

Fifty-seventh  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2037**

Introduced by

Legislative Council

(Higher Education Committee)

1 A BILL for an Act to amend and reenact sections 15-10-12 and 54-44.1-11 of the North Dakota  
2 Century Code, relating to the appropriation of higher education institutions' special revenue  
3 funds and the cancellation of unexpended appropriations for the North Dakota university  
4 system.

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

6 **SECTION 1. AMENDMENT.** Section 15-10-12 of the 1999 Supplement to the North  
7 Dakota Century Code is amended and reenacted as follows:

8 **15-10-12. Board may accept gifts and bequests - Deposit and appropriation of**  
9 **institutional funds.** ~~The~~ Subject to the limitations of section 15-10-12.1, the state board of  
10 higher education may, ~~subject to the limitations of section 15-10-12.1,~~ receive donations, gifts,  
11 grants, and bequests offered or tendered to or for the benefit of any institution of higher  
12 education under its control or subject to its administration, and all moneys coming into the  
13 hands of the board as donations, gifts, grants, and bequests must be used for the specific  
14 purpose for which they are donated or given. A special revenue fund, for each institution of  
15 higher education under the control of the board or subject to its administration, must be  
16 maintained within the state treasury ~~and all institutional income from tuition collections must be~~  
17 ~~placed in the special fund for the use of the institution for which the money was raised.~~ All rent,  
18 interest, or income from land, money, or property, donated or granted by the United States and  
19 allocated to specific institutions of higher learning under the terms of the Enabling Act and the  
20 Constitution of North Dakota must be deposited in the special revenue fund of each institution  
21 and expended in accordance with section 1 of article IX of the Constitution of North Dakota.  
22 ~~Moneys in the special revenue fund are subject to legislative appropriations.~~ All other funds,  
23 unless restricted by the terms of a grant, donation, or bequest, received by the institutions from  
24 federal, state, and local grants and contracts, indirect cost recoveries, tuition, special student

1 fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing  
2 education program fees, internal service fund revenues, and all other revenues must be  
3 deposited in the institution special revenue funds. The state treasurer shall immediately  
4 transfer the funds deposited in the special revenue funds to institution accounts in the Bank of  
5 North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of  
6 funds must be presented at the same time biennial budget requests for appropriations from the  
7 special revenue fund and state general fund are prepared and submitted to the office of the  
8 budget pursuant to section 15-10-15. Payments from each institution's general fund  
9 appropriation must be made in amounts as may be necessary for the operation and  
10 maintenance of each institution, ~~except that at the close of the biennium the balance of funds~~  
11 ~~not paid from the general fund appropriation must be deposited in the special revenue funds of~~  
12 ~~the institutions. The funds in the institution accounts are appropriated on a continuing basis to~~  
13 the state board of higher education. All such appropriations are subject to proration in the same  
14 manner as other appropriations are prorated if insufficient funds are available to meet  
15 expenditures from the general fund. Sinking funds for the payment of interest and principal of  
16 institutional revenue bonds must be deposited pursuant to section 15-55-06.

17 **SECTION 2. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **54-44.1-11. Office of management and budget to cancel unexpended**  
20 **appropriations - When they may continue.** ~~The~~ Except as otherwise provided by law, the  
21 office of management and budget, thirty days after the close of each biennial period, shall  
22 cancel all unexpended appropriations or balances of appropriations after the expiration of the  
23 biennial period during which they became available under the law. Unexpended appropriations  
24 for the North Dakota university system are not subject to this section. The chairman of the  
25 appropriations committees of the senate and house of representatives of the legislative  
26 assembly with the office of the budget may continue appropriations or balances in force for not  
27 more than two years after the expiration of the biennial period during which they became  
28 available upon recommendation of the director of the budget for:

- 29 1. New construction projects.
- 30 2. Major repair or improvement projects.

- 1           3. Purchases of new equipment costing more than ten thousand dollars per unit if it
- 2           was ordered during the first twelve months of the biennium in which the funds were
- 3           appropriated.
- 4           4. The purchase of land by the state on a "contract for deed" purchase where the total
- 5           purchase price is within the authorized appropriation.