

**FIRST ENGROSSMENT
with Conference Committee Amendments
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 section to chapter 15-02 of the North
3 Dakota Century Code; relating to investment reports; to repeal section 57-51-15.1 of the North
4 Dakota Century Code, relating to the energy impact fund; to provide for transfers; to provide for
5 distributions from permanent funds; to provide an exemption; to provide a report; and to provide
6 an effective date.

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

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

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

22 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
23 **SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time

Sixty-sixth
Legislative Assembly

1 funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the
2 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

3	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
4	Information technology replacement project	\$3,600,000	\$0
5	Airport grants	40,000,000	0
6	Mineral revenue repayments	187,000,000	0
7	Oil and gas impact grants	0	2,000,000
8	Mineral valuation study	<u>0</u>	<u>350,000</u>
9	Total special funds	\$230,600,000	\$2,350,000

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

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

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

1	Minot state university	242,000
2	Total	\$388,526,000

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

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

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

13 **Investment reports - Report to budget section.**

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

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

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

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

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

9 **SECTION 11. EFFECTIVE DATE.** Section 7 of this Act becomes effective on June 30,
10 2021.