

SENATE BILL NO. 2043

Introduced by

Legislative Council

(Public Services Committee)

1 A BILL for an Act to amend and reenact sections 4-18.1-04, 4-23-07, 15-19-06, 20.1-02-02,
2 25-01.1-20, 26.1-21-01, 26.1-21-02, 26.1-21-03, 26.1-21-04, 26.1-21-06, 26.1-21-07,
3 26.1-21-08, 26.1-21-09, 26.1-21-10, 26.1-21-11, 26.1-21-12, 26.1-21-14, 26.1-21-15,
4 26.1-21-16, 26.1-21-17, 26.1-21-18, 26.1-21-19, and 26.1-21-23, subsection 3 of section
5 27-05.2-02, and section 54-09-02 of the North Dakota Century Code, relating to the state
6 bonding fund; and to repeal section 4-27-10 of the North Dakota Century Code, relating to
7 bonding of the dairy promotion commission.

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

9 **SECTION 1. AMENDMENT.** Section 4-18.1-04 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **4-18.1-04. Milk marketing board.**

12 1. There is ~~hereby~~ created a milk marketing board to consist of five members
13 appointed by the governor. The board consists of one ~~person~~ individual who is a
14 dairy farmer selling to a processor, who must be selected by the governor from two
15 names submitted to the governor by the North Dakota milk producers association;
16 one ~~person~~ individual who is a processor, who must be selected by the governor
17 from two names submitted to the governor by the North Dakota dairy industries
18 association; one ~~person~~ individual who is a retailer, who must be selected by the
19 governor from two names submitted to the governor by the North Dakota
20 association of food retailers; and two ~~persons~~ individuals must be selected by the
21 governor who are consumers, and who are not otherwise engaged in the milk
22 business. An appointee may not have held elective or appointive public office
23 during the period of two years immediately preceding appointment and may not
24 hold any other public office, either elective or appointive, during the term of office

- 1 as a member of the board. Not more than three members of the board may, at the
2 time of the appointment or thereafter during their respective terms of office, reside
3 on the same side of a continuous line following the eastern boundaries of
4 Bottineau, McHenry, Wells, Kidder, Logan, and McIntosh Counties.
- 5 2. The members of the board must be appointed within thirty days after passage and
6 approval of this chapter. The term of office of one member expires on July 1,
7 1968; the term of office of one member expires on July 1, 1969; the term of office
8 of one member expires on July 1, 1970; the term of office of one member expires
9 on July 1, 1971; the term of office of one member expires on July 1, 1972; and
10 each succeeding member holds office for a term of five years and until a successor
11 has been appointed and qualified. Any vacancy must be filled by appointment by
12 the governor.
- 13 3. Three members of the board constitute a quorum for the regular transaction of
14 business. The board shall choose one of its members as the chairman, who shall
15 hold office as a chairman for one year; provided, election as chairman does not
16 interfere with the member's right to vote on all matters before the board.
- 17 4. The board shall determine the amount of compensation payable to each member
18 of the board. The amount payable may not exceed seventy-five dollars per day
19 plus reimbursement for expenses as provided by law for state officers, while
20 attending meetings or performing duties directed by the board. A member's per
21 diem payments may not exceed fifteen hundred dollars in any one year.
- 22 5. Each member of the board shall give bond conditioned for the faithful performance
23 of the member's duties ~~in the manner required by law in the sum of five thousand~~
24 ~~dollars.~~
- 25 6. The board shall employ a director who serves under the direction and at the
26 pleasure of the board and whose qualifications, duties, and compensation must be
27 determined by the board. The director shall serve as financial officer of the board
28 and is authorized to accept money paid to the board in accordance with this
29 chapter. ~~Before beginning employment, the director shall execute and file a bond~~
30 ~~in an amount as may be fixed by the board or as may be provided by law for public~~
31 ~~officers.~~

1 ~~7.~~ 6. The board shall employ, in addition to the director, such assistants and employees,
2 permanent and temporary, as may be necessary to carry out the duties and
3 responsibilities of the board under this chapter. The board shall determine the
4 qualifications, duties, and compensation of such employees. The board may
5 employ a licensed attorney of the state of North Dakota as its legal counsel, who
6 shall serve on a full-time or a part-time basis, and the board may obtain the
7 services of such additional attorneys as it deems necessary. The board may also
8 contract for auditing, economic research, and other technical services, whenever it
9 determines that such services are needed.

