

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2055**

Introduced by

Senator Wardner

Representative Pollert

1 A BILL for an Act to create and enact a new section to chapter 54-35 of the North Dakota
2 Century Code, relating to the establishment of the budget section; to amend and reenact
3 sections 15-03-04, 15-10-12.1, 20.1-02-05.1, 20.1-02-16.1, 25-04-02.2, 37-17.1-27, 40-23-22.1,
4 47-30.1-24.1, 48-01.2-25, subsection 16 of section 50-06-05.1, subsection 18 of section
5 50-06-05.1, and sections 54-06-37, 54-27-22, 54-27-23, 54-44.1-13.1, 54-59-05, and
6 65-08.1-02 of the North Dakota Century Code, relating to agency requests for budget section
7 approval; and to repeal section 1 of chapter 67 of the 2013 Session Laws, relating to the
8 authority of the state board of agricultural research and education to sell certain real property.

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

10 **SECTION 1. AMENDMENT.** Section 15-03-04 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **15-03-04. Legal investments.**

13 Subject to the provisions of section 15-03-05, the board of university and school lands shall
14 apply the prudent investor rule in investing the permanent funds under its control. The "prudent
15 investor rule" means that in making investments the board shall exercise the same judgment
16 and care, under the circumstances then prevailing and limitations of North Dakota and federal
17 law, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in
18 the management of large investments entrusted to it, not in regard to speculation but in regard
19 to the permanent disposition of funds, considering probable safety of capital as well as probable
20 investment returns. Notwithstanding any investments made before July 1, 1997, the board may
21 not use any funds entrusted to it to purchase, as sole owner, commercial or residential real
22 property in North Dakota without prior approval of the legislative assembly or the budget section
23 of the legislative management if the legislative assembly is not in session. Any request
24 considered by the budget section must comply with section 15 of this Act. The board may also

1 lend securities held by the permanent funds, including the authority to pledge a security interest
2 in the securities in the possession of a custodian agent. These securities must be collateralized
3 as directed by the board.

4 **SECTION 2. AMENDMENT.** Section 15-10-12.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15-10-12.1. Acceptance of buildings and campus improvements - Legislative**
7 **approval.**

8 The state board of higher education may authorize campus improvements and building
9 maintenance on land under the control of the board which are financed by donations, gifts,
10 grants, and bequests if the cost of the improvement or building maintenance is not more than
11 seven hundred thousand dollars. The consent of the legislative assembly is required for
12 construction of any building or any addition to a building on land under the control of the board
13 which is financed by donations, gifts, grants, and bequests. The consent of the legislative
14 assembly is required for campus improvements or building maintenance financed by donations,
15 gifts, grants, and bequests if the cost of the improvements or maintenance is more than seven
16 hundred thousand dollars. During the time the legislative assembly is not in session, except for
17 the six months preceding the convening of a regular session and the three months following the
18 close of a regular session, and unless otherwise restricted by previous legislative action or other
19 law, ~~the state board of higher education, with the approval of the budget section of the~~
20 ~~legislative management,~~ may authorize campus improvements and building maintenance
21 financed by donations, gifts, grants, and bequests if the cost of the improvement or
22 maintenance is more than seven hundred thousand dollars. The budget section approval must
23 comply section 15 of this Act and must include a specific dollar limit for each campus
24 improvement project or maintenance project. The state board of higher education may authorize
25 the sale of any real property or buildings which an institution of higher learning has received by
26 gift or bequest. The board shall prescribe such conditions for the sale of the property as it
27 determines necessary. The conditions must include requiring an appraisal and public auction or
28 advertisement for bids, unless the gift instrument requires a different process. If the state board
29 of higher education submits a request for campus improvements or building maintenance under
30 this section to the budget section for approval, the legislative council shall notify each member
31 of the legislative assembly of the date of the budget section meeting at which the request will be

1 considered and provide a copy of the meeting agenda to each member of the legislative
2 assembly. The chairman of the budget section shall allow any member of the legislative
3 assembly an opportunity to present testimony to the budget section regarding any such request.

