

April 21, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

In place of amendment (25.0162.02002) adopted by the Senate, Engrossed House Bill No. 1018 is amended by amendment (25.0162.02004) as follows:

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state historical
2 society; to authorize a Bank of North Dakota line of credit; to amend and reenact section
3 55-01-02.1 of the North Dakota Century Code, relating to jurisdiction of the heritage center; and
4 ~~to provide an exemption~~ declare an emergency.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the state historical society for the purpose of defraying the expenses of the
10 state historical society, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
11 follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$16,832,853	\$3,313,454	\$20,146,307
15 New and vacant FTE pool	0	934,276	934,276
16 Operating expenses	3,443,236	6,484,415	9,927,651
17 Capital assets	1,330,184	84,437,649	85,767,833
18 Grants	928,340	3,692,500	4,620,840
19 <u>Operating expenses</u>	<u>3,443,236</u>	<u>2,084,415</u>	<u>5,527,651</u>

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1	<u>Capital assets</u>	1,330,184	82,267,649	83,597,833
2	<u>Grants</u>	928,340	1,092,500	2,020,840
3	Cultural heritage grants	500,000	(500,000)	0
4	America's 250 th celebration	0	2,000,000	2,000,000
5	<u>Total all funds</u>	<u>\$23,034,613</u>	<u>\$100,362,294</u>	<u>\$123,396,907</u>
6	<u>Less other funds</u>	<u>2,434,264</u>	<u>97,551,416</u>	<u>99,985,680</u>
7	<u>Total all funds</u>	<u>\$23,034,613</u>	<u>\$91,192,294</u>	<u>\$114,226,907</u>
8	<u>Less other funds</u>	<u>2,434,264</u>	<u>88,381,416</u>	<u>90,815,680</u>
9	Total general fund	\$20,600,349	\$2,810,878	\$23,411,227
10	Full-time equivalent positions	83.50	2.00	85.50

11 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 12 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 13 items included in the appropriation in section 1 of this Act which are not included in the entity's
 14 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 15 committees of the seventieth legislative assembly regarding the use of this funding:

16	<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
17	Temporary staff salaries and operating	\$10,225	\$52,011	\$62,236
18	Repatriation compliance costs	100,000	0	100,000
19	Pembina state museum exhibits	0	638,000	638,000
20	Underrepresented community program	0	75,000	75,000
21	Military gallery expansion project	0	82,944,524	82,944,524
22	<u>Military gallery expansion project</u>	<u>0</u>	<u>77,944,524</u>	<u>77,944,524</u>
23	Inspiration gallery updates	0	700,000	700,000
24	Medora area planning	0	3,570,000	3,570,000
25	<u>Medora area planning</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
26	State archive storage updates	207,500	0	207,500
27	Historical structures and buildings	0	3,000,000	3,000,000
28	improvements			
29	Paul Bruhn historical revitalization grants	0	750,000	750,000
30	Historic theater restoration grant	0	1,100,000	1,100,000
31	Historic opera house restoration grant	0	250,000	250,000

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1	Historic museum repairs grant	0	200,000	200,000
2	Historic movie theater improvement grant	0	250,000	250,000
3	Medora transportation improvement grant	0	1,000,000	1,000,000
4	Historic armory restoration grant	0	100,000	100,000
5	America's 250 th celebration	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
6	Total	\$317,725	\$96,629,535	\$96,947,260
7	Total	<u>\$317,725</u>	<u>\$87,459,535</u>	<u>\$87,777,260</u>

8 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
9 state historical society may not spend funds appropriated in the new and vacant FTE pool line
10 item in section 1 of this Act, but may request the office of management and budget to transfer
11 funds from the new and vacant FTE pool line item to the salaries and wages line item in
12 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
13 approved by the sixty-ninth legislative assembly.

14 **SECTION 4. APPROPRIATION - REVOLVING FUND.** All fees collected by the state
15 historical society and deposited in the revolving fund established pursuant to section 55-03-04
16 are appropriated to the state historical society for the purposes provided in chapter 55-03, for
17 the biennium beginning July 1, 2025, and ending June 30, 2027.

