

Fifty-sixth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1204

Introduced by

Representative Maragos

1 A BILL for an Act to provide for a state-owned airline; to amend and reenact subsection 2 of  
2 section 28-32-01 of the North Dakota Century Code, relating to administrative agencies; and to  
3 provide a continuing appropriation.

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

5 **SECTION 1. Establishment of airline of North Dakota.** The state of North Dakota  
6 may maintain a system for operating an airline owned, controlled, and operated by the state,  
7 under the name of the airline of North Dakota. If established, the airline of North Dakota must  
8 be operated to encourage and promote commerce, industry, and travel.

9 **SECTION 2. Industrial commission to operate airline.** The industrial commission  
10 may determine, by unanimous vote, whether to establish the airline of North Dakota. If the  
11 commission approves establishment of the airline of North Dakota, the commission shall  
12 operate, manage, and control the airline of North Dakota; locate and maintain its places of  
13 business, of which the principal place must be within the state; and make and enforce orders,  
14 rules, and bylaws for the transaction of its business. The business of the airline of North  
15 Dakota may include anything that any airline may lawfully do. At the request of the industrial  
16 commission, the aeronautics commission shall assist in the creation or operation of the airline.  
17 At the request of the industrial commission, the state board of higher education shall make  
18 arrangements for the university of North Dakota to cooperate with the industrial commission in  
19 the operation of the airline.

20 **SECTION 3. Commission to employ president and employees - Compensation,**  
21 **operation, and maintenance limited to appropriations, revenue, or capital.** The industrial  
22 commission shall appoint a president; may appoint and employ subordinate officers,  
23 employees, and agents as it may judge expedient and in the interest of the state; and shall  
24 define the duties, designate the titles, and fix the compensation of these persons. The

1 commission may designate the president, other officers or employees as its agent in respective  
2 functions of the airline, subject to its supervision, limitation, and control. The total  
3 compensation of the appointees and employees, together with other expenditures for the  
4 operation and maintenance of the airline, must remain within appropriation, revenues, or capital  
5 lawfully available for these purposes.

6 **SECTION 4. Removal and discharge of appointees.** The industrial commission may  
7 remove and discharge any person the commission or the president of the airline appoints. All  
8 appointments and removals must be made to promote the efficiency of the public service.

9 **SECTION 5. Continuing appropriation.** With the goal of the airline to operate on the  
10 revenues from operation without a general fund appropriation, the airline of North Dakota shall  
11 deposit all funds received by the airline in the state treasury to the credit of a special fund. All  
12 moneys in the special fund are appropriated to the airline of North Dakota as a standing and  
13 continuing appropriation for the purposes of this Act.

14 **SECTION 6. AMENDMENT.** Subsection 2 of section 28-32-01 of the 1997 Supplement  
15 to the North Dakota Century Code is amended and reenacted as follows:

16 2. "Administrative agency" or "agency" means each board, bureau, commission,  
17 department, or other administrative unit of the executive branch of state  
18 government, including one or more officers, or employees, or other persons directly  
19 or indirectly purporting to act on behalf or under authority of the agency. An  
20 administrative unit located within or subordinate to an administrative agency shall  
21 be treated as part of that agency to the extent it purports to exercise authority  
22 subject to this chapter. The term administrative agency does not include:

23 a. The office of management and budget except with respect to rules relating to  
24 conduct on the capitol grounds and in buildings located on the capitol grounds  
25 under section 54-21-18, rules relating to the state building code as authorized  
26 or required under section 54-21.3-03, rules relating to the Model Energy Code  
27 as required under section 54-21.2-03, rules relating to the central personnel  
28 system as authorized under section 54-44.3-07, rules relating to state  
29 purchasing practices as required under section 54-44.4-04, rules relating to  
30 records management as authorized or required under chapter 54-46, and

- 1 rules relating to the central microfilm unit as authorized under chapter  
2 54-46.1.
- 3 b. The adjutant general with respect to the division of emergency management.  
4 c. The council on the arts.  
5 d. The state auditor.  
6 e. The department of economic development and finance.  
7 f. The dairy promotion commission.  
8 g. The education factfinding commission.  
9 h. The educational telecommunications council.  
10 i. The board of equalization.  
11 j. The board of higher education.  
12 k. The Indian affairs commission.  
13 l. The industrial commission with respect to the activities of the Bank of North  
14 Dakota, the North Dakota housing finance agency, the North Dakota  
15 municipal bond bank, the North Dakota mill and elevator association, the  
16 airline of North Dakota, and the North Dakota farm finance agency.  
17 m. The department of corrections and rehabilitation except with respect to the  
18 activities of the division of adult services under chapter 54-23.4.  
19 n. The pardon advisory board.  
20 o. The parks and recreation department.  
21 p. The parole board.  
22 q. The state fair association.  
23 r. The state department of health with respect to the state toxicologist.  
24 s. The board of university and school lands except with respect to activities  
25 under chapter 47-30.1.  
26 t. The administrative committee on veterans' affairs except with respect to rules  
27 relating to the supervision and government of the veterans' home and the  
28 implementation of programs or services provided by the veterans' home.  
29 u. The industrial commission with respect to the lignite research fund except as  
30 required under section 57-61-01.5.

- 1 v. The secretary of state with respect to rules adopted for the presidential
- 2 preference contest under section 16.1-11-02.2.