4 **SECTION 3. AMENDMENT.** Section 20.1-02-05.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **20.1-02-05.1. Land acquisitions - Statewide land acquisition plan.**

- 7 1. The director shall establish a comprehensive statewide land acquisition plan ~~that must~~
8 ~~be approved, subject to approval~~ by the ~~legislative assembly or the~~ budget section of
9 ~~the legislative management if the legislative assembly is not in session.~~ Every land
10 acquisition made by the department exceeding ten acres [4.05 hectares] or ten
11 thousand dollars must be approved by the ~~legislative assembly or the~~ budget section if
12 the legislative assembly is not in session. Any request considered by the budget
13 section must comply with section 15 of this Act.
- 14 2. Before a land acquisition, the department shall have the land in question appraised by
15 a certified appraiser. The department may not acquire any land for an amount that
16 exceeds the appraised value except for parcels or tracts of land less than forty acres
17 [16.19 hectares] which may be acquired for up to two hundred percent of the
18 appraised value.
- 19 3. Before the appraisal, the director shall give notice of the intent to purchase to every
20 landowner within one mile [1.16 kilometers] of the boundary of the land to be
21 appraised unless the landowner is within the boundary of a city, then the director shall
22 send notice to the governing body of the city or unless the landowner is within the
23 geographical boundary of a rural subdivision where the lots are ten acres [4.04
24 hectares] or less, then the director shall send notice to the governing body of the
25 township or other governing authority for the rural subdivision. The director shall send
26 notice to the board of county commissioners in the county of the land to be appraised,
27 the board of township supervisors if the land to be appraised is in an organized
28 township, and the governing body of a city within twelve miles [19.32 kilometers] of the
29 boundary of the land to be appraised. The director shall publish notice in the official
30 newspaper of the county of the land to be appraised, once a week for two consecutive

1 weeks. The notice must contain the amount of acreage, the legal description, and the
2 fact that the department intends to purchase the land.

3 **SECTION 4. AMENDMENT.** Section 20.1-02-16.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **20.1-02-16.1. Game and fish fund - Use - Required balance - Budget section approval.**

6 All income of the state game and fish department deposited by the director with the state
7 treasurer must be credited to the state game and fish fund and the fund may be used only by
8 the department. All money derived from the investment of the fund, special accounts, or
9 portions of the fund must be credited to the game and fish department private land habitat and
10 access improvement fund. The department shall spend moneys in the game and fish fund within
11 the limits of legislative appropriations, only to the extent the balance of the fund is not reduced
12 below fifteen million dollars, unless otherwise authorized by the legislative assembly or the
13 budget section if the legislative assembly is not in session. Any request considered by the
14 budget section must comply with section 15 of this Act.

15 **SECTION 5. AMENDMENT.** Section 25-04-02.2 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **25-04-02.2. Institutional sale of services - Budget section approval.**

18 Subject to approval of the legislative assembly or the budget section of the legislative-
19 management if the legislative assembly is not in session, the life skills and transition center may
20 provide any service not otherwise authorized by law under contract with a governmental or
21 nongovernmental person. The life skills and transition center shall determine the rates for
22 services provided. The legislative assembly or the budget section may approve the provision of
23 a service under this section only after determining that the service is not otherwise being
24 provided by either the private or public sector. Any request considered by the budget section
25 must comply with section 15 of this Act.

26 **SECTION 6. AMENDMENT.** Section 37-17.1-27 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **37-17.1-27. State disaster relief fund - Creation - Uses.**

29 There is created in the state treasury a state disaster relief fund. Moneys in the fund are to
30 be used subject to legislative appropriations ~~and emergency commission and budget section~~
31 ~~approval~~ for providing the required state share of funding for expenses and administration

1 associated with ~~presidential-declared disasters in the state~~federal emergency management
2 agency disaster response, recovery, and mitigation grants and for the purposes of reimbursing
3 costs under section 37-17.1-28. Any interest or other fund earnings must be deposited in the
4 fund. Before any expenditure is made from the fund, the agency authorized to make the
5 expenditure shall provide information on the purpose and payee of the expenditure to the
6 appropriation committees of the house of representatives and senate or to the budget section if
7 the legislative assembly is not in session.

