Sixty-eighth Legislative Assembly of North Dakota
In Special Session Commencing Monday, October 23, 2023

HOUSE BILL NO. 1541
(Legislative Management)

AN ACT to provide an appropriation to the legislative assembly for the payment of dues and costs related to a special legislative session and the legislative council for the payment of fees, employer retirement contributions, and legislative council salaries and wages; to amend and reenact section 24-02-37.3 of the North Dakota Century Code, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, relating to budget section approval limits for the flexible transportation fund; to provide for a legislative management study; to provide for a legislative management report; to provide for retroactive application; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - 2021-23 BIENNIUM - LEGISLATIVE ASSEMBLY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $5,000, or so much of the sum as may be necessary, to the legislative assembly for international legislators' forum dues for the period beginning May 10, 2023, and ending June 30, 2023.

SECTION 2. APPROPRIATION - LEGISLATIVE ASSEMBLY - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $425,000, or so much of the sum as may be necessary, to the Legislative Assembly for costs related to the 2023 special legislative session, for the period beginning with the effective date of this Act and ending June 30, 2025. The funding provided in this section is considered a one-time funding item.

SECTION 3. APPROPRIATION - LEGISLATIVE COUNCIL - REPORT - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $500,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for a performance audit of the state auditor and for other consulting services of interim committees, for the biennium beginning July 1, 2023, and ending June 30, 2025. The chairman of the legislative management shall arrange for the audit and receive the audit report. The performance audit must address the efficiency and effectiveness of the state auditor's office relative to industry best practices. The performance audit must include a review of the appropriateness of the number of hours to complete audits; methods used to monitor staff time and allocate hours charged to audits; billing processes; quality assurance processes; the adequacy and timeliness of communications with audited entities, governing boards, and the public; and other areas as determined by the chairman of the legislative management. The funding provided in this section is considered a one-time funding item.

SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER RETIREMENT CONTRIBUTION FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $58,283, or so much of the sum as may be necessary, to the legislative council for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 5. APPROPRIATION - LEGISLATIVE COUNCIL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $255,000, or so much of the sum as may be necessary, to the legislative council for salaries and wages, for the period beginning with the effective date of this Act and ending June 30, 2025.

SECTION 6. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

SECTION 10. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

24-02-37.3. Flexible transportation fund - Budget section approval - Report.

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:

   a. Providing a match for federal funding obtained by the department of transportation.

   b. State-funded road and bridge construction and maintenance, and transportation support costs including staffing, facilities, and operational expenditures on the state highway system.

   c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.

2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.

3. The director must receive budget section approval for any project that utilizes more than ~~fifteen~~ten million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.

4. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:

   a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;

   b. The department shall establish criteria to distribute the funds;

   c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;

   d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;

   e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and

   f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five

million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.

5. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund.

SECTION 7. LEGACY FUND EARNINGS - REPORT TO LEGISLATIVE MANAGEMENT. Each biennium, the state retirement and investment office shall provide a report including the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 not been passed by the sixty-eighth legislative assembly to the legislative management.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - STATE FIRE AND TORNADO FUND AND STATE BONDING FUND ADMINISTRATION. During the 2023-24 interim, the legislative management shall consider studying, in collaboration with the insurance commissioner and the director of the office of management and budget, the feasibility and desirability of changing administration of the state fire and tornado fund and state bonding fund from the insurance commissioner to the director of the office of management and budget. The study must include an analysis of the statutory changes necessary to accomplish the change in administration and other statutory changes necessary to facilitate the office of management and budget's administration of these funds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - MANAGEMENT AND MAINTENANCE OF STATE FACILITIES.

1. During the 2023-24 interim, the legislative management shall consider studying the policies and procedures of state agencies, excluding institutions under the control of the state board of higher education, for managing, maintaining, and leasing state facilities.

2. The study must include consideration of:

   a. The most efficient and cost-effective organizational structure for managing, maintaining, and leasing state facilities, including a comparison of allocating funding and full-time equivalent positions to various agencies and centralizing funding and full-time equivalent positions under one agency.

   b. The costs and benefits of leasing or owning state facilities.

   c. The appropriate use of contracts for service and full-time equivalent positions for custodial services, mechanical services, snow removal, lawn care, and maintenance.

3. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - GUARDIANSHIP PROGRAMS. During the 2023-24 interim, the legislative management shall study the state's guardianship programs. The study must include consideration of the existing structure for the programs under the office of management and budget, judicial branch, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

SECTION 11. RETROACTIVE APPLICATION. Section 1 of this Act applies retroactively to May 10, 2023, and sections 3, 4, and 6 through 10 of this Act apply retroactively to July 1, 2023.

SECTION 12. EFFECTIVE DATE. This Act becomes effective immediately upon its filing with the secretary of state.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1541.

House Vote:	Yeas 77	Nays 14	Absent 3
Senate Vote:	Yeas 42	Nays 5	Absent 0

Chief Clerk of the House

Received by the Governor at _____M. on _____, 2023.

Approved at _____M. on _____, 2023.

Governor

Filed in this office this _____day of _____, 2023,

at _____ o'clock _____M.

Secretary of State