18 **SECTION 5. APPROPRIATION - GIFTS, GRANTS, AND BEQUESTS.** All gifts, grants,
19 devises, bequests, donations, and assignments received by the state historical society and
20 deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state
21 historical society for the purposes provided in section 55-01-04, for the biennium beginning
22 July 1, 2025, and ending June 30, 2027.

23 **SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
24 **FUND - MATCHING FUNDS REQUIREMENT.**

25 1. The other funds line item in section 1 of this Act includes the sum of
26 ~~\$32,458,000~~\$27,488,000 from the strategic investment and improvements fund, of
27 which \$638,000 is for Pembina state museum exhibit designs and objects,
28 ~~\$20,000,000~~\$15,000,000 is for the military gallery expansion project, \$4,200,000 is for
29 the repayment of a Bank of North Dakota line of credit for the military gallery
30 expansion project from the 2023-25 biennium. \$350,000 is for an update to the
31 inspiration gallery at the North Dakota heritage center, ~~\$3,570,000~~\$2,000,000 is for

1 Medora area planning, \$3,000,000 is for improvements to historical structures and
2 buildings, ~~\$1,100,000 is for a historic theater restoration grant, \$250,000 is for a~~
3 ~~historic opera house restoration grant, \$200,000 is for a historic museum repairs grant,~~
4 ~~\$250,000 is for a historic movie theater improvement grant, \$1,000,000 is for a~~
5 ~~Medora transportation improvement grant, \$100,000 is for a historic armory restoration~~
6 ~~grant, and \$2,000,000 is for America's~~America 250th celebration activities, of which
7 \$1,000,000 is for state-related celebration activities and \$1,000,000 is for
8 Medora-related celebration activities.

9 2. The state historical society may spend funds appropriated for the historic theater-
10 restoration grant program only to the extent the organization has secured one dollar of
11 matching funds from nonstate sources for every two dollars provided by the state-
12 historical societymuseum repairs grant and historic armory restoration grant programs
13 only to the extent the organizations have secured one dollar of matching funds from
14 nonstate sources for every two dollars provided by the state historical society. The
15 state historical society may accept matching funds raised during or prior to the
16 2025-27 biennium for programs under this subsection.

17 3. The state historical society may access the \$15,000,000 appropriated from the
18 strategic investment and improvements fund for the military gallery expansion project
19 in section 1 of this Act only upon certification from the director of the state historical
20 society to the office of management and budget that at least thirty-three percent, or
21 \$12,785,693, of the \$38,744,524 appropriated from donations for the military gallery
22 expansion project in section 1 of this Act, has been pledged from nonstate sources for
23 the project.

24 **SECTION 7. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - MILITARY**

25 **GALLERY EXPANSION PROJECT.** The other funds line item in section 1 of this Act includes
26 the sum of \$20,000,000, which the state historical society may borrow through a line of credit
27 from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending
28 June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate
29 charged to North Dakota governmental entities. If the state historical society accesses the line
30 of credit, the state historical society shall request a deficiency appropriation from the seventieth
31 legislative assembly to repay the line of credit.

1 **SECTION 8. OTHER FUNDS - DONATIONS.** The other funds line item in section 1 of this
2 Act includes the sum of ~~\$43,294,524~~ \$39,094,524 from other funds derived from donations, of
3 which \$38,744,524 is for the military gallery expansion project, ~~\$4,200,000 is for the repayment~~
4 ~~of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion~~
5 ~~project~~, and \$350,000 is for an update to the inspiration gallery at the North Dakota heritage
6 center.

