

25.0162.02002
Title.
Fiscal No. 2

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

April 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1018

Introduced by

Appropriations Committee

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:

		Adjustments or	
	<u>Base Level</u>	<u>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>

Sixty-ninth
Legislative Assembly

1	Capital assets	1,330,184	82,267,649	83,597,833
2	Grants	928,340	1,842,500	2,770,840
3	Cultural heritage grants	500,000	(500,000)	0
4	America's 250th celebration	0	2,000,000	2,000,000
5	Total all funds	\$23,034,613	\$100,362,294	\$123,396,907
6	Less other funds	2,434,264	97,551,416	99,985,680
7	America 250 th celebration	0	1,000,000	1,000,000
8	Total all funds	\$23,034,613	\$90,942,294	\$113,976,907
9	Less other funds	2,434,264	88,131,416	90,565,680
10	Total general fund	\$20,600,349	\$2,810,878	\$23,411,227
11	Full-time equivalent positions	83.50	2.00	85.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

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

Sixty-ninth
Legislative Assembly

1	<u>Historic theater restoration grant</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>
2	Historic opera house restoration grant	0	250,000	250,000
3	Historic museum repairs grant	0	200,000	200,000
4	Historic movie theater improvement grant	0	250,000	250,000
5	Medora transportation improvement grant	0	1,000,000	1,000,000
6	Historic armory restoration grant	0	100,000	100,000
7	America's 250th celebration	0	2,000,000	2,000,000
8	Total	\$317,725	\$96,629,535	\$96,947,260
9	<u>America 250th celebration</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
10	<u>Total</u>	<u>\$317,725</u>	<u>\$87,209,535</u>	<u>\$87,527,260</u>

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

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

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

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

1. The other funds line item in section 1 of this Act includes the sum of ~~\$32,458,000~~ \$27,238,000 from the strategic investment and improvements fund, of which \$638,000 is for Pembina state museum exhibit designs and objects, ~~\$20,000,000~~ \$15,000,000 is for the military gallery expansion project, \$4,200,000 is for

1 the repayment of a Bank of North Dakota line of credit for the military gallery
2 expansion project from the 2023-25 biennium. \$350,000 is for an update to the
3 inspiration gallery at the North Dakota heritage center, ~~\$3,570,000~~\$2,000,000 is for
4 Medora area planning, \$3,000,000 is for improvements to historical structures and
5 buildings, ~~\$1,100,000~~\$250,000 is for a historic theater restoration grant, \$250,000 is
6 for a historic opera house restoration grant, \$200,000 is for a historic museum repairs
7 grant, \$250,000 is for a historic movie theater improvement grant, ~~\$1,000,000 is for a~~
8 ~~Medora transportation improvement grant,~~ \$100,000 is for a historic armory restoration
9 grant, and ~~\$2,000,000~~\$1,000,000 is for ~~America's~~America 250th celebration activities
10 in Medora.

11 2. The state historical society may spend funds appropriated for the historic theater
12 restoration grant program only to the extent the organization has secured one dollar of
13 matching funds from nonstate sources for every ~~two dollars~~one dollar provided by the
14 state historical society. The state historical society may spend funds appropriated for
15 the historic opera house restoration grant, historic museum repairs grant, historic
16 movie theater improvement grant, and historic armory restoration grant programs only
17 to the extent the organizations have secured one dollar of matching funds from
18 nonstate sources for every two dollars provided by the state historical society. The
19 state historical society may accept matching funds raised during or prior to the
20 2025-27 biennium for programs under this subsection.

21 3. The state historical society may access the \$15,000,000 appropriated from the
22 strategic investment and improvements fund for the military gallery expansion project
23 in section 1 of this Act only upon certification from the director of the state historical
24 society to the office of management and budget that at least fifty percent, or
25 \$19,372,262, of the \$38,744,524 appropriated from donations for the military gallery
26 expansion project in section 1 of this Act, has been pledged from nonstate sources for
27 the project.

