Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019

HOUSE BILL NO. 1013
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to create and enact a new section to chapter 15-02 of the North Dakota Century Code; relating to investment reports; to repeal section 57-51-15.1 of the North Dakota Century Code, relating to the energy impact fund; to provide for transfers; to provide for distributions from permanent funds; to provide an exemption; to provide a report; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund and the oil and gas impact grant fund in the state treasury to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Base Level</th>
<th>Adjustments or Enhancements</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$6,005,550</td>
<td>($280,171)</td>
<td>$5,725,379</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1,775,723</td>
<td>857,299</td>
<td>2,633,022</td>
</tr>
<tr>
<td>Grants</td>
<td>0</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Contingencies</td>
<td>100,000</td>
<td>0</td>
<td>100,000</td>
</tr>
<tr>
<td>Total special funds</td>
<td>$7,881,273</td>
<td>$2,577,128</td>
<td>$10,458,401</td>
</tr>
<tr>
<td>Full-time equivalent positions</td>
<td>31.00</td>
<td>(3.00)</td>
<td>28.00</td>
</tr>
</tbody>
</table>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

<table>
<thead>
<tr>
<th>One-Time Funding Description</th>
<th>2017-19</th>
<th>2019-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information technology replacement project</td>
<td>$3,600,000</td>
<td>$0</td>
</tr>
<tr>
<td>Airport grants</td>
<td>40,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Mineral revenue repayments</td>
<td>187,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Oil and gas impact grants</td>
<td>0</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Mineral valuation study</td>
<td>0</td>
<td>350,000</td>
</tr>
<tr>
<td>Total special funds</td>
<td>$230,600,000</td>
<td>$2,350,000</td>
</tr>
</tbody>
</table>

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The commissioner of university and school lands shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2019, and ending June 30, 2021, the following amounts, from the permanent funds managed for the benefit of the following entities:

- Common schools: $366,756,000
- North Dakota state university: 5,916,000
- University of North Dakota: 4,504,000
Youth correctional center $1,864,000
School for the deaf $1,898,000
North Dakota state college of science $1,736,000
State hospital $1,570,000
Veterans’ home $732,000
Valley City state university $1,034,000
North Dakota vision services - school for the blind $1,122,000
Mayville state university $668,000
Dakota college at Bottineau $242,000
Dickinson state university $242,000
Minot state university $242,000
Total $388,526,000

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO OIL AND GAS IMPACT GRANT FUND. The office of management and budget shall transfer the sum of $2,000,000 from the strategic investment and improvements fund to the oil and gas impact grant fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - ENERGY IMPACT FUND TO OIL AND GAS IMPACT GRANT FUND. The commissioner of university and school lands shall transfer any unexpended funds remaining in the energy impact fund when the fund is repealed on June 30, 2021, to the oil and gas impact grant fund.

SECTION 6. A new section to chapter 15-02 of the North Dakota Century Code is created and enacted as follows:

Investment reports - Report to budget section.

The commissioner shall prepare annual reports on the investment performance of each fund under its control. The reports must be comparable to the reports prepared by the state investment board under section 21-10-06.1. The reports must identify the expenses deducted from each fund, including details on investment management fees, advisory fees, transaction fees, the agency’s expenses attributed to the fund, and any other costs. The commissioner shall report at least annually to the budget section on the status of its investment performance.

SECTION 7. REPEAL. Section 57-51-15.1 of the North Dakota Century Code is repealed.

SECTION 8. OIL AND GAS IMPACT GRANT FUND. The grants line item and the total special funds line item in section 1 of this Act include the sum of $2,000,000 from the oil and gas impact grant fund for grants to political subdivisions impacted by oil and gas development activities.

SECTION 9. EXEMPTION - OIL AND GAS IMPACT GRANT FUND. The amounts previously appropriated from the oil and gas impact grant fund and identified in section 10 of chapter 38 of the 2017 Session Laws related to the oil and gas impact grant fund, including grant awards returned to the fund, are not subject to section 54-44.1-11. Any unexpended funds are available for grants and administrative costs associated with the fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION - INFORMATION TECHNOLOGY PROJECT - REPORT TO INFORMATION TECHNOLOGY COMMITTEE. The $3,600,000 appropriated from the state lands maintenance fund and identified in sections 1 and 12 of chapter 38 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds are available to complete the information technology project during the biennium beginning July 1, 2019, and ending June 30, 2021. During the 2019-20 interim, the commissioner of university and school lands shall provide at least one report to the interim information technology committee regarding the status of the information technology project.

SECTION 11. EFFECTIVE DATE. Section 7 of this Act becomes effective on June 30, 2021.
This certifies that the within bill originated in the House of Representatives of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1013.

House Vote:  Yeas 79  Nays 11  Absent 4
Senate Vote:  Yeas 46  Nays 1  Absent 0

Received by the Governor at _______M. on _____________________________________, 2019.

Approved at _______ M. on ________________________________________________, 2019.

Filed in this office this __________day of ________________________________, 2019, at _______ o’clock _______M.