8 **SECTION 7. AMENDMENT.** Section 40-23-22.1 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **40-23-22.1. City flood control special assessment exemption for state property -**
11 **Limitations.**

- 12 1. Notwithstanding any other provision of law, property of the state in a city subject to this
13 section is exempt from special assessments levied for flood control purposes. Upon
14 request by the governing body of the city, the exemption under this section may be
15 completely or partially waived by ~~majority vote of the~~ legislative assembly or the
16 budget section of the legislative management if the legislative assembly is not in
17 session. Any request considered by the budget section must comply with section 15 of
18 this Act. A city is subject to the exemption under this section in recognition of state
19 financial assistance for flood control provided to the city pursuant to section
20 61-02.1-01 or other appropriation or commitment of state funds.
- 21 2. The exemption under this section does not apply to any privately owned structure,
22 fixture, or improvement located on state-owned land if the structure, fixture, or
23 improvement is used for commercial purposes unless the structure, fixture, or
24 improvement is primarily used for athletic or educational purposes at a state institution
25 of higher education. An assessment allowed under this subsection must be based on
26 the square footage or front footage of the land occupied by the structure, fixture, or
27 improvement and made against the structure, fixture, or improvement and not against
28 the land on which it is located.

29 **SECTION 8. AMENDMENT.** Section 47-30.1-24.1 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **47-30.1-24.1. Claims by state agencies - Budget section approval and report.**

2 Within one year of receipt of state agency property, the administrator shall notify the agency
3 by certified mail. The commissioner of university and school lands shall present a report to the
4 budget section ~~of the legislative management~~ identifying every state agency that has not
5 submitted a claim for property belonging to that agency within one year of the receipt of the date
6 of the certified mail receipt. Upon approval of the budget section ~~of the legislative management~~,
7 the agency relinquishes its right to recover its property. Any request considered by the budget
8 section must comply with section 15 of this Act.

9 **SECTION 9. AMENDMENT.** Section 48-01.2-25 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **48-01.2-25. Authorization of expansion of public improvements by legislative**
12 **assembly or budget section.**

13 Notwithstanding any other provision of law, a state agency or institution may not
14 significantly change or expand a public improvement beyond what has been approved by the
15 legislative assembly unless the legislative assembly approves the change or expansion of the
16 project or any additional expenditure for the project. During the time the legislative assembly is
17 not in session, and unless otherwise restricted by previous legislative action or other law, the
18 budget section ~~of the legislative management~~ may approve a change or expansion or any
19 additional expenditure for the project. However, the budget section ~~of the legislative~~
20 ~~management~~ may not approve a change, expansion, or additional expenditure for the project
21 during the six months preceding the convening of a regular session or during the three months
22 following the close of a regular session except for changes in project scope and related
23 additional expenditures resulting from an unforeseen emergency event. Any request considered
24 by the budget section must comply with section 15 of this Act. For the purposes of this section,
25 a significant change or expansion includes the construction of an addition to a building,
26 including skywalks or other type of enclosed walkway, or any other substantial increase in the
27 area of the building, but does not include the construction of building entrances and stairwells.

28 **SECTION 10. AMENDMENT.** Subsection 16 of section 50-06-05.1 of the North Dakota
29 Century Code is amended and reenacted as follows:

30 16. To act as the official agency of the state in the administration of the supplemental
31 nutrition assistance program and to direct and supervise county administration of that

1 program. ~~Provided, however, that the~~The department with the consent of the
2 legislative assembly or the budget section of the legislative managementif the
3 legislative assembly is not in session may terminate the program if the rate of federal
4 financial participation in administrative costs provided under Public Law 93-347 is
5 decreased or limited, or if the state or counties become financially responsible for all or
6 a portion of the coupon bonus payments under the Food Stamp Act. Any request
7 considered by the budget section must comply with section 15 of this Act. The
8 department may not deny assistance under the supplemental nutrition assistance
9 program to any individual who has been convicted of a felony offense that has as an
10 element the possession, use, or distribution of a controlled substance as defined in
11 section 102(6) of the Controlled Substances Act [21 U.S.C. 802(6)].

12 **SECTION 11. AMENDMENT.** Subsection 18 of section 50-06-05.1 of the North Dakota
13 Century Code is amended and reenacted as follows:

14 18. To act as the official agency of the state in the administration of the home energy
15 assistance program; to direct and supervise county administration of that program;
16 and to take such actions, give such directions, and adopt such rules, subject to review
17 in the courts of this state, as may be necessary or desirable to carry out this
18 subsection. For purposes of the administration of the energy assistance program,
19 funds are obligated at the earlier of the time a written commitment is made to pay a
20 vendor or contractor for services or supplies delivered or to be delivered, or at the time
21 payment is made to a vendor or contractor for services or supplies delivered or to be
22 delivered. The provisions of this subsection concerning obligation of funds apply to
23 payments and commitments made on or after July 1, 1991. The department with the
24 consent of the legislative assembly or the budget section of the legislative-
25 managementif the legislative assembly is not in session may terminate the program if
26 the rate of federal financial participation in administrative costs is decreased or limited
27 to less than fifty percent of total administrative costs, or if the state or counties become
28 financially responsible for all or a portion of the cost of energy assistance program
29 benefits. Any request considered by the budget section must comply with section 15 of
30 this Act.