28 **SECTION 7. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - MILITARY**
29 **GALLERY EXPANSION PROJECT.** The other funds line item in section 1 of this Act includes
30 the sum of \$20,000,000, which the state historical society may borrow through a line of credit
31 from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending

June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the state historical society accesses the line of credit, the state historical society shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

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

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

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

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

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

The society has jurisdiction over the administration and operations of the North Dakota heritage center building. The director of the office of management and budget is responsible for maintenance of the heritage center building. The adjutant general is responsible for all public displays, signage, and museum content for the military gallery within the North Dakota heritage center building, which must be managed by the North Dakota national guard. The society shall maintain the collections displayed and stored at the heritage center and shall provide, or arrange, for the security of those collections. The society shall establish a policy that authorizes the consumption of alcoholic beverages, including distilled spirits as defined in section 5-01-01,

1 at 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 \$4,200,000 appropriated from the strategic investment
4 and improvements fund in section 1 of this Act to repay a Bank of North Dakota line of credit for
5 the military gallery expansion project is declared to be an emergency measure.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1018 - State Historical Society - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$16,832,853	\$20,146,307		\$20,146,307
New and vacant FTE pool		934,276		934,276
Operating expenses	3,443,236	9,927,651	(\$4,400,000)	5,527,651
Capital assets	1,330,184	85,767,833	(2,170,000)	83,597,833
Grants	928,340	4,620,840	(1,850,000)	2,770,840
Cultural heritage grants	500,000			
America's 250th celebration		2,000,000	(1,000,000)	1,000,000
Total all funds	\$23,034,613	\$123,396,907	(\$9,420,000)	\$113,976,907
Less estimated income	2,434,264	99,985,680	(9,420,000)	90,565,680
General fund	\$20,600,349	\$23,411,227	\$0	\$23,411,227
FTE	83.50	85.50	0.00	85.50

Department 701 - State Historical Society - Detail of Senate Changes

	Adjusts One- Time Funding for the Military Gallery Expansion Project¹	Reduces One- Time Funding for Medora Area Planning²	Reduces One- Time Funding for Grants³	Reduces Funding for America 250th Celebration Activities⁴	Total Senate 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			(\$1,850,000)		(1,850,000)
Cultural heritage grants					
America's 250th celebration				(\$1,000,000)	(1,000,000)
Total all funds	(\$5,000,000)	(\$1,570,000)	(\$1,850,000)	(\$1,000,000)	(\$9,420,000)
Less estimated income	(5,000,000)	(1,570,000)	(1,850,000)	(1,000,000)	(9,420,000)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ One-time funding for the military gallery expansion project is adjusted as follows:

	Strategic Investment and Improvements Fund (SIIF)	Donations	Total
Reduces funding for the military gallery expansion project	(\$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.	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 House approved \$3,570,000 from SIIF.

³ One-time funding of (\$1,850,000) is reduced from SIIF for grants, including a (\$850,000) reduction for a historic theater restoration grant to provide a total of \$250,000 and the removal of (\$1,000,000) for a Medora transportation improvement grant. The House approved \$1,100,000 from SIIF for the historic theater restoration grant and \$1,000,000 from SIIF for the Medora transportation improvement grant.

⁴ One-time funding of (\$1,000,000) is reduced from SIIF for America 250th celebration activities to provide a total of \$1,000,000 for a grant for Medora celebration activities. The House approved \$2,000,000 from SIIF, including

\$1,825,000 for the Governor's gallery exhibit, \$50,000 for temporary salaries, \$75,000 for professional programming, and \$50,000 for repairs.

House Bill No. 1018 - Other Changes - Senate Action

This amendment also:

- Amends a section identifying \$27,238,000 appropriated in Section 1 from SIIF. The House appropriated \$32,458,000. The Senate 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 Senate 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 50 percent, or \$19,372,262, of the amount of donations appropriated for the project (\$38,744,524).
- 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 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.
- Adds a section to amend North Dakota Century Code Section 55-01-02.1 to provide the military gallery at the Heritage Center must 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.
- 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.
- Adds a section to declare the \$4,200,000 appropriated from SIIF to repay a Bank of North Dakota line of credit for the military gallery expansion project an emergency measure.