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Fifty-ninth  
Legislative Assembly  
of North Dakota

Introduced by

Legislative Council

(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; and to  
3 declare an emergency.

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

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

7 **15-10-12. (Effective through June 30, ~~2005~~ 2007) Board may accept gifts and**  
8 **bequests - Deposit and appropriation of institutional funds.** Subject to the limitations of  
9 section 15-10-12.1, the state board of higher education may receive donations, gifts, grants,  
10 and bequests offered or tendered to or for the benefit of any institution of higher education  
11 under its control or subject to its administration, and all moneys coming into the hands of the  
12 board as donations, gifts, grants, and bequests must be used for the specific purpose for which  
13 they are donated or given. A special revenue fund, for each institution of higher education  
14 under the control of the board or subject to its administration, must be maintained within the  
15 state treasury. All rent, interest, or income from land, money, or property, donated or granted  
16 by the United States and allocated to specific institutions of higher learning under the terms of  
17 the Enabling Act and the Constitution of North Dakota must be deposited in the special revenue  
18 fund of each institution and expended in accordance with section 1 of article IX of the  
19 Constitution of North Dakota. All other funds, unless restricted by the terms of a grant,  
20 donation, or bequest, received by the institutions from federal, state, and local grants and  
21 contracts, indirect cost recoveries, tuition, special student fees, room and board fees and other  
22 auxiliary enterprise fees, student activity fees, continuing education program fees, internal  
23 service fund revenues, and all other revenues must be deposited in the institution special  
24 revenue funds. The state treasurer shall immediately transfer the funds deposited in the special

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

12 **(Effective after June 30, ~~2005~~ 2007) Board may accept gifts and bequests -**  
13 **Deposit of funds.** The state board of higher education may, subject to the limitations of  
14 section 15-10-12.1, receive donations, gifts, grants, and bequests offered or tendered to or for  
15 the benefit of any institution of higher education under its control or subject to its administration,  
16 and all moneys coming into the hands of the board as donations, gifts, grants, and bequests  
17 must be used for the specific purpose for which they are donated or given. A special revenue  
18 fund, for each institution of higher education under the control of the board or subject to its  
19 administration, must be maintained within the state treasury and all institutional income from  
20 tuition collections must be placed in the special fund for the use of the institution for which the  
21 money was raised. All rent, interest, or income from land, money, or property, donated or  
22 granted by the United States and allocated to specific institutions of higher learning under the  
23 terms of the Enabling Act and the Constitution of North Dakota must be deposited in the special  
24 revenue fund of each institution and expended in accordance with section 1 of article IX of the  
25 Constitution of North Dakota. Moneys in the special revenue fund are subject to legislative  
26 appropriations. All other funds, unless restricted by the terms of a grant, donation, or bequest,  
27 received by the institutions from federal, state, and local grants and contracts, indirect cost  
28 recoveries, special student fees, room and board fees and other auxiliary enterprise fees,  
29 student activity fees, continuing education program fees, internal service fund revenues, and all  
30 other revenues must be deposited in the institution special revenue funds. The state treasurer  
31 shall immediately transfer the funds deposited in the special revenue funds to institution

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

12           **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.