10 ~~8.~~ 7. All expenditures under this chapter must be paid from the receipts ~~hereunder~~
11 under this chapter. Meetings of the board must be held at least every sixty days at
12 the call of the chairman or a majority of the board.

13 **SECTION 2. AMENDMENT.** Section 4-23-07 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **4-23-07. State agency to keep accounts - Accounts to be credited ~~–Employees to~~**
16 **~~be bonded.~~** The state agency shall provide for the keeping of full and accurate accounts
17 showing all receipts and expenditures of moneys, securities, or other property received, held, or
18 expended under ~~the provisions of this chapter~~ and shall provide for the auditing of ~~all such~~
19 these accounts and ~~for the execution of surety bonds for all employees entrusted with moneys~~
20 ~~or securities under the provisions of this chapter.~~

21 **SECTION 3. AMENDMENT.** Section 15-19-06 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **15-19-06. Special funds - Deposit of collections - Transfers from general fund**
24 **appropriations.**

25 1. A special operating fund for the division of independent study must be maintained
26 within the state treasury and all income and fees collected by the division of
27 independent study from any source must be remitted monthly by the director to the
28 state treasurer and credited to the special operating fund. All expenditures from
29 the fund must be within the limits of legislative appropriations and must be made
30 upon vouchers, signed and approved by the technology director appointed by the
31 educational technology council. Upon approval of the vouchers by the office of the

- 1 budget, warrant-checks must be prepared by the office of management and
2 budget. The state treasurer shall make periodic transfers upon order of the
3 director of the office of management and budget from the division of independent
4 study general fund appropriation to the special operating fund whenever its
5 balance falls so low as to require supplementation.
- 6 2. The educational technology council may establish an administrative operational
7 fund, of not to exceed ten thousand dollars, out of the special operating fund for the
8 division of independent study. The administrative operational fund must be
9 deposited in the Bank of North Dakota and may be drawn upon by the state
10 director of the division of independent study for the payment of necessary
11 expenses in the administration and operation of the division of independent study
12 within the limits and rules prescribed by the educational technology council. The
13 director shall submit a full, minute, and itemized statement of every expenditure
14 made during the month to the council in accordance with the rules adopted by the
15 council, and thereafter the council may periodically authorize additional transfers to
16 the administrative operational fund, but the balance in the fund may never exceed
17 ten thousand dollars, and any unencumbered balance at the end of any biennium
18 must revert to the state treasury. The administrative operational fund may not be
19 used to pay salaries or expenses of the director. ~~The council shall determine the~~
20 ~~amount of the bond to be posted by the director.~~
- 21 3. The educational technology council may establish a scholarship fund to provide
22 financial grants to students enrolled in courses offered through the division of
23 independent study. The scholarship fund may consist only of those funds
24 specifically appropriated by the legislative assembly and property received by the
25 council or the division of independent study as a gift, devise, or bequest. Any gift,
26 devise, or bequest of property received by the council or division of independent
27 study which is designated by the council and donor for the scholarship fund must
28 be deposited in the scholarship fund at the Bank of North Dakota. The state
29 director of the division of independent study may draw only on the interest earned
30 by the scholarship fund for the award of scholarships within the limits and rules

1 adopted by the educational technology council. The interest earned by the
2 scholarship fund is appropriated to the division of independent study.

