u>
13	Total all funds	\$2,264,295
14	Less estimated income	<u>1,268,318</u>
15	Total general fund appropriation	\$995,977

16 **SECTION 4. APPROPRIATION.** All income from the cultural endowment fund is
17 appropriated to the council on the arts for the furthering of the cultural arts in the state for the
18 biennium beginning July 1, 2005, and ending June 30, 2007.

19 **SECTION 5. AMENDMENT.** Section 21-10-06 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **21-10-06. Funds under management of board - Accounts.** The board is charged
22 with the investment of the following funds:

- 23 1. State bonding fund.
- 24 2. Teachers' fund for retirement.
- 25 3. State fire and tornado fund.
- 26 4. Workforce safety and insurance fund.
- 27 5. National guard tuition trust fund.
- 28 6. Public employees retirement system.
- 29 7. Insurance regulatory trust fund.
- 30 8. State risk management fund.
- 31 9. Veterans' cemetery trust fund.

1 10. Health care trust fund.

2 11. Cultural endowment fund.

3 Separate accounting must be maintained for each of the above funds. When it is
4 deemed advantageous, the moneys of the individual funds may be commingled for investment
5 purposes.

6 The state investment board may provide investment services to, and manage the
7 money of, any agency, institution, or political subdivision of the state, subject to agreement with
8 the industrial commission. The scope of services to be provided by the state investment board
9 to the agency, institution, or political subdivision must be specified in a written contract. The
10 state investment board may charge a fee for providing investment services and any revenue
11 collected must be deposited in the state retirement and investment fund.

12 **SECTION 6. AMENDMENT.** Section 54-54-04 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **54-54-04. Other employees - Appointment - Compensation.** The chairman with the
15 approval of the council may employ such officers, experts, and other employees as may be
16 needed to carry out the provisions of this chapter. ~~Such persons~~ The executive director shall
17 serve at the pleasure of the chairman and the chairman shall fix ~~their~~ the compensation of the
18 executive director.

19 **SECTION 7. AMENDMENT.** Section 54-54-08.2 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-54-08.2. Cultural endowments - Limitations.** ~~The~~ Investment of the cultural
22 endowment fund must be ~~maintained by the Bank of North Dakota which is also responsible for~~
23 ~~the investment of the principal moneys deposited in such fund~~ under the supervision of the
24 state investment board in accordance with chapter 21-10. Funds will be expended from the
25 cultural endowment fund only to the limits of accrued interest on state general fund
26 appropriations and other public and private funds received. The expenditure of endowment
27 funds must occur at the direction of the North Dakota council on the arts. The council may
28 seek the counsel and assistance of a group or groups of private citizens of the council's
29 choosing to aid it in arriving at expenditure decisions when private funds are involved. Section
30 54-54-06 applies to private donations to the cultural endowment fund; provided, that gifts,
31 donations, and bequests can be dedicated as principal of the fund in perpetuity or for a term of

1 years, in which case only the income earned as a result of investment of those funds can be
2 expended pursuant to section 54-54-08.1 and this section.

3 **SECTION 8. LEGISLATIVE INTENT - INVESTMENT OF THE CULTURAL**
4 **ENDOWMENT FUND.** It is the intent of the fifty-ninth legislative assembly that the council on
5 the arts, in cooperation with the state investment board, determine the asset mix and risk for
6 investing the assets of the cultural endowment fund under the management of the state
7 investment board.