1 **SECTION 12. AMENDMENT.** Section 54-06-37 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-06-37. Authorization to purchase or lease aircraft - Legislative assembly or budget**
4 **section approval.**

5 A state agency or other entity of state government may not purchase or lease an aircraft
6 without specific authorization from the legislative assembly or the budget section ~~of the~~
7 ~~legislative management~~ if the legislative assembly is not in session. Any request considered by
8 the budget section must comply with section 15 of this Act. This section does not apply to
9 aircraft purchased or leased by the office of the adjutant general or the university of North
10 Dakota school of aviation.

11 **SECTION 13. AMENDMENT.** Section 54-27-22 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **54-27-22. Revolving fund for prepayment of consulting and planning fees for capital**
14 **improvements.**

15 Funds must be made available to all state agencies, institutions, and departments from a
16 preliminary planning revolving fund in the state treasury under the control of the director of the
17 office of management and budget for studies, planning, architectural programming, schematic
18 designs, and cost estimates relating to proposed new capital improvements and major
19 remodeling of existing facilities. State agencies, institutions, and departments interested in
20 obtaining planning moneys shall submit a written request detailing the scope and purpose of
21 such project to the director of the office of management and budget. The director shall file such
22 request with, and shall present the director's recommendations regarding the proposed project
23 and necessary planning moneys to the ~~legislative assembly or the~~ budget section ~~of the~~
24 ~~legislative management~~ if the legislative assembly is not in session. Funds may be advanced
25 ~~only in the event that~~ if an authorization has first been received from the legislative assembly or
26 the budget section. Any request considered by the budget section must comply with section 15
27 of this Act. Such funds advanced must be repaid to the preliminary planning revolving fund as
28 moneys become available through legislative appropriation or other sources for the
29 commencement of the project.

30 **SECTION 14. AMENDMENT.** Section 54-27-23 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **54-27-23. Cash flow financing.**

2 In order to effectively meet the cyclical cash flow needs of state government, the office of
3 management and budget upon approval of the emergency commission is hereby authorized to
4 issue certificates in anticipation of revenue, notes, or bonds, to special funds on deposit in the
5 state treasury. Any issue of such certificates, notes, or bonds must be approved by the
6 emergency commission and are to be used for cash flow financing only, and not to offset
7 projected deficits in state finances unless first approved by the legislative assembly or the
8 budget section of the legislative management if the legislative assembly is not in session. The
9 budget section may approve additional cash flow financing not to exceed eighty percent of
10 estimated general fund revenues relating to sales or production occurring prior to June thirtieth,
11 to be collected in July and August after the end of the biennium. Such additional cash flow
12 financing is only effective for sixty days unless an extension or reapproval is received from the
13 legislative assembly or the budget section if the legislative assembly is not in session. Any
14 request considered by the budget section must comply with section 15 of this Act. If a revenue
15 shortfall of greater than five percent occurs, the office of management and budget shall order
16 budget allotments under section 54-44.1-12 prior to approval by the legislative assembly or the
17 budget section of such additional cash flow financing. It is the intent of the legislative assembly
18 that all borrowing must be repaid by the end of the biennium. The terms of any specific issue of
19 such certificates, notes, or bonds may not exceed one hundred eighty days from the date of
20 issuance whereupon the principal and interest on the certificates, notes, or bonds must be paid
21 in full from the state general fund or from another issue of a similar nature. All principal and
22 interest on such issues made during a biennial period must be repaid in full at the close of the
23 biennial period from the state general fund. When certificates, notes, or bonds are issued for
24 cash flow purposes to funds which otherwise would be invested, with the investment income
25 accruing to the special fund, the certificate must bear an investment rate of return which must
26 be agreed upon by the state investment board, and must be at a level commensurate with the
27 yield to be reasonably expected by such fund if invested in alternate securities.