3 **SECTION 4. AMENDMENT.** Section 20.1-02-02 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **20.1-02-02. ~~Bond and oath~~ Oath of director.** Before entering upon that person's
6 individual's duties and within ten days after the date of appointment, the director shall take and
7 file the oath prescribed for civil officers ~~and must be bonded in the penal sum of ten thousand~~
8 ~~dollars.~~

9 **SECTION 5. AMENDMENT.** Section 25-01.1-20 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **25-01.1-20. Care and custody of funds belonging to patients of state institutions.**

12 The superintendent of any state institution under the management and control of the
13 supervising department, when the care and custody of any funds belonging to patients ~~thereof~~
14 of a state institution are by law devolved upon the superintendent, shall keep accurate accounts
15 of ~~such~~ these funds in books provided for that purpose and shall pay out ~~such~~ these funds
16 under ~~such~~ rules ~~and regulations~~ as may be prescribed by law or by the supervising
17 department, taking proper vouchers ~~therefor~~ of the funds in all cases from the patient or
18 responsible representative of ~~such~~ the patient. Each superintendent shall give a bond ~~in such~~
19 ~~sum as may be required by law, or as may be prescribed by the supervising department,~~
20 conditioned for the faithful performance of duties ~~and a due accounting for the funds entrusted~~
21 ~~to the superintendent's care.~~

22 **SECTION 6. AMENDMENT.** Section 26.1-21-01 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **26.1-21-01. Definitions.** In this chapter, unless the context otherwise requires:

- 25 1. "Blanket bond" means a bond that covers collectively all public employees and
26 public officials without the necessity of scheduling names or positions as a part of
27 the bond, and a bond whereby new public employees and new public officials
28 entering employment or office during the period of the bond are automatically
29 included without notice to the fund.
- 30 2. "Fund" means the state bonding fund.

- 1 3. "International peace garden" means an entity located upon the international
2 boundary line between the United States of America and Canada used and
3 maintained as a memorial to commemorate the long-existing relationship of peace
4 and good will between the people and the governments of the United States of
5 America and Canada and to further international peace among the nations of the
6 world.
- 7 4. "Political subdivision" means ~~all counties~~ a county, ~~townships~~ township, park
8 ~~districts~~ district, school ~~districts~~ district, ~~cities~~ city, and any other ~~units~~ unit of local
9 government which ~~are~~ is created either by statute or by the Constitution of North
10 Dakota for local government or other public purposes.
- 11 5. "Public employee" means ~~any person~~ an individual employed by ~~the~~ a state
12 agency or any ~~of its~~ political ~~subdivisions~~ subdivision, an officer or employee
13 eligible under section 57-15-56, an employee under section 61-16.1-05, and an
14 officer or employee of an international peace garden. "Public employee" does not
15 include ~~a person~~ an individual employed by an occupational and professional
16 board or commission under title 43 or by the state bar association.
- 17 6. "Public official" means ~~any~~ an elected or appointed officer or deputy, ~~either elected~~
18 ~~or appointed~~, of ~~the~~ a state agency or ~~any of its~~ a political ~~subdivisions~~ subdivision ~~who is~~
19 ~~required to be bonded by any law of this state~~ subdivision, except for an officer of
20 an occupational and professional board or commission under title 43 or of the state
21 bar association.
- 22 7. "State agency" means ~~a state~~ departments board, bureau, commission,
23 department, ~~agencies~~ agency, ~~industries~~ industry, and ~~institutions~~ institution and
24 ~~an~~ the international peace garden.

25 **SECTION 7. AMENDMENT.** Section 26.1-21-02 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **26.1-21-02. State bonding fund ~~under management of~~ - Management by**
28 **commissioner.** ~~The commissioner shall manage the fund. The~~ A fund must be maintained as
29 a fund for the bonding of public employees and public officials. ~~All moneys~~ Money collected
30 under this chapter must be paid into ~~such~~ the fund. The commissioner shall manage the fund.

