

**FIRST ENGROSSMENT  
with Senate Amendments**

Sixty-first  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1029**

Introduced by

Legislative Council

(Employee Benefits Programs Committee)

1 A BILL for an Act to create and enact four new sections to chapter 54-06 of the North Dakota  
2 Century Code, relating to state employee service awards, employer-paid tuition, and  
3 employer-paid professional organization membership and service club dues.

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

5 **SECTION 1.** A new section to chapter 54-06 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **State employee service awards.** Each state agency, department, or institution may  
8 establish rules or policies for employee recognition and service award programs. Executive  
9 branch agencies having employees in classified service are subject to rules adopted by North  
10 Dakota human resource management services and approved by the state personnel board and  
11 the legislative council's administrative rules committee. Any other agency, department, or  
12 institution of the executive, legislative, or judicial branch may adopt similar rules or policies to  
13 ensure uniformity and consistency in state government. Notwithstanding any other provision of  
14 law, each executive branch state agency, department, or institution, except an institution of  
15 higher education, having employees who are not in classified service and establishing rules or  
16 policies for employee recognition and service award programs shall submit the rules and  
17 policies to the office of management and budget for review and comment, and after addressing  
18 any comments of the office of management and budget, shall submit the rules and policies to  
19 the legislative council's administrative rules committee for approval. Within sixty days after the  
20 close of each biennial period, each state agency, department, or institution providing an  
21 employee service award under rules approved by the administrative rules committee shall file  
22 with the office of management and budget a report indicating the individuals receiving a service  
23 award, the amount paid, and a statement of the public purpose or benefit of the expenditures.  
24 Within ninety days after the close of each biennial period, the office of management and budget

1 shall submit to the legislative council a report summarizing this information. An expenditure  
2 made under this section is deemed to be made for a public purpose and may not be construed  
3 as a gift for purposes of section 18 of article X of the Constitution of North Dakota.

4       **SECTION 2.** A new section to chapter 54-06 of the North Dakota Century Code is  
5 created and enacted as follows:

6       **Employer-paid tuition.** Each state agency, department, or institution may establish  
7 rules or policies to provide employer-paid costs of training or educational courses, including  
8 tuition and fees, within budgetary constraints. Executive branch agencies having employees in  
9 classified service are subject to rules adopted by North Dakota human resource management  
10 services and approved by the state personnel board and the legislative council's administrative  
11 rules committee. Any other state agency, department, or institution of the executive, legislative,  
12 or judicial branch may adopt rules or policies to ensure uniformity and consistency in state  
13 government. Notwithstanding any other provision of law, each executive branch state agency,  
14 department, or institution, except an institution of higher education, having employees who are  
15 not in classified service and establishing rules or policies for employer-paid costs of training or  
16 educational courses, including tuition and fees, shall submit the rules and policies to the office  
17 of management and budget for review and comment, and after addressing any comments of  
18 the office of management and budget, shall submit the rules and policies to the legislative  
19 council's administrative rules committee for approval. Within sixty days after the close of each  
20 biennial period, each state agency, department, or institution providing employer-paid costs of  
21 training or educational courses, including tuition and fees, under rules approved by the  
22 administrative rules committee, shall file with the office of management and budget a report  
23 indicating the individuals receiving employer-paid costs of training or educational courses,  
24 including tuition and fees; the amount paid; and a statement of the public purpose or benefit of  
25 the expenditure. Within ninety days after the close of each biennial period, the office of  
26 management and budget shall submit to the legislative council a report summarizing this  
27 information. An employee who receives employer-paid tuition reported under this section who  
28 leaves employment with that employer within two years of receiving the tuition must repay  
29 tuition received under this section on a prorated basis. An expenditure for employer-paid  
30 training or educational courses, including tuition and fees, under this section is deemed to be

1 made for a public purpose and may not be construed as a gift for purposes of section 18 of  
2 article X of the Constitution of North Dakota.

3 **SECTION 3.** A new section to chapter 54-06 of the North Dakota Century Code is  
4 created and enacted as follows:

5 **Employer-paid professional organization membership and service club dues.**

6 Each state agency, department, or institution may pay employee membership dues for  
7 professional organizations and membership dues for service clubs when required to do  
8 business or if the membership is primarily for the benefit of the state. Within sixty days after the  
9 close of each biennial period, each executive branch state agency, department, or institution,  
10 except an institution of higher education, providing employer-paid professional organization  
11 membership and service club dues shall file with the office of management and budget a report  
12 indicating the individuals receiving employer-paid professional organization membership and  
13 service club dues, the amount paid, and a statement of the public purpose or benefit of the  
14 expenditure. Within ninety days after the close of each biennial period, the office of  
15 management and budget shall submit to the legislative council a report summarizing this  
16 information. An expenditure made under this section is deemed to be made for a public  
17 purpose and may not be construed as a gift for purposes of section 18 of article X of the  
18 Constitution of North Dakota.

19 **SECTION 4.** A new section to chapter 54-06 of the North Dakota Century Code is  
20 created and enacted as follows:

21 **Expenditure made pursuant to rule or policy.** An expenditure made pursuant to a  
22 rule or policy adopted pursuant to sections 1 through 3 of this Act is not a criminal offense.