

April 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

REENGROSSED SENATE BILL NO. 2396

Introduced by

Senators Weston, Boehm, Hogue, Paulson

Representatives Steiner, Tveit

In place of amendment (25.1372.04003) adopted by the House, Reengrossed Senate Bill No. 2396 is amended by amendment (25.1372.04005) as follows:

1 A BILL for an Act to amend and reenact section 10-30.5-08 of the North Dakota Century Code,
2 relating to annual audits of the North Dakota development fund; to provide for a performance
3 audit of the ~~department of commerce and the~~ North Dakota development fund; to provide for a
4 legislative management report; and to provide an appropriation.

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

6 **SECTION 1. AMENDMENT.** Section 10-30.5-08 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-30.5-08. Annual audit.**

9 The ~~board of directors~~state auditor's office may conduct an annual audit of the financial
10 statements of the corporation pursuant to this section. If the state auditor's office does not
11 conduct the audit, the state auditor's office shall contract with a certified public accounting firm
12 to audit annually the financial statements of the corporation in accordance with generally
13 accepted auditing standards. The cost of the audit must be borne by the corporation.

14 **SECTION 2. PERFORMANCE AUDIT - ~~DEPARTMENT OF COMMERCE AND~~ NORTH**
15 **DAKOTA DEVELOPMENT FUND - REPORT TO LEGISLATIVE AUDIT AND FISCAL REVIEW**
16 **COMMITTEE - REPORT TO LEGISLATIVE MANAGEMENT.**

17 1. The ~~legislative management~~state auditor's office shall contract with an ~~out-of-state and~~
18 independent third party for the completion of a performance audit of the ~~department of~~
19 ~~commerce and the~~ North Dakota development fund; for the biennium period beginning
20 July 1, ~~2025~~2019, and ending June 30, ~~2027~~2024. The ~~chairman of the legislative~~

1 ~~management~~ state auditor's office shall ~~arrange for the audit and by August 30, 2026,~~
2 receive the final audit report ~~by 30 September~~ August 1, 2026.

3 2. The performance audit must address the economy, efficiency, and effectiveness of the
4 ~~economic development programs at the department of commerce and the~~ North
5 Dakota development fund ~~relative to industry best practices criteria for the years 2020~~
6 ~~to 2024~~ by examining internal processes, controls, and results to identify areas for
7 improvement and provide recommendations for corrective actions.

8 3. After the report is received under subsection 1, the state auditor's office shall present
9 the report at the next meeting of the legislative audit and fiscal review committee.
10 Before September 30, 2026, the state auditor's office also shall present the report to
11 the legislative management.

12 **SECTION 3. APPROPRIATION - ~~LEGISLATIVE MANAGEMENT~~ - PERFORMANCE**

13 **AUDIT - ~~DEPARTMENT OF COMMERCE AND~~ NORTH DAKOTA DEVELOPMENT FUND -**

14 **ONE-TIME FUNDING**. There is appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, the sum of ~~\$200,000~~ \$250,000, or so much of the sum as
16 may be necessary, to the ~~legislative management~~ state auditor's office for the purpose of
17 contracting for a performance audit of the ~~department of commerce and the~~ North Dakota
18 development fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. The
19 appropriation provided in this section is considered a one-time funding item.