

**HOUSE BILL NO. 1398**

Introduced by

Representative Dalrymple

Senator Nething

1 A BILL for an Act relating to the authority of a state agency or institution to construct a building  
2 or expand a building project; to amend and reenact sections 15-10-12 and 15-55-10 of the  
3 North Dakota Century Code, relating to limitations on buildings and other campus  
4 improvements; and to repeal section 15-10-12.1 of the North Dakota Century Code, relating to  
5 acceptance of buildings and campus improvements upon approval of the budget section.

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

7 **SECTION 1. AMENDMENT.** Section 15-10-12 of the 1997 Supplement to the North  
8 Dakota Century Code is amended and reenacted as follows:

9 **15-10-12. Board may accept gifts and bequests - State treasurer to have custody**  
10 **of school funds.** ~~The~~ Subject to the limitations of section 3 of this Act, the state board of  
11 higher education may, ~~subject to the limitations of section 15-10-12.1,~~ receive donations, gifts,  
12 grants, and bequests offered or tendered to or for the benefit of any institution of higher  
13 education under its control or subject to its administration, and all moneys coming into the  
14 hands of the board as donations, gifts, grants, and bequests must be used for the specific  
15 purpose for which they are donated or given. A special revenue fund, for each institution of  
16 higher education under the control of the board or subject to its administration, must be  
17 maintained within the state treasury and all institutional income from tuition collections must be  
18 placed in the special fund for the use of the institution for which the money was raised. All rent,  
19 interest, or income from land, money, or property, donated or granted by the United States and  
20 allocated to specific institutions of higher learning under the terms of the Enabling Act and the  
21 Constitution of North Dakota must be deposited in the special revenue fund of each institution  
22 and expended in accordance with section 1 of article IX of the Constitution of North Dakota.  
23 Moneys in the special revenue fund are subject to legislative appropriations. All other funds,  
24 unless restricted by the terms of a grant, donation, or bequest, received by the institutions from

1 federal, state, and local grants and contracts, indirect cost recoveries, special student fees,  
2 room and board fees and other auxiliary enterprise fees, student activity fees, continuing  
3 education program fees, internal service fund revenues, and all other revenues must be  
4 deposited in the Bank of North Dakota. Biennial estimates of revenue and expenditures of the  
5 other funds by source of funds must be presented at the same time biennial budget requests for  
6 appropriations from the special revenue fund and state general fund are prepared and  
7 submitted to the office of the budget pursuant to section 15-10-15. Payments from each  
8 institution's general fund appropriation must be made in amounts as may be necessary for the  
9 operation and maintenance of each institution, except that at the close of the biennium the  
10 balance of funds not paid from the general fund appropriation must be deposited in the special  
11 revenue funds of the institutions. All such appropriations are subject to proration in the same  
12 manner as other appropriations are prorated if insufficient funds are available to meet  
13 expenditures from the general fund. Sinking funds for the payment of interest and principal of  
14 institutional revenue bonds must be deposited pursuant to section 15-55-06.

15 **SECTION 2. AMENDMENT.** Section 15-55-10 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **15-55-10. Limitation on buildings and other campus improvements and issuance**  
18 **of bonds.** ~~No~~ Except as provided in section 3 of this Act, no building or buildings or other  
19 campus improvements improvement may be erected or constructed, and no bonds may be  
20 issued for the payment of the cost of any building ~~or buildings~~ or other campus ~~improvements~~  
21 improvement under ~~the terms of this chapter, save and except for such specified buildings or~~  
22 ~~other campus improvements as may be from time to time designated and unless~~ authorized by  
23 legislative act, nor may any ~~such building or buildings~~ or other campus ~~improvements~~  
24 improvement be erected at a cost exceeding the amount fixed by the legislative assembly ~~in~~  
25 ~~such act~~ as the maximum to be expended for ~~such buildings~~ the building or other campus  
26 ~~improvements~~ improvement. ~~Such~~ The legislative authorization may be aggregated and the  
27 appropriation of the proceeds of the bonds for the construction of the buildings or improvements  
28 are not subject to cancellation under ~~the provisions of section 54-44.1-11. Authorization for the~~  
29 ~~issuance of bonds by the 1969 legislative assembly and authorizations of previous legislative~~  
30 ~~assemblies, however, expire on July 1, 1973, unless bonds have been issued for the~~  
31 ~~construction of buildings or improvements in the amounts so authorized or a contract for the~~

1 ~~design of the building has been signed by the board of higher education prior to such date.~~  
2 Authorization for the issuance of bonds by ~~succeeding the~~ legislative assemblies expire  
3 assembly expires four years after the effective date of the authorization unless bonds have  
4 been issued for the construction of buildings or improvements in the amounts so authorized or a  
5 contract for the design of the building has been signed by the board of higher education ~~prior to~~  
6 such before the expiration date or the authorization specifies a different expiration date.  
7 Refunding bonds may be issued by the state board of higher education under ~~the provisions of~~  
8 this chapter without legislative act to refund, at or ~~prior to~~ before the maturity of or pursuant to  
9 any privilege of prepayment reserved in or granted with respect to, any bonds issued to pay the  
10 cost of buildings or other campus improvements designated and authorized by legislative act.

11 **SECTION 3. Authorization of building projects by legislative assembly or budget**  
12 **section.** A state agency or institution may not commence a building project without specific  
13 authorization from the legislative assembly nor may a building construction project or expansion  
14 be undertaken on any state-owned land without specific legislative approval, or budget section  
15 approval if the legislative assembly is not in session, whether the project is financed by public  
16 funds or any other funds. Notwithstanding any other provision of law, a state agency or  
17 institution may not expand a building construction project beyond what has been approved by  
18 the legislative assembly unless the legislative assembly, or the budget section of the legislative  
19 council if the legislative assembly is not in session, approves the expansion of the project or  
20 any additional expenditure for the project.

21 **SECTION 4. REPEAL.** Section 15-10-12.1 of the 1997 Supplement to the North  
22 Dakota Century Code is repealed.