



**EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	30.00	\$0	\$10,751,194	\$10,751,194
Base level	33.00	0	9,869,025	9,869,025
Increase (decrease)	(3.00)	\$0	\$882,169	\$882,169
Percentage increase (decrease)	(9.1%)	N/A	8.9%	8.9%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace the 2023-25 vacant FTE pool (\$230,225) and the 2023-25 new FTE pool (\$739,732)
- Transfers \$53,998 from the operating expenses line item to the salaries and wages line item for base payroll changes associated with the cost to continue 2023-25 biennium salary increases
- Transfers \$858,397 of special funds and 4 FTE unclaimed property positions to the State Treasurer to transfer the administration of unclaimed property
- Adds 1 FTE diversified revenue officer position, including \$271,731 for salaries and wages, \$22,900 for ongoing operating expenses, and \$3,000 for one-time operating expenses
- Decreases funding for operating expenses by \$177,174 related to budgetary savings and efficiencies

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 20 fees. The agency recommended the following changes to its fees:

- Remove 5 fees, including the surface lease assignment fee, coal lease assignment application fee, coal lease amendment or renewal application fee, oil well shut-in fee, and oil and gas lease advertising fee.
- Increase the amount charged for 3 fees, including surface lease fee, land sale application fee, and oil and gas lease extension or amendment application fee.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Department of Trust Lands - Budget No. 226
Agency Worksheet - Senate Bill No. 2013

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	33.00	\$0	\$9,869,025	\$9,869,025
2025-27 Ongoing Funding Changes				
Salary increase			\$403,184	\$403,184
Health insurance increase			180,158	180,158
Funding to replace the 2023-25 vacant FTE pool			230,225	230,225
Funding to replace the 2023-25 new FTE pool			739,732	739,732
Transfers \$53,998 from operating to salaries - Base				0
Transfers unclaimed property to State Treasurer	(4.00)		(858,397)	(858,397)
FTE diversified revenue officer position	1.00		294,631	294,631
Information technology rate increases			66,810	66,810
Budget reduction for operating expense savings			(177,174)	(177,174)
Total ongoing funding changes	(3.00)	\$0	\$879,169	\$879,169
One-Time Funding Items				
Operating expenses for new FTE position			\$3,000	\$3,000
Total one-time funding changes	0.00	\$0	\$3,000	\$3,000
Total Changes to Base Level Funding	(3.00)	\$0	\$882,169	\$882,169
2025-27 Total Funding	30.00	\$0	\$10,751,194	\$10,751,194

Federal funds included in other funds

\$0

Total ongoing changes - Percentage of base level

(9.1%)

N/A

8.9%

8.9%

Total changes - Percentage of base level

(9.1%)

N/A

8.9%

8.9%

Other Sections in Department of Trust Lands - Budget No. 226

Section Description	Executive Budget
Fund distributions	Section 3 would provide the permanent fund income distributions to state institutions.
FTE position adjustments	Section 4 would authorize the Department of Trust Lands to increase or decrease authorized FTE positions subject to the availability of funds.
Transfer of unclaimed property administration	Sections 5 through 16 would transfer the administration of unclaimed property from the Department of Trust Lands to the State Treasurer.

Sixty-ninth
Legislative Assembly
of North Dakota

**SENATE BILL NO. 2013
(Governor’s Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands and to provide for distributions from permanent funds and to amend and reenact subsection 2, 7 and 9 of section 47-30.2-01, section 47-30.2-03, subdivision j of subsection 1 of section 47-30.2-22, subsection 4 of section 47-30.2-23, subsection 1 of section 47-30.2-24, subdivision b of subsection 3 of section 47-30.2-28, subsection 2 of section 47-30.2-44, subdivision c of subsection 2 of section 47-30.2-50, subsection 1 of section 47-30.2-56, subdivision c of subsection 2 of section 47-30.2-57, subsection 1 and subsection 2 of section 47-30.2-66, and subsection 4 of section 47-30.2-67 and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$8,005,331	\$1,020,631	\$9,025,962
Operating Expenses	1,763,694	(\$138,462)	1,625,232
Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total Special Funds	\$9,869,025	\$882,169	\$10,751,194
Full-time Equivalent Positions	33.00	(3.00)	30.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the grand total appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Information Technology Project	\$4,900,000	\$0
Information Technology Equipment	5,400	3,000
Utility Vehicle and Trailer	<u>49,500</u>	<u>0</u>
Total Special Funds	\$4,954,900	\$3,000

The 2025-27 biennium one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The commissioner of university and school lands shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025 and ending June 30, 2027.

SECTION 3. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to section 1 of article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2025, and ending June 30, 2027, the following amounts, from the permanent funds managed for the benefit of the following entities:

Common Schools	\$584,677,350
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North Dakota State University	8,770,000
University of North Dakota	6,948,000
Youth Correctional Center	3,136,000
School for the Deaf	2,388,000
State college of Science	2,570,284
State Hospital	1,976,284
Veterans' Home	994,284
Valley City State University	1,566,000
North Dakota Vision Services - School for the Blind	1,936,284
Mayville State University	1,102,000
Dakota College at Bottineau	406,284
Dickinson State University	406,284
Minot State University	406,284
Total	<u>\$617,283,338</u>

SECTION 4. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the commissioner of university and school lands may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The commissioner of university and school lands shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 5. AMENDMENT. Subsection 2, 7 and 9 of section 47-30.2-01 of North Dakota Century Code is amended and reenacted as follows:

2. "Administrator's agent" means a person with which the ~~commissioner~~treasurer contracts to conduct an examination under sections 47-30.2-54, 47-30.2-55, 47-30.2-56, 47-30.2-57, 47-30.2-58, 47-30.2-59, 47-30.2-60, 47-30.2-61, and 47-30.2-62 on behalf of the administrator. The term includes an independent contractor of the person and each individual participating in the examination on behalf of the person or contractor.

