

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1523

Introduced by

Representatives B. Koppelman, Delzer, Devlin, Dockter, Kading, Kasper, K. Koppelman,
Marschall, M. Ruby, Schobinger

Senators O. Larsen, Unruh

1 A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota
2 Century Code, relating to the operating fund balances of state agencies, departments, and
3 institutions; to amend and reenact sections 4.1-44-03, 4.1-52-11, 4.1-72-07, and 54-44-12 of the
4 North Dakota Century Code, relating to funds and accounts of agriculture commodity groups,
5 occupational and professional boards, associations, and commissions; and to provide an
6 effective date.

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

8 **SECTION 1. AMENDMENT.** Section 4.1-44-03 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **4.1-44-03. Agricultural commodity assessments funds - Investment income**
11 **allocation - Purposes and uses.**

- 12 1. Notwithstanding any other provision of law, the state treasurer shall invest in
13 accordance with section 21-10-07 all available moneys in:
- 14 a. The potato fund;
 - 15 b. The oilseed fund;
 - 16 c. The dry bean fund;
 - 17 d. The dry pea and lentil fund;
 - 18 e. The barley fund;
 - 19 f. The soybean fund;
 - 20 g. The corn fund;
 - 21 h. The honey fund;
 - 22 i. The turkey fund;
 - 23 j. The milk marketing fund;

- 1 k. The dairy promotion commission fund;
 - 2 l. The state wheat commission fund;
 - 3 m. The ethanol fund; and
 - 4 n. The North Dakota beef commission fund.
- 5 2. The investment of moneys must be made in cooperation with the governing body of
6 the respective agricultural commodity entity. The state treasurer shall establish rules,
7 in cooperation with the agricultural commodity organizations, to be followed regarding
8 the investment of moneys in each fund. The state treasurer shall credit twenty percent
9 of the investment income derived from each fund to the general fund in the state
10 treasury as payment for accounting, printing, data processing, legal, and other
11 services when provided without cost by the state to the agricultural commodity entity.
12 The state treasurer shall credit eighty percent of the investment income derived from
13 each fund to the respective fund.
 - 14 3. The funds identified in subsection 1 are not subject to the fund balance limitations
15 provided in section 54-44-12 and section 4 of this Act. The governing body or entity
16 that administers each fund shall establish policies regarding the permitted uses of the
17 fund and an appropriate fund reserve balance.

18 **SECTION 2. AMENDMENT.** Section 4.1-52-11 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **4.1-52-11. Seed department fund - Continuing appropriation.**

- 21 1. The seed commissioner shall forward all moneys received under the chapters over
22 which the commissioner has authority to the state treasurer for deposit in a special
23 fund known as the seed department fund. All moneys in the seed department fund are
24 appropriated on a continuing basis to the seed department to carry out its statutory
25 and regulatory obligations. The seed department fund is not subject to the fund
26 balance limitations provided in section 54-44-12 and section 4 of this Act.
- 27 2. The seed commissioner shall approve all expenditures made pursuant to the chapters
28 over which the commissioner has authority and shall document the expenditures at the
29 time and in the manner required by the office of management and budget.
- 30 3. The seed commissioner shall provide a report to the house and senate appropriations
31 committees of the legislative assembly, at the time and in the manner directed by the

1 chairmen of the committees. The report must contain a summary of the department's
2 activities during the current biennium and a statement of revenues and expenditures
3 for the ensuing biennium.

4 4. At the direction of the seed commission, the state treasurer shall invest all available
5 moneys in the seed department fund. The state treasurer shall credit twenty percent of
6 the investment income to the general fund and the remaining eighty percent of the
7 investment income to the seed department fund.

8 **SECTION 3. AMENDMENT.** Section 4.1-72-07 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **4.1-72-07. Collection of fees - Continuing appropriation.**

11 The North Dakota stockmen's association shall forward all moneys received under this title
12 to the state treasurer for deposit in a special fund known as the North Dakota stockmen's
13 association fund. All moneys in the North Dakota stockmen's association fund, together with all
14 income earned on the moneys in the fund, are appropriated on a continuing basis to the North
15 Dakota stockmen's association to carry out its statutory directives. The North Dakota
16 stockmen's association fund is not subject to the fund balance limitations provided in section
17 54-44-12 and section 4 of this Act.

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

20 **Operating fund balances of state agencies, departments, and institutions -**
21 **Limitation - Transfer.**

22 If, at the end of any biennium, the unobligated and undesignated balance of the operating
23 fund of an executive branch state agency, department, or institution exceeds the higher of two
24 hundred fifty thousand dollars or an amount equal to one-half of the biennial expenses of the
25 agency, department, or institution, the director of the office of management and budget shall
26 transfer the excess amount of funds from the operating fund to the legacy fund. For purposes of
27 this section, an agency, department, or institution's biennial expenses are the average
28 expenses of the agency, department, or institution for the two previous bienniums as reported in
29 the agency, department, or institution's audited annual financial statements. A fund categorized
30 as an enterprise or internal service fund, as reported in the most recent state comprehensive

1 annual financial report, and any balance held in a fund due to the following is not subject to the
2 limitations provided in this section:

- 3 1. Funds held due to a constitutional or statutory provision;
- 4 2. Funds obligated for future projects and expenses; and
- 5 3. Funds held due to a contractual requirement or due to pending litigation.

6 **SECTION 5. AMENDMENT.** Section 54-44-12 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-44-12. Deposit and disbursement of funds of occupational and professional**
9 **boards - Appropriation - Limitation.**

10 All occupational and professional boards, associations, and commissions created by law
11 shall deposit all fees and other moneys received in any bank selected by the majority vote of
12 the governing body of the board, association, or commission. Checks may be drawn against the
13 bank account, opened pursuant to this section, for the authorized expenditures of the board,
14 association, or commission on the signature or signatures of the person or persons authorized
15 to so act by the governing body. All moneys in accounts opened pursuant to this section are
16 hereby appropriated for the use of the occupational or professional board, association, or
17 commission opening the account. If, at the end of any fiscal year, the unobligated and
18 undesignated balance of an account of an occupational or professional board, association, or
19 commission exceeds the higher of two hundred fifty thousand dollars or an amount equal to the
20 annual expenses of the entity, the entity shall reduce the fees charged by the entity by fifty
21 percent until the balance of the account is below two hundred fifty thousand dollars or an
22 amount equal to the annual expenses of the entity. For purposes of this section, an occupational
23 or professional board, association, or commission's annual expenses are the average expenses
24 of the board, association, or commission for the three previous fiscal years as reported in the
25 board, association, or commission's audited annual financial statements. Any balance held in an
26 account due to the following is not subject to the limitations provided in this section:

- 27 1. Funds held due to a constitutional or statutory provision;
- 28 2. Funds held pursuant to the provisions of an administrative rule adopted under chapter
29 28-32;
- 30 3. Funds obligated for future projects and expenses; and
- 31 4. Funds held due to a contractual requirement or due to pending litigation.

1 **SECTION 6. EFFECTIVE DATE.** This Act becomes effective August 1, 2021.