

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1022

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the information
2 technology department; to authorize the industrial commission to issue and sell evidences of
3 indebtedness for ConnectND; to provide an exemption; to provide for a legislative council
4 study; to create and enact a new subsection to section 54-59-05 of the North Dakota Century
5 Code, relating to information technology department wide area network service; to amend and
6 reenact section 54-59-02 of the North Dakota Century Code, relating to responsibilities of the
7 information technology department; and to declare an emergency.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
10 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from other income, to the
12 information technology department for the purpose of defraying the expenses of the information
13 technology department, for the biennium beginning July 1, 2003, and ending June 30, 2005, as
14 follows:

15	Salaries and wages	\$25,699,374
16	Operating expenses	33,117,659
17	Capital assets	5,323,000
18	Division of independent study	5,591,472
19	Educational technology council	731,952
20	EduTech	2,567,043
21	Wide area network	7,386,662
22	Enterprise resource planning system (ConnectND)	20,000,000
23	Geographic information system	658,565
24	Prairie public broadcasting	1,337,138

1	Criminal justice information sharing	<u>4,741,200</u>
2	Total all funds	\$107,154,065
3	Less estimated income	<u>97,255,242</u>
4	Total general fund appropriation	\$9,898,823

5 **SECTION 2. BOND ISSUANCE AUTHORIZATION - PURPOSES -**

6 **APPROPRIATION.** The industrial commission, acting as the North Dakota building authority,
7 shall arrange through the issuance of evidences of indebtedness under chapter 54-17.2 from
8 the effective date of this Act and ending June 30, 2005, for the funding in an amount not to
9 exceed \$20,000,000 to be loaned to the information technology department for the purchase or
10 lease of computer hardware and software and for the costs of the implementation services for
11 the enterprise resource planning system commonly known as the ConnectND project.
12 ConnectND is declared to be in the public interest and is for the purpose of this Act, a project
13 as that term is defined in chapter 54-17.2. The amount of the evidences of indebtedness may
14 be reduced by any moneys made available from the higher education institutions. The
15 proceeds of the evidences of indebtedness and other available funds, as appropriated in
16 section 1 of this Act, for ConnectND project costs, debt service repayment, and refunding of
17 ConnectND interim borrowings. The industrial commission shall issue evidences of
18 indebtedness under this section with the condition that repayment on the evidences of
19 indebtedness need not begin until July 1, 2005. For purposes of this Act, loan or debt service
20 repayments are equivalent to lease rental payments as that term is used in chapter 54-17.2.
21 ConnectND student fee revenues and other available funds are hereby appropriated to the
22 North Dakota university system for the North Dakota university system's share of the
23 ConnectND project costs, debt service repayment, refunding of ConnectND interim borrowings,
24 and other costs incidental to ConnectND implementation.

25 The authority of the industrial commission to issue evidences of indebtedness under
26 this section ends June 30, 2005, but the industrial commission may continue to exercise all
27 other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants
28 entered into before that date.

29 The limitation provided in section 54-17.2-23 does not apply to repayments allocable to
30 the evidences of indebtedness issued for the ConnectND project.

1 **SECTION 3. EVIDENCES OF INDEBTEDNESS ISSUANCE REPAYMENT**

2 **RESPONSIBILITY.** Debt service on the evidences of indebtedness issued under section 2 of
3 this Act must be available from charges made and collected by the information technology
4 department from users of the system.

5 **SECTION 4. FUNDING - EXCEPTION - AUTHORIZATION.** Notwithstanding section
6 54-16-04, the information technology department may transfer appropriation authority between
7 line items within section 1 of this Act for the biennium beginning July 1, 2003, and ending
8 June 30, 2005. The department shall notify the office of management and budget of any
9 transfer made pursuant to this section. The department shall report any transfers made in
10 excess of \$50,000 pursuant to this section to the budget section.

11 **SECTION 5. INFORMATION TECHNOLOGY LEGISLATIVE COUNCIL STUDY.** The
12 legislative council shall consider studying during the 2003-04 interim the potential for
13 centralizing and consolidating information technology services. The legislative council shall
14 report its findings and recommendations, together with any legislation required to implement
15 the recommendations, to the fifty-ninth legislative assembly.

16 **SECTION 6. AMENDMENT.** Section 54-59-02 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **54-59-02. Information technology department - Responsibility - Public policy.**

19 The information technology department is established with the responsibility for all wide area
20 network services planning, selection, and implementation for all state agencies, including
21 institutions under the control of the board of higher education, counties, cities, and school
22 districts in this state. With respect to a county, city, or school district, wide area network
23 services are those services necessary to transmit voice, data, or video outside the county, city,
24 or school district. In exercising its powers and duties, the department is responsible for
25 computer support services, host software development, statewide communications services,
26 standards for providing information to other state agencies and the public through the internet,
27 technology planning, process redesign, and quality assurance. The department may not
28 exercise its powers and duties in a manner that competes or otherwise interferes with the
29 provision of telecommunications services to private, charitable, or nonprofit entities by privately
30 or cooperatively owned telecommunications companies.

1 **SECTION 7.** A new subsection to section 54-59-05 of the North Dakota Century Code
2 is created and enacted as follows:

3 May provide wide area network services to a state agency, city, county, school
4 district, or other political subdivision of this state. The information technology
5 department may not provide wide area network services to any private, charitable,
6 or nonprofit entity except the department may continue to provide the wide area
7 network services it provided to the private, charitable, and nonprofit entities
8 receiving services from the department on January 1, 2003. The department shall
9 file with the state auditor before September 1, 2003, a description of the wide area
10 network services the department provided to each private, charitable, and nonprofit
11 entity receiving services from the department on January 1, 2003.

12 **SECTION 8. EMERGENCY.** The enterprise resource planning system line item in
13 section 1 of this Act and all of sections 2 and 3 of this Act are declared to be an emergency
14 measure.