7. "~~Commissioner~~Treasurer" means the ~~commissioner of university and school lands~~state treasurer.

9. "Department" means the ~~department of trust lands~~office of the state treasurer.

SECTION 6. AMENDMENT. Section 47-30.2-03 of North Dakota Century Code is amended and reenacted as follows:

The ~~commissioner~~treasurer may adopt rules to implement and administer this chapter.

SECTION 7. AMENDMENT. Subdivision j of subsection 1 of section 47-30.2-22 of North Dakota Century Code is amended and reenacted as follows:

j. Contain other information the ~~commissioner~~treasurer prescribes by rules.

SECTION 8. AMENDMENT. Subsection 4 of section 47-30.2-23 of North Dakota Century Code is amended and reenacted as follows:

4. The ~~commissioner~~treasurer may grant an extension of the reporting date for good cause in the event of a national or state emergency.

SECTION 9. AMENDMENT. Subsection 1 of section 47-30.2-24 of North Dakota Century Code is amended and reenacted as follows:

1. A holder required to file a report under section 47-30.2-21 shall retain records for ten years after the later of the date the report was filed or the last date a timely report was due to be filed, unless a shorter period is provided by rule of the ~~commissioner~~treasurer.

SECTION 10. AMENDMENT. Subdivision b of subsection 3 of section 47-30.2-28 of North Dakota Century Code is amended and reenacted as follows:

b. Maintain a website or database accessible by the public and electronically searchable which contains the names reported to the administrator of apparent owners for whom property that meets or exceeds the searchable value as set by the ~~commissioner~~treasurer is being held by the administrator. Property that does not meet or exceed the searchable value must continue to be held by the administrator but may not appear in the searchable website or database.

SECTION 11. AMENDMENT. Subsection 2 of section 47-30.2-44 of North Dakota Century Code is amended and reenacted as follows:

2. The department shall maintain an account with an amount of funds the ~~commissioner~~treasurer reasonably estimates is sufficient to pay claims allowed under this chapter.

SECTION 12. AMENDMENT. Subdivision c of subsection 2 of section 47-30.2-50 of North Dakota Century Code is amended and reenacted as follows:

- c. The property has a value as provided by rules adopted by the ~~commissioner~~treasurer.

SECTION 13. AMENDMENT. Subsection 1 of section 47-30.2-56 of North Dakota Century Code is amended and reenacted as follows:

1. The ~~commissioner~~treasurer shall adopt rules governing an examination under section 47-30.2-55, including rules for use of an estimation, extrapolation, and statistical sampling in conducting an examination. An examination commenced after adoption of rules under this subsection must comply with the rules.

SECTION 14. AMENDMENT. Subdivision c of subsection 2 of section 47-30.2-57 of North Dakota Century Code is amended and reenacted as follows:

- c. May be disclosed at the discretion of the ~~commissioner~~treasurer, on request, to the person that administers the unclaimed property law of another state for that state's use in circumstances equivalent to circumstances described in sections 47-30.2-54, 47-30.2-55, 47-30.2-56, 47-30.2-57, 47-30.2-58, 47-30.2-59, 47-30.2-60, 47-30.2-61, and 47-30.2-62. A state to which information is disclosed shall maintain the confidentiality and security of information obtained in a manner substantially equivalent to sections 47-30.2-71, 47-30.2-72, and 47-30.2-73;

SECTION 15. AMENDMENT. Subsection 1 and subsection 2 of section 47-30.2-66 of North Dakota Century Code is amended and reenacted as follows:

1. If a holder enters into a contract or other arrangement for the purpose of evading an obligation under this chapter or otherwise willfully fails to perform a duty imposed on the holder under this chapter, the ~~commissioner~~treasurer may require the holder to pay the administrator, in addition to interest as provided in subsection 1 of section 47-30.2-65, a civil penalty of one thousand dollars for each day the obligation is evaded or the duty is not performed, up to a cumulative maximum amount of twenty-five thousand dollars, plus twenty-

five percent of the amount or value of property that should have been, but was not reported, paid, or delivered as a result of the evasion or failure to perform.

2. If a holder makes a fraudulent report under this chapter, the ~~commissioner~~treasurer may require the holder to pay to the administrator, in addition to interest under subsection 1 of section 47-30.2-65, a civil penalty of one thousand dollars for each day from the date the report was made until corrected, up to a cumulative maximum of twenty-five thousand dollars, plus twenty-five percent of the amount or value of any property that should have been reported, but was not included in the report or was underreported.

SECTION 16. AMENDMENT. Subsection 4 of section 47-30.2-67 of North Dakota Century Code is amended and reenacted as follows:

4. The ~~commissioner~~treasurer may waive up to twenty-five thousand dollars of the penalty or reduce interest. A request for a waiver or reduction of penalty in excess of twenty-five thousand dollars must be presented to the board, with the ~~commissioner's~~treasurer's recommendation, for review and decision.