1 **SECTION 8. AMENDMENT.** Section 26.1-21-03 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **26.1-21-03. Commissioner may employ assistants.** The commissioner may employ
4 ~~such clerical and other~~ assistants as may be necessary to operate the fund. The salaries of all
5 employees together with all other expenditures for the operation of the fund must remain within
6 the appropriations made ~~from time to time~~ by the legislative assembly for ~~such~~ these purposes
7 and must be paid by warrant-check drawn on the state treasury prepared by the office of
8 management and budget after the approval of expense vouchers by the office of the budget.

9 **SECTION 9. AMENDMENT.** Section 26.1-21-04 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **26.1-21-04. Attorney general is attorney for fund.** The attorney general shall act as
12 attorney for the commissioner in any ~~and all actions and proceedings~~ proceeding to which the
13 commissioner is a party on behalf of the fund.

14 **SECTION 10. AMENDMENT.** Section 26.1-21-06 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **26.1-21-06. Condition of bond created by chapter - Limitation.** ~~The condition of~~
17 Unless otherwise provided, the bond provided under this chapter is a blanket bond arising
18 under the provisions of this chapter shall be limited to that of. The blanket bond is a fidelity
19 bond and must provide that. The blanket bond is conditioned on the public employee or public
20 official, as principal, shall render rendering a true account of all moneys and property of every
21 kind that come into the person's hands as such possessed as a public employee or public
22 official, and shall pay over and deliver the same according to delivering the money or the
23 property as required by law. The provisions of this chapter and of any statute requiring a bond
24 constitute the bond of each public official and public employee for the purposes of any law of
25 this state requiring the bond and constitute the entire contract between the fund and a state
26 agency or a political subdivision as the obligee for the bond.

27 **SECTION 11. AMENDMENT.** Section 26.1-21-07 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **26.1-21-07. Coverage.** The amount of coverage afforded to each state agency;
30 ~~department, industry, and institution~~ or political subdivision must be determined by the
31 commissioner based upon the amount of money or property handled and the opportunity for

1 defalcation. The coverage may be greater than but not less than the amount required by law or
2 determined under law for ~~such positions~~ a position. The coverage for a state legislative or
3 judicial branch agency, however, may be determined by the legislative council or supreme
4 court, respectively.

5 **SECTION 12. AMENDMENT.** Section 26.1-21-08 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **26.1-21-08. Review of ~~public official and employee bond~~ coverage by auditor.**

8 ~~Each state agency, department, industry, and institution shall annually review the amount of~~
9 ~~blanket bond coverage of its officers and employees.~~ When conducting an audit examination of
10 ~~such a state agencies, departments, industries, and institutions~~ agency or political subdivision,
11 the ~~state~~ auditor shall evaluate the blanket bond coverage and, if ~~deemed~~ necessary; the
12 auditor shall include recommendations for changes in the amount of that coverage in the
13 auditor's report.

14 **SECTION 13. AMENDMENT.** Section 26.1-21-09 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **26.1-21-09. Premiums - Amount to whom paid - Minimum.** The commissioner shall
17 determine the premium for a blanket bond ~~must be determined by the commissioner.~~

18 ~~Premiums must be paid~~ Each state agency and political subdivision shall pay the premium in
19 ~~advance by the proper authority of the state, or of the political subdivision of the state, from its~~
20 ~~treasury,~~ to the state treasurer who shall keep the ~~same~~ premiums collected in the fund. The
21 state treasurer shall issue receipts in triplicate. The treasurer shall file one of ~~such~~ these
22 receipts in the treasurer's office, ~~and~~ shall mail one to the official making ~~such~~ the payment,
23 and shall mail one to the commissioner. The minimum premium for each bond must be two
24 dollars and fifty cents per year. Payments must be made for one year or for ~~such a~~ longer
25 ~~terms~~ term as prescribed by the commissioner ~~may prescribe.~~ ~~From and after July 1, 1953,~~
26 ~~the.~~ The premiums referred to in this section must be waived until the reserve fund of the state
27 bonding fund has been depleted below the sum of two million dollars. The collection of
28 premiums must be resumed on the bonds, at the rates provided under this section, whenever
29 the reserve fund is depleted below the sum of two million dollars. The premiums must continue
30 to be collected until the reserve fund reaches a total of three million dollars, at which time all

1 premiums must again be waived until the reserve fund has been depleted below the sum of two
2 million dollars.