7 ~~**SECTION 9. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.**~~
8 ~~The amount of \$3,550,000 appropriated from the strategic investment and improvements fund~~
9 ~~in section 1 of chapter 50 of the 2023 Session Laws, of which \$3,250,000 was for critical repairs~~
10 ~~to historic site structures and \$300,000 was for creating new and repairing existing exhibits, is~~
11 ~~not subject to section 54-44.1-11 and is available to the state historical society for each project~~
12 ~~or program during the biennium beginning July 1, 2025, and ending June 30, 2027.~~

13 **SECTION 9. OTHER FUNDS - DEPARTMENT OF TRANSPORTATION GRANT.** The other
14 funds line item in section 1 of this Act includes \$100,000 of grant funding from the department of
15 transportation for the purpose of defraying the expenses of the Lewis and Clark interpretive
16 center.

17 **SECTION 10. AMENDMENT.** Section 55-01-02.1 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **55-01-02.1. Society to have jurisdiction over heritage center.**

20 The society has jurisdiction over the administration and operations of the North Dakota
21 heritage center building. The director of the office of management and budget is responsible for
22 maintenance of the heritage center building. The society, in consultation with the adjutant
23 general, is responsible for all public displays, signage, and museum content for the military
24 gallery within the North Dakota heritage center building. The society and the adjutant general
25 shall enter into a memorandum of agreement to establish policies on public displays, signage,
26 and museum content for the military gallery. The regimental room of the military gallery shall be
27 named the North Dakota national guard regimental room. The society shall maintain the
28 collections displayed and stored at the heritage center and shall provide, or arrange, for the
29 security of those collections. The society shall establish a policy that authorizes the
30 consumption of alcoholic beverages, including distilled spirits as defined in section 5-01-01, at

1 the heritage center during an event that is open only to invited guests and if the alcoholic
2 beverages are dispensed by a qualified alcoholic beverage licensee.

3 **SECTION 11. EMERGENCY.** The following are declared to be an emergency measure:

- 4 1. \$4,200,000 appropriated from the strategic investment and improvements fund in
5 section 1 of this Act to repay a Bank of North Dakota line of credit for the military
6 gallery expansion project; and
- 7 2. \$15,000,000 appropriated from the strategic investment and improvements fund in
8 section 1 of this Act for the military gallery expansion project.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - State Historical Society - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$16,832,853	\$20,146,307		\$20,146,307	\$20,146,307	
New and vacant FTE pool		934,276		934,276	934,276	
Operating expenses	3,443,236	9,927,651	(\$4,400,000)	5,527,651	5,527,651	
Capital assets	1,330,184	85,767,833	(2,170,000)	83,597,833	83,597,833	
Grants	928,340	4,620,840	(2,600,000)	2,020,840	2,770,840	(\$750,000)
Cultural heritage grants	500,000					
America's 250th celebration		2,000,000		2,000,000	1,000,000	1,000,000
Total all funds	\$23,034,613	\$123,396,907	(\$9,170,000)	\$114,226,907	\$113,976,907	\$250,000
Less estimated income	2,434,264	99,985,680	(9,170,000)	90,815,680	90,565,680	250,000
General fund	\$20,600,349	\$23,411,227	\$0	\$23,411,227	\$23,411,227	\$0
FTE	83.50	85.50	0.00	85.50	85.50	0.00

Department 701 - State Historical Society - Detail of Conference Committee Changes

	Adjusts One-Time Funding for the Military Gallery Expansion Project ¹	Reduces One-Time Funding for Medora Area Planning ²	Reduces One-Time Funding for Grants ³	Total Conference Committee Changes
Salaries and wages				
New and vacant FTE pool				
Operating expenses	(\$4,200,000)	(\$200,000)		(\$4,400,000)
Capital assets	(800,000)	(1,370,000)		(2,170,000)
Grants			(\$2,600,000)	(2,600,000)
Cultural heritage grants				
America's 250th celebration				
Total all funds	(\$5,000,000)	(\$1,570,000)	(\$2,600,000)	(\$9,170,000)
Less estimated income	(5,000,000)	(1,570,000)	(2,600,000)	(9,170,000)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ One-time funding from the strategic investment and improvements fund (SIIF) and donations for the military gallery expansion project is adjusted as follows:

	SIIF	Donations	Total
Reduces funding for the military gallery expansion project, the same as approved by the Senate.	(\$5,000,000)	\$0	(\$5,000,000)
Adjusts funding for the repayment of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project and transfers the funding from the operating expenses line item to the capital assets line item, the same as approved by the Senate.	4,200,000	(4,200,000)	0
Total	(\$800,000)	(\$4,200,000)	(\$5,000,000)

² One-time funding of (\$1,570,000) is removed from SIIF for Medora area planning to provide a total of \$2,000,000, the same as approved by the Senate. The House approved \$3,570,000 from SIIF.

