

Sixty-sixth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1523

Introduced by

Representatives B. Koppelman, Delzer, Devlin, Dockter, Kading, Kasper, K. Koppelman,
Marschall, M. Ruby, Schobinger

Senators O. Larsen, Unruh

1 A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota
2 Century Code, relating to the operating fund balances of state agencies, departments, and
3 institutions; to amend and reenact ~~section~~sections 4.1-44-03, 4.1-52-11, 4.1-72-07, and
4 54-44-12 of the North Dakota Century Code, relating to funds and accounts of agriculture
5 commodity groups, occupational and professional boards, associations, and commissions, and
6 to provide an effective date.

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

8 **SECTION 1. AMENDMENT.** Section 4.1-44-03 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **4.1-44-03. Agricultural commodity assessments funds - Investment income**
11 **allocation - Purposes and uses.**

- 12 1. Notwithstanding any other provision of law, the state treasurer shall invest in
13 accordance with section 21-10-07 all available moneys in:
- 14 a. The potato fund;
 - 15 b. The oilseed fund;
 - 16 c. The dry bean fund;
 - 17 d. The dry pea and lentil fund;
 - 18 e. The barley fund;
 - 19 f. The soybean fund;
 - 20 g. The corn fund;
 - 21 h. The honey fund;
 - 22 i. The turkey fund;
 - 23 j. The milk marketing fund;

k. The dairy promotion commission fund;

l. The state wheat commission fund;

m. The ethanol fund; and

n. The North Dakota beef commission fund.

2. The investment of moneys must be made in cooperation with the governing body of the respective agricultural commodity entity. The state treasurer shall establish rules, in cooperation with the agricultural commodity organizations, to be followed regarding the investment of moneys in each fund. The state treasurer shall credit twenty percent of the investment income derived from each fund to the general fund in the state treasury as payment for accounting, printing, data processing, legal, and other services when provided without cost by the state to the agricultural commodity entity. The state treasurer shall credit eighty percent of the investment income derived from each fund to the respective fund.

3. The funds identified in subsection 1 are not subject to the fund balance limitations provided in section 54-44-12 and section 4 of this Act. The governing body or entity that administers each fund shall establish policies regarding the permitted uses of the fund and an appropriate fund reserve balance.

SECTION 2. AMENDMENT. Section 4.1-52-11 of the North Dakota Century Code is amended and reenacted as follows:

4.1-52-11. Seed department fund - Continuing appropriation.

1. The seed commissioner shall forward all moneys received under the chapters over which the commissioner has authority to the state treasurer for deposit in a special fund known as the seed department fund. All moneys in the seed department fund are appropriated on a continuing basis to the seed department to carry out its statutory and regulatory obligations. The seed department fund is not subject to the fund balance limitations provided in section 54-44-12 and section 4 of this Act.
2. The seed commissioner shall approve all expenditures made pursuant to the chapters over which the commissioner has authority and shall document the expenditures at the time and in the manner required by the office of management and budget.
3. The seed commissioner shall provide a report to the house and senate appropriations committees of the legislative assembly, at the time and in the manner directed by the

1 chairmen of the committees. The report must contain a summary of the department's
2 activities during the current biennium and a statement of revenues and expenditures
3 for the ensuing biennium.

- 4 4. At the direction of the seed commission, the state treasurer shall invest all available
5 moneys in the seed department fund. The state treasurer shall credit twenty percent of
6 the investment income to the general fund and the remaining eighty percent of the
7 investment income to the seed department fund.

8 **SECTION 3. AMENDMENT.** Section 4.1-72-07 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **4.1-72-07. Collection of fees - Continuing appropriation.**

11 The North Dakota stockmen's association shall forward all moneys received under this title
12 to the state treasurer for deposit in a special fund known as the North Dakota stockmen's
13 association fund. All moneys in the North Dakota stockmen's association fund, together with all
14 income earned on the moneys in the fund, are appropriated on a continuing basis to the North
15 Dakota stockmen's association to carry out its statutory directives. The North Dakota
16 stockmen's association fund is not subject to the fund balance limitations provided in section
17 54-44-12 and section 4 of this Act.

18 **SECTION 4.** A new section to chapter 54-27 of the North Dakota Century Code is created
19 and enacted as follows:

20 **Operating fund balances of state agencies, departments, and institutions -**
21 **Limitation - Transfer.**

22 If, at the end of any ~~fiscal-year~~biennium, the unobligated and undesignated balance of the
23 operating fund of an executive branch state agency, department, or institution exceeds the
24 higher of two hundred fifty thousand dollars or an amount equal to ~~one-half~~ of the
25 ~~annual~~biennial expenses of the agency, department, or institution, the director of the office of
26 management and budget shall transfer the excess amount of funds from the operating fund to
27 the legacy fund. For purposes of this section, an agency, department, or institution's
28 ~~annual~~biennial expenses are the average expenses of the agency, department, or institution for
29 the ~~three~~two previous ~~fiscal-years~~bienniums as reported in the agency, department, or
30 institution's audited annual financial statements. ~~Any~~A fund categorized as an enterprise or
31 internal service fund, as reported in the most recent state comprehensive annual financial

report, and any balance held in a fund due to ~~statutory or contractual requirements~~the following
is not subject to the limitations provided in this section:

1. Funds held due to a constitutional or statutory provision;

2. Funds obligated for future projects and expenses; and

3. Funds held due to a contractual requirement or due to pending litigation.

SECTION 5. AMENDMENT. Section 54-44-12 of the North Dakota Century Code is
amended and reenacted as follows:

**54-44-12. Deposit and disbursement of funds of occupational and professional
boards - Appropriation - Limitation--~~Transfer~~.**

All occupational and professional boards, associations, and commissions created by law
shall deposit all fees and other moneys received in any bank selected by the majority vote of
the governing body of the board, association, or commission. Checks may be drawn against the
bank account, opened pursuant to this section, for the authorized expenditures of the board,
association, or commission on the signature or signatures of the person or persons authorized
to so act by the governing body. All moneys in accounts opened pursuant to this section are
hereby appropriated for the use of the occupational or professional board, association, or
commission opening the account. If, at the end of any fiscal year, the unobligated and
undesignated balance of an account of an occupational or professional board, association, or
commission exceeds the higher of two hundred fifty thousand dollars or an amount equal to the
annual expenses of the entity, the entity shall ~~transfer the excess amount of funds from the~~
~~account to the state treasurer for deposit in the legacy fund~~reduce the fees charged by the
entity by fifty percent until the balance of the account is below two hundred fifty thousand dollars
or an amount equal to the annual expenses of the entity. For purposes of this section, an
occupational or professional board, association, or commission's annual expenses are the
average expenses of the board, association, or commission for the three previous fiscal years
as reported in the board, association, or commission's audited annual financial statements. Any
balance held in an account due to ~~statutory or contractual requirements~~the following is not
subject to the limitations provided in this section:

1. Funds held due to a constitutional or statutory provision;

2. Funds held pursuant to the provisions of an administrative rule adopted under chapter
28-32;

- 1 3. Funds obligated for future projects and expenses; and
- 2 4. Funds held due to a contractual requirement or due to pending litigation.
- 3 **SECTION 6. EFFECTIVE DATE.** This Act becomes effective August 1, 2021.