28 **SECTION 15.** A new section to chapter 54-35 of the North Dakota Century Code is created
29 and enacted as follows:

1 **Budget section - Appointment - Powers and duties.**

2 1. To provide for flexibility in the management of state funds between regular sessions of
3 the legislative assembly and to minimize the need for and the expense of a special
4 session, the legislative management, during each biennium, shall appoint a budget
5 section.

6 2. The membership of the budget section must include:

7 a. The majority leader and the assistant majority leader of the house of
8 representatives;

9 b. The majority leader and the assistant majority leader of the senate;

10 c. The minority leader and the assistant minority leader of the house of
11 representatives;

12 d. The minority leader and the assistant minority leader of the senate;

13 e. The speaker of the house of representatives; and

14 f. Each member of the legislative assembly appointed to serve on the
15 appropriations committees of the house of representatives and the senate.

16 3. The legislative management shall designate the chairman of the budget section. The
17 budget section shall operate according to the statutes and procedures governing the
18 operation of other legislative management interim committees. The budget section
19 shall meet at least quarterly upon the call of the chairman.

20 4. The legislative assembly, by law, may provide the authority for the budget section to
21 approve specific actions, projects, and transfers.

22 5. a. When evaluating state agency requests, the budget section shall consider criteria
23 applicable to the request, including whether:

24 (1) The request is for a specific purpose;

25 (2) The request is for a specific amount of funds and for a specific time frame,
26 not to continue beyond the end of the current biennium;

27 (3) The request conforms with legislative intent;

28 (4) The request is consistent with related statutory provisions;

29 (5) The request supports state priorities;

30 (6) The request improves state efficiencies and promotes effective state
31 government;

1 (7) If the request is for a new program, the program does not extend beyond
2 the current biennium; and

3 (8) The request addresses a state emergency.

4 b. The budget section shall gather documentation that addresses each of the
5 applicable criterion included in subdivision a from the agency requesting budget
6 section approval.

7 **SECTION 16. AMENDMENT.** Section 54-44.1-13.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **54-44.1-13.1. Apportionment of reductions in spending authority caused by an**
10 **initiative or referendum action.**

11 If as a result of any action taken pursuant to article III of the Constitution of North Dakota
12 the moneys available in the state general fund or in any special fund in the state treasury are or
13 will be reduced or eliminated, the director of the budget shall reduce the moneys available to all
14 departments, agencies, and institutions for which moneys have been appropriated or are
15 otherwise available from the affected fund for the current biennial period. The director of the
16 budget shall reduce affected budgets by a percentage sufficient to cover the estimated losses
17 caused by the initiative or referendum action, subject to the approval of the legislative assembly
18 or the budget section of the legislative management if the legislative assembly is not in session.
19 Any request considered by the budget section must comply with section 15 of this Act.

20 Notwithstanding the provisions of section 54-44.1-13, the authority to make reductions pursuant
21 to this section applies equally to all entities of the executive, legislative, and judicial branches.

22 **SECTION 17. AMENDMENT.** Section 54-59-05 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **54-59-05. Powers and duties of department. (Effective through July 31, 2023)**

25 The department:

- 26 1. Shall provide, supervise, and regulate information technology of all executive branch
27 state entities, excluding the institutions under the control of the board of higher
28 education.
- 29 2. Shall provide network services in a way that ensures the network requirements of a
30 single entity do not adversely affect the functionality of the whole network, facilitates
31 open communications with the citizens of the state, minimizes the state's investment in

1 human resources, accommodates an ever-increasing amount of traffic, supports rapid
2 detection and resolution of problems, protects the network infrastructure from damage
3 and security breaches, provides for the aggregation of data, voice, video, and
4 multimedia into a statewide transport mechanism or backbone, and provides for the
5 network support for the entity to carry out its mission.

6 3. May review and approve additional network services that are not provided by the
7 department.