3 **SECTION 14. AMENDMENT.** Section 26.1-21-10 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **26.1-21-10. Automatic insurance of state and political subdivisions.** ~~The public~~
6 ~~employees and public officials of the~~

- 7 1. Each state agency and each political subdivision thereof, as the case may be,
8 must shall apply to be insured bonded in the fund according to the provisions of
9 this chapter upon application to the state bonding fund and upon approval by the
10 commissioner on a biennial basis or if a change in coverage is requested. Unless
11 an application is denied within sixty days from the date it is received by the ~~state~~
12 ~~bonding fund~~ commissioner, the application will be deemed approved and bond
13 coverage in force. ~~The provisions of this chapter and of any statute requiring a~~
14 ~~bond constitute the bond of each and every public official for the purpose of any~~
15 ~~law of this state requiring such bond and constitute the entire contract between the~~
16 ~~fund and the state or its political subdivisions, respectively, as the obligee in any~~
17 ~~such bond.~~ If a bond is in the discretion of the state agency or political subdivision
18 and a bond is not requested, the state agency or political subdivision is exempt
19 from this section.
- 20 2. The application must include a requested amount of bond coverage based on the
21 amount of money and property handled and the opportunity for defalcation and any
22 other condition imposed by law and list twenty-five percent of the money in control
23 of the public officials or employees for which the bond is requested for the
24 preceding year based on the total monthly balances. In addition, the application
25 must include any information requested by the commissioner to determine the
26 amount of money and property handled and the opportunity for defalcation,
27 including the procedure used to determine the amount of bond requested,
28 revenues for the last budget period by type, expenditures for the last budget period
29 by type, the number of people that handle money, any portion of the last audit, and
30 any financial procedures.

1 **SECTION 15. AMENDMENT.** Section 26.1-21-11 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **26.1-21-11. Default of public employees or public officials - ~~Duty of public~~**
4 **~~officer~~ - Limitation on filing of claims against fund.** ~~Immediately upon, and in no event later~~
5 ~~than~~ Within sixty days after, the discovery of any default or wrongful act on the part of any
6 public employee or public official, for which the fund is or may become liable, the state auditor,
7 county auditor, city auditor, township clerk, or business manager of the school district, ~~or~~; the
8 treasurer of the state or state agency or political subdivision ~~thereof~~, if the defaulting officer is
9 the auditor or clerk of the state or state agency or political subdivision; and any other officer
10 having supervision of a defaulting public employee or public official, shall file a claim with the
11 commissioner against the fund. Any person injured by ~~such a~~ default or wrongful act, ~~if that~~
12 ~~person intends to hold the fund liable therefor, shall~~ may present the claim to the commissioner
13 within sixty days after the discovery of such default or wrongful act. If a claim is not filed within
14 the time limited by this section, ~~such the~~ claim is waived. A claim filed under ~~the provisions of~~
15 this section must contain an abstract of the facts upon which ~~it~~ the claim is based and must be
16 verified by the claimant or by someone in the claimant's behalf, ~~and, together with.~~ The claim
17 and all papers relating thereto, to the claim must remain on file with the commissioner.

18 **SECTION 16. AMENDMENT.** Section 26.1-21-12 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **26.1-21-12. Commissioner to notify state auditor of default of public employee or**
21 **public official - Duty of state auditor.** If any public employee or public official defaults or
22 creates a liability against the fund, the commissioner shall notify the state auditor, ~~who.~~ The
23 state auditor immediately shall ~~check~~ investigate the accounts of ~~such the~~ public employee or
24 public official and file a report with the commissioner stating ~~the any~~ amount, ~~if any,~~ due from
25 the fund because of ~~such the~~ default or wrongful act. For ~~such service~~ these services, the
26 auditor must be paid out of the fund the same fees as the auditor is paid for auditing the
27 accounts of county officers.

