2025 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1057

2025 HOUSE STANDING COMMITTEE MINUTES

GOVERNMENT VETERANS AFFAIRS COMMITTEE
PIONEER ROOM, STATE CAPITOL

HB 1057
1/9/2025

Relating to the powers of the board of university and school lands

3:56 p.m. Chairman Schauer called the meeting to order.

Members present: Chairman Schauer Vice Chairman Satrom, Representatives Bahl, Brown, Christy, Grindberg, Karls, McLeod, Rohr, Schneider, Steiner, VanWinkle, Vetter, Wolff

Discussion Topics:

- Allocation of school board funds
- Authorities of school boards

3:57 p.m. Joseph Heringer, Commissioner of the North Dakota Department of Trust Lands, testified in favor and provided testimony #28205.

4:07 p.m. Mary Kay Kelsch, Assistant Attorney General, testified in favor.

4:15 p.m. Chairman Schauer closed the hearing.

Wyatt Armstrong for Jackson Toman, Committee Clerk

NORTH Dakota Trust Lands
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TESTIMONY OF JOSEPH HERINGER
COMMISSIONER
North Dakota Department of Trust Lands

House Bill 1057

House Government and Veterans Affairs Committee
January 9, 2025

Chairman Schauer and members of the Committee, I am Joseph Heringer, North Dakota Commissioner of University and School Lands. I am here to testify in favor of House Bill 1057.

The Board of University and School Lands (Board), as established by the North Dakota Constitution, is charged with overseeing the management of state trust lands and mineral rights and investing the revenue generated therefrom to grow as a source of long-term income for certain state public institutions. The five-member Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department of Trust Lands (Department) is the administrative arm of the Board, serving under the direction and authority of the Board.

The Department manages approximately 2.6 million mineral acres, with their 8,600 associated oil & gas leases, and over 700,000 surface acres, with their 4,400 associated agricultural leases. Revenues generated from these leases, along with revenue from other income sources such as oil & gas lease bonuses and easements granted for pipelines, roads, and well pads, are deposited into 13 permanent trust funds and prudently invested to provide long-term income. Beneficiaries of these trust funds include public K-12 schools, various colleges and universities, and other public institutions throughout North Dakota. The largest fund is the Common Schools Trust Fund (CSTF) which has a balance of approximately $7 billion. In addition to these 13 permanent trust funds, the Board manages five other important state funds: the Strategic Investment and Improvements Fund (SIIF), the Coal Development Trust Fund, the Capitol Building Fund, the

Indian Cultural Education Trust, and the Theodore Roosevelt Presidential Library and Museum Endowment Fund.

House Bill 1057 is a clean-up bill recommended by the Attorney General's Office to clarify the Board's administrative rule-making authority that is currently scattered throughout the Century Code, primarily in Chapters 15-01 through 15-09. This bill will provide clarification by adding one overarching grant of rule-making authority in the general Board powers statute (NDCC §15-01-02) applicable to any statute administered or enforced by the Board.

The current lack of clarity did cause an issue this past year when the Board tried to amend its current land sale rules. Through that process, the Attorney General's Office flagged this issue and recommended we propose a clarifying statute.

The Board has previously promulgated rules under its Administrative Code Title 85, so this is not something new, and any rules would be limited to those "necessary to carry out the responsibilities of the board in conformity with any statute administered or enforced by the board". Additionally, this would not change the required process of all rules being approved by the Attorney General's Office and the Legislative Rules Committee.

This clarification will help the Board continue to fulfill its mission of prudently managing state assets for beneficiaries.

Thank you for your time and consideration. I would be happy to answer any questions the Committee may have.

2025 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Pioneer Room, State Capitol

HB 1057
1/24/2025

Relating to the powers of the board of university and school lands.

10:31 a.m. Chairman Schauer opened the meeting.

Members present: Chairman Schauer, Vice Chairman Satrom, Representatives Bahl, Brown, Christy, Grindberg, Karls, McLeod, Rohr, Schneider, Steiner, VanWinkle, Vetter, Wolff

Discussion Topics:

- Committee work

10:31 a.m. Representative Steiner moved Do Not Pass.

10:31 a.m. Representative Vetter seconded the motion.

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y
Representative Landon Bahl	Y
Representative Collette Brown	Y
Representative Josh Christy	Y
Representative Karen Grindberg	Y
Representative Karen Karls	AB
Representative Carrie McLeod	Y
Representative Karen Rohr	Y
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Lori VanWinkle	Y
Representative Steve Vetter	Y
Representative Christina Wolff	Y

10:34 a.m. Motion passed 13-0-1.

Representative Steiner will carry the bill.

10:34 a.m. Chairman Schauer closed the meeting.

Jackson Toman, Committee Clerk

REPORT OF STANDING COMMITTEE
HB 1057 (25.8049.01000)

Government and Veterans Affairs Committee (Rep. Schauer, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1057 was placed on the Eleventh order on the calendar.