³ One-time funding of (\$2.6 million) is removed from SIIF for grants, including (\$1.1 million) for a historic theater restoration grant, (\$250,000) for a historic opera house restoration grant, (\$250,000) is for a historic theater improvement grant, and (\$1 million) is for a Medora transportation improvement grant. The Senate approved \$250,000 for the historic theater restoration grant, \$250,000 for the historic opera house restoration grant, and \$250,000 for the historic theater improvement grant, and did not provide funding for the Medora transportation improvement grant. The House approved \$1.1 million for the historic theater restoration grant, \$250,000 for the historic opera house restoration grant, \$250,000 for the historic theater improvement grant, and \$1 million for the Medora transportation improvement grant.

House Bill No. 1018 - Other Changes - Conference Committee Action

This amendment also:

- Amends a section identifying \$27,488,000 appropriated in Section 1 from SIIF. The Senate appropriated \$27,238,000. The House appropriated \$32,458,000. The conference committee amendment includes matching requirements for all grant funding from SIIF and allows matching funds raised prior to the 2025-27 biennium be eligible to match funds provided by the state, the same as approved by the Senate. The conference committee amendment also provides the \$15,000,000 appropriated from SIIF for the military gallery expansion project may not be accessed until the State Historical Society has received pledges totaling 33 percent, or \$12,785,693, of the amount of donations appropriated for the project (\$38,744,524). The Senate provided funding from SIIF could not be accessed until 50 percent, or \$19,372,262, of donations has been pledged. The House did not provide requirements to access funding from SIIF.
- Amends a section identifying \$39,094,524 appropriated from donations for the military gallery expansion project (\$38,744,524) and inspiration gallery update (\$350,000), the same as provided by the Senate. The House appropriated \$43,294,524, including \$4,200,000 for the repayment of a 2023-25 biennium Bank of North Dakota line of credit for the military gallery expansion project.
- Adds a section to identify \$100,000 of grant funding appropriated in the base budget in Section 1 is from the Department of Transportation for expenses related to the Lewis and Clark Interpretive Center, the same as provided by the Senate.
- Adds a section to amend North Dakota Century Code Section 55-01-02.1 to require the State Historical Society to collaborate with the Adjutant General on all public displays, signage, and museum content for the military gallery at the Heritage Center and provides the regimental room be named the North Dakota National Guard Regimental Room. The Senate amended the section to provide the military gallery be operated and maintained by the State Historical Society and that all public displays, signage, and museum content be managed by the Adjutant General and the North Dakota National Guard. The House did not amend Section 55-01-02.1.
- Removes a section added by the House providing an exemption from SIIF for critical repairs and historic site structures appropriated for the 2023-25 biennium. The State Historical Society has authority in North Dakota Century Code Section 54-44.1-11 to allow the agency to continue unexpended appropriations into future bienniums. The Senate also removed this section.
- Adds a section to declare the \$4.2 million appropriated from SIIF to repay a Bank of North Dakota line of credit for the military gallery expansion project and the \$15 million appropriated from SIIF for the project emergency measures. The Senate designated the \$4.2 million an emergency measure but not the \$15 million. The House did not declare an emergency measure for the project.

The conference committee amendment includes \$2 million of one-time funding from SIIF for America 250th celebration activities, of which \$1 million is for state-related activities and \$1 million is for a grant to assist in Medora-related activities. The House appropriated \$2 million, of which \$1.825 million was for the governor's gallery exhibit, \$50,000 was for temporary salaries, \$75,000 was for professional programming, and \$50,000 was for repairs. The Senate reduced the appropriation to \$1 million for Medora-related activities.