

**HOUSE BILL NO. 1035**

Introduced by

Legislative Management

(Higher Education Committee)

1 A BILL for an Act to amend and reenact section 15-10-12 of the North Dakota Century Code,  
2 relating to the appropriation of higher education institutions' special revenue funds.

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

4 **SECTION 1. AMENDMENT.** Section 15-10-12 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15-10-12. (Effective through June 30, 2014~~2013~~) Board may accept gifts and**  
7 **bequests - Deposit and appropriation of institutional funds.**

8 Subject to the limitations of section 15-10-12.1, the state board of higher education may  
9 receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any  
10 institution of higher education under its control or subject to its administration, and all moneys  
11 coming into the hands of the board as donations, gifts, grants, and bequests must be used for  
12 the specific purpose for which they are donated or given. A special revenue fund, for each  
13 institution of higher education under the control of the board or subject to its administration,  
14 must be maintained within the state treasury. All rent, interest, or income from land, money, or  
15 property, donated or granted by the United States and allocated to specific institutions of higher  
16 learning under the terms of the Enabling Act and the Constitution of North Dakota must be  
17 deposited in the special revenue fund of each institution and expended in accordance with  
18 section 1 of article IX of the Constitution of North Dakota. All other funds, unless restricted by  
19 the terms of a grant, donation, or bequest, received by the institutions from federal, state, and  
20 local grants and contracts, indirect cost recoveries, tuition, special student fees, room and board  
21 fees and other auxiliary enterprise fees, student activity fees, continuing education program  
22 fees, internal service fund revenues, and all other revenues must be deposited in the institution  
23 special revenue funds. The state treasurer shall immediately transfer the funds deposited in the  
24 special revenue funds to institution accounts in the Bank of North Dakota. Biennial estimates of

1 revenue and expenditures of the other funds by source of funds must be presented at the same  
2 time biennial budget requests for appropriations from the special revenue fund and state  
3 general fund are prepared and submitted to the office of the budget. Payments from each  
4 institution's general fund appropriation must be made in amounts as may be necessary for the  
5 operation and maintenance of each institution. The funds in the institution accounts are  
6 appropriated on a continuing basis to the state board of higher education. All such  
7 appropriations are subject to proration in the same manner as other appropriations are prorated  
8 if insufficient funds are available to meet expenditures from the general fund. Sinking funds for  
9 the payment of interest and principal of institutional revenue bonds must be deposited pursuant  
10 to section 15-55-06.

11 **(Effective after June 30, 2011~~2013~~) Board may accept gifts and bequests - Deposit of**  
12 **funds.** The state board of higher education may, subject to the limitations of section 15-10-12.1,  
13 receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any  
14 institution of higher education under its control or subject to its administration, and all moneys  
15 coming into the hands of the board as donations, gifts, grants, and bequests must be used for  
16 the specific purpose for which they are donated or given. A special revenue fund, for each  
17 institution of higher education under the control of the board or subject to its administration,  
18 must be maintained within the state treasury and all institutional income from tuition collections  
19 must be placed in the special fund for the use of the institution for which the money was raised.  
20 All rent, interest, or income from land, money, or property, donated or granted by the United  
21 States and allocated to specific institutions of higher learning under the terms of the Enabling  
22 Act and the Constitution of North Dakota must be deposited in the special revenue fund of each  
23 institution and expended in accordance with section 1 of article IX of the Constitution of North  
24 Dakota. Moneys in the special revenue fund are subject to legislative appropriations. All other  
25 funds, unless restricted by the terms of a grant, donation, or bequest, received by the  
26 institutions from federal, state, and local grants and contracts, indirect cost recoveries, special  
27 student fees, room and board fees and other auxiliary enterprise fees, student activity fees,  
28 continuing education program fees, internal service fund revenues, and all other revenues must  
29 be deposited in the institution special revenue funds. The state treasurer shall immediately  
30 transfer the funds deposited in the special revenue funds to institution accounts in the Bank of  
31 North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of

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1 funds must be presented at the same time biennial budget requests for appropriations from the  
2 special revenue fund and state general fund are prepared and submitted to the office of the  
3 budget. Payments from each institution's general fund appropriation must be made in amounts  
4 as may be necessary for the operation and maintenance of each institution, except that at the  
5 close of the biennium the balance of funds not paid from the general fund appropriation must be  
6 deposited in the special revenue funds of the institutions. All such appropriations are subject to  
7 proration in the same manner as other appropriations are prorated if insufficient funds are  
8 available to meet expenditures from the general fund. Sinking funds for the payment of interest  
9 and principal of institutional revenue bonds must be deposited pursuant to section 15-55-06.