8 4. May purchase, finance the purchase, or lease equipment, software, or implementation
9 services or replace, including by trade or resale, equipment or software as may be
10 necessary to carry out this chapter. With the exception of agreements entered related
11 to the statewide interoperable radio network, an agreement to finance the purchase of
12 software, equipment, or implementation services may not exceed a period of five
13 years. The department shall submit any intended financing proposal for the purchase
14 of software, equipment, or implementation services under this subsection, which is in
15 excess of one million dollars, to the legislative assembly or the budget section of the
16 legislative management or if the legislative assembly is not in session before executing
17 a financing agreement. Any request considered by the budget section must comply
18 with section 15 of this Act. If the legislative assembly or the budget section or the
19 legislative assembly does not approve the execution of a financing agreement, the
20 department may not proceed with the proposed financing arrangement. With the
21 exception of financing for the statewide interoperable radio network, the department
22 may finance the purchase of software, equipment, or implementation services only to
23 the extent the purchase amount does not exceed seven and one-half percent of the
24 amount appropriated to the department during that biennium.

25 5. Shall review requests for lease, purchase, or other contractual acquisition of
26 information technology as required by this subsection. Each executive branch agency
27 or institution, excluding the institutions under the control of the board of higher
28 education, shall submit to the department, in accordance with guidelines established
29 by the department, a written request for the lease, purchase, or other contractual
30 acquisition of information technology. The department shall review requests for
31 conformance with the requesting entity's information technology plan and compliance

1 with statewide policies and standards. If the request is not in conformance or
2 compliance, the department may disapprove the request or require justification for the
3 departure from the plan or statewide policy or standard.

4 6. Shall provide information technology, including assistance and advisory service, to the
5 executive, legislative, and judicial branches. If the department is unable to fulfill a
6 request for service from the legislative or judicial branch, the information technology
7 may be procured by the legislative or judicial branch within the limits of legislative
8 appropriations.

9 7. Shall request and review information, including project startup information
10 summarizing the project description, project objectives, business need or problem,
11 cost-benefit analysis, and project risks and a project closeout information summarizing
12 the project objectives achieved, project budget and schedule variances, and lessons
13 learned, regarding any major information technology project of an executive branch
14 agency. The department shall present the information to the information technology
15 committee on request of the committee.

16 8. May request and review information regarding any information technology project of
17 an executive branch agency with a total cost of between one hundred thousand and
18 five hundred thousand dollars as determined necessary by the department. The
19 department shall present the information to the information technology committee on
20 request of the committee.

21 9. Shall study emerging technology and evaluate its impact on the state's system of
22 information technology.

23 10. Shall develop guidelines for reports to be provided by each agency of the executive,
24 legislative, and judicial branches, excluding the institutions under the control of the
25 board of higher education, on information technology in those entities.

26 11. Shall collaborate with the state board of higher education on guidelines for reports to
27 be provided by institutions under control of the state board of higher education on
28 information technology in those entities.

29 12. Shall perform all other duties necessary to carry out this chapter.

30 13. May provide wide area network services to a state agency, city, county, school district,
31 or other political subdivision of this state. The information technology department may

1 not provide wide area network service to any private, charitable, or nonprofit entity
2 except the information technology department may continue to provide the wide area
3 network service the department provided to the private, charitable, and nonprofit
4 entities receiving services from the department on January 1, 2003.

5 14. Shall assure proper measures for security, firewalls, and internet protocol addressing
6 at the state's interface with other facilities.

7 15. Notwithstanding subsection 13, may provide wide area network services for a period
8 not to exceed four years to an occupant of a technology park associated with an
9 institution of higher education or to a business located in a business incubator
10 associated with an institution of higher education.

11 **Powers and duties of department. (Effective after July 31, 2023)**

12 The department:

13 1. Shall provide, supervise, and regulate information technology of all executive branch
14 state entities, excluding the institutions under the control of the board of higher
15 education.

16 2. Shall provide network services in a way that ensures the network requirements of a
17 single entity do not adversely affect the functionality of the whole network, facilitates
18 open communications with the citizens of the state, minimizes the state's investment in
19 human resources, accommodates an ever-increasing amount of traffic, supports rapid
20 detection and resolution of problems, protects the network infrastructure from damage
21 and security breaches, provides for the aggregation of data, voice, video, and
22 multimedia into a statewide transport mechanism or backbone, and provides for the
23 network support for the entity to carry out its mission.

24 3. May review and approve additional network services that are not provided by the
25 department.

