

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1013

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of
2 university and school lands; to create and enact a new subdivision to subsection 1 of section
3 21-10-06 of the North Dakota Century Code, relating to the investments of the state investment
4 board; to amend and reenact subsection 2 of section 15-01-02 of the North Dakota Century
5 Code, relating to the investments of the board of university and school lands; to repeal section
6 57-51-15.1 of the North Dakota Century Code, relating to the energy impact fund; to provide for
7 transfers; to provide for distributions from permanent funds; to provide an exemption; to provide
8 a report; to provide an effective date; and to provide a contingent effective date.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
18 Salaries and wages	\$6,005,550	(\$299,966)	\$5,705,584
19 Operating expenses	1,775,723	427,957	2,203,680
20 Grants	0	4,000,000	4,000,000
21 Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
22 Total special funds	\$7,881,273	\$4,127,991	\$12,009,264
23 Full-time equivalent positions	31.00	(3.00)	28.00

1 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**

2 **SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
3 funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the
4 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

5	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
6	Information technology replacement project	\$3,600,000	\$0
7	Airport grants	40,000,000	0
8	Mineral revenue repayments	187,000,000	0
9	Oil and gas impact grants	0	4,000,000
10	Mineral valuation study	<u>0</u>	<u>350,000</u>
11	Total special funds	\$230,600,000	\$4,350,000

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

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

20	Common schools	\$366,756,000
21	North Dakota state university	5,916,000
22	University of North Dakota	4,504,000
23	Youth correctional center	1,864,000
24	School for the deaf	1,898,000
25	North Dakota state college of science	1,736,000
26	State hospital	1,570,000
27	Veterans' home	732,000
28	Valley City state university	1,034,000
29	North Dakota vision services - school for the blind	1,122,000
30	Mayville state university	668,000
31	Dakota college at Bottineau	242,000

1	Dickinson state university	242,000
2	Minot state university	<u>242,000</u>
3	Total	\$388,526,000

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

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

12 **SECTION 6. AMENDMENT.** Subsection 2 of section 15-01-02 of the North Dakota Century
13 Code is amended and reenacted as follows:

14 2. Full control of the investment of the permanent funds derived from the sale of any of
15 the lands described in subsection 1, which must be made under the supervision of the
16 state investment board pursuant to section 21-10-06 subject to the investing authority
17 provided in law relating to state investments.

18 **SECTION 7.** A new subdivision to subsection 1 of section 21-10-06 of the North Dakota
19 Century Code is created and enacted as follows:

20 Common schools trust fund and other investments under the control of the board
21 of university and school lands.

22 **SECTION 8. REPEAL.** Section 57-51-15.1 of the North Dakota Century Code is repealed.

23 **SECTION 9. OIL AND GAS IMPACT GRANT FUND.** The grants line item and the total
24 special funds line item in section 1 of this Act include the sum of \$4,000,000 from the oil and
25 gas impact grant fund for grants to political subdivisions impacted by oil and gas development
26 activities.

27 **SECTION 10. EXEMPTION - OIL AND GAS IMPACT GRANT FUND.** The amounts
28 previously appropriated from the oil and gas impact grant fund and identified in section 10 of
29 chapter 38 of the 2017 Session Laws related to the oil and gas impact grant fund, including
30 grant awards returned to the fund, are not subject to section 54-44.1-11. Any unexpended funds

1 are available for grants and administrative costs associated with the fund during the biennium
2 beginning July 1, 2019, and ending June 30, 2021.

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

11 **SECTION 12. EFFECTIVE DATE - CONTINGENT EFFECTIVE DATE.** Sections 6 and 7 of
12 this Act become effective on July 1, 2021, or earlier if the commissioner of board and university
13 and school lands notifies the legislative council that the board of university and school lands
14 approved, by a majority vote, transferring the board of university and school lands' investments
15 to the state investment board. Section 8 of this Act becomes effective on June 30, 2021.