26 4. May purchase, finance the purchase, or lease equipment, software, or implementation
27 services or replace, including by trade or resale, equipment or software as may be
28 necessary to carry out this chapter. An agreement to finance the purchase of software,
29 equipment, or implementation services may not exceed a period of five years. The
30 department shall submit any intended financing proposal for the purchase of software,
31 equipment, or implementation services under this subsection, which is in excess of

1 one million dollars, to the legislative assembly or the budget section ~~of the legislative-~~
2 ~~management or~~if the legislative assembly is not in session before executing a
3 financing agreement. Any request considered by the budget section must comply with
4 section 15 of this Act. If the legislative assembly or the budget section ~~or the legislative-~~
5 ~~assembly~~ does not approve the execution of a financing agreement, the department
6 may not proceed with the proposed financing arrangement. The department may
7 finance the purchase of software, equipment, or implementation services only to the
8 extent the purchase amount does not exceed seven and one-half percent of the
9 amount appropriated to the department during that biennium.

10 5. Shall review requests for lease, purchase, or other contractual acquisition of
11 information technology as required by this subsection. Each executive branch agency
12 or institution, excluding the institutions under the control of the board of higher
13 education, shall submit to the department, in accordance with guidelines established
14 by the department, a written request for the lease, purchase, or other contractual
15 acquisition of information technology. The department shall review requests for
16 conformance with the requesting entity's information technology plan and compliance
17 with statewide policies and standards. If the request is not in conformance or
18 compliance, the department may disapprove the request or require justification for the
19 departure from the plan or statewide policy or standard.

20 6. Shall provide information technology, including assistance and advisory service, to the
21 executive, legislative, and judicial branches. If the department is unable to fulfill a
22 request for service from the legislative or judicial branch, the information technology
23 may be procured by the legislative or judicial branch within the limits of legislative
24 appropriations.

25 7. Shall request and review information, including project startup information
26 summarizing the project description, project objectives, business need or problem,
27 cost-benefit analysis, and project risks and a project closeout information summarizing
28 the project objectives achieved, project budget and schedule variances, and lessons
29 learned, regarding any major information technology project of an executive branch
30 agency. The department shall present the information to the information technology
31 committee on request of the committee.

- 1 8. May request and review information regarding any information technology project of
- 2 an executive branch agency with a total cost of between one hundred thousand and
- 3 five hundred thousand dollars as determined necessary by the department. The
- 4 department shall present the information to the information technology committee on
- 5 request of the committee.
- 6 9. Shall study emerging technology and evaluate its impact on the state's system of
- 7 information technology.
- 8 10. Shall develop guidelines for reports to be provided by each agency of the executive,
- 9 legislative, and judicial branches, excluding the institutions under the control of the
- 10 board of higher education, on information technology in those entities.
- 11 11. Shall collaborate with the state board of higher education on guidelines for reports to
- 12 be provided by institutions under control of the state board of higher education on
- 13 information technology in those entities.
- 14 12. Shall perform all other duties necessary to carry out this chapter.
- 15 13. May provide wide area network services to a state agency, city, county, school district,
- 16 or other political subdivision of this state. The information technology department may
- 17 not provide wide area network service to any private, charitable, or nonprofit entity
- 18 except the information technology department may continue to provide the wide area
- 19 network service the department provided to the private, charitable, and nonprofit
- 20 entities receiving services from the department on January 1, 2003.
- 21 14. Shall assure proper measures for security, firewalls, and internet protocol addressing
- 22 at the state's interface with other facilities.
- 23 15. Notwithstanding subsection 13, may provide wide area network services for a period
- 24 not to exceed four years to an occupant of a technology park associated with an
- 25 institution of higher education or to a business located in a business incubator
- 26 associated with an institution of higher education.

27 **SECTION 18. AMENDMENT.** Section 65-08.1-02 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **65-08.1-02. Workforce safety and insurance additional coverages.**

30 The organization may establish a casualty insurance organization, organized as a stock or
31 mutual company, a risk pool, a reciprocal exchange, a risk retention or purchasing group, or a

1 reinsurer with the limited purpose of offering extraterritorial workforce safety and insurance
2 coverage or other states insurance. The casualty insurance organization may be established
3 only upon the director's determination that the organization is needed to provide sufficient
4 workforce safety and insurance coverage for the employees and employers of this state and
5 upon the approval of the legislative assembly or the budget section of the legislative-
6 management if the legislative assembly is not in session. Any request considered by the budget
7 section must comply with section 15 of this Act. If a stock insurance company is established, the
8 company shall meet the stock requirements of section 65-08.1-03.

9 **SECTION 19. REPEAL.** Section 1 of chapter 67 of the 2013 Session Laws is repealed.