28 **SECTION 17. AMENDMENT.** Section 26.1-21-14 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **26.1-21-14. Filing claim is condition precedent to bringing action - Failure to act**
31 **is refusal disallowance.** ~~No~~ An action may not be maintained against the fund upon ~~any a~~

1 claim ~~whatsoever~~ until the claim ~~first~~ has been presented for allowance as provided in this
2 chapter and the ~~allowance of such~~ commissioner has refused to allow the claim ~~has been~~
3 ~~refused.~~ Any. A claim ~~which~~ that has not been ~~acted upon and~~ allowed or ~~disallowed~~ within
4 sixty days after its presentation for allowance ~~must be deemed to be refused~~ is disallowed. The
5 filing and disallowance of the claim must be alleged in the complaint in any action brought
6 ~~thereon~~ against the fund.

7 **SECTION 18. AMENDMENT.** Section 26.1-21-15 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **26.1-21-15. Limitation of time for bringing action against the fund - Interest -**
10 **Limitation on time for fund liability.** ~~No~~ An action may not be maintained against the fund
11 upon any claim ~~whatsoever~~ unless ~~such~~ the action is commenced within one year after filing of
12 the claim with the commissioner. Interest on the claim runs from the date of filing the claim with
13 the commissioner. The liability of the fund is limited to a breach of a condition of the bond
14 which occurred within two years before the date of filing the claim with the commissioner.

15 **SECTION 19. AMENDMENT.** Section 26.1-21-16 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **26.1-21-16. Suit by party injured by default of public employee or public official -**
18 **Subrogation - Right of appeal.** ~~Any~~ A person, ~~limited liability company, or corporation~~ injured
19 by the default or wrongful act of any public employee or public official may sue the public
20 employee or public official ~~and to.~~ To effect recovery from the fund ~~shall,~~ that person must join
21 the fund as codefendant. A judgment must be obtained against the public employee or public
22 official to create liability upon the bond. If the judgment is obtained against the public employee
23 or public official, ~~it~~ the judgment must specify that to the extent to which the fund is liable upon
24 the bond of the public employee or public official, the judgment must be paid out of any money
25 in the fund or that which may accrue to the fund. If the judgment is paid out of the fund, the
26 fund has a right to recover and is subrogated to the right of the judgment creditor to recover
27 against ~~such~~ the public employee or public official. ~~In~~ The commissioner may act for the fund
28 in all proceedings to enforce ~~such~~ the right of subrogation, ~~the commissioner shall act for and in~~
29 ~~behalf of the fund,~~ and ~~in any action or proceeding the commissioner may appeal from any~~
30 ~~appealable~~ an order or ~~from any~~ judgment against the fund the same as other parties to civil
31 actions ~~may appeal.~~

1 **SECTION 20. AMENDMENT.** Section 26.1-21-17 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **26.1-21-17. Allowed liability claims payable from fund - Administrative expenses -**
4 **Methods of payment.** ~~All liability claims which are~~ A claim allowed against the fund must be
5 paid upon warrants drawn upon the state treasurer against the fund. ~~Such warrants~~ The
6 warrant must be prepared by the office of management and budget pursuant to the directions of
7 the commissioner. Payments for administrative expenses of the state bonding fund must be
8 made within the limitations of legislative appropriations upon warrant-checks prepared by the
9 office of management and budget after the approval of vouchers by the commissioner.

10 **SECTION 21. AMENDMENT.** Section 26.1-21-18 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **26.1-21-18. Commissioner may make examinations - Request for accounting -**
13 **Reporting defaulting official to governor.** ~~If the commissioner is of the opinion at any time~~
14 determines that the interests of the fund are jeopardized by the misconduct or inefficiency of
15 any public official, the commissioner shall ~~make, or~~ request the state auditor to make, an
16 examination, and, if necessary, shall cause an action for an accounting to be instituted against
17 ~~such~~ the public official for the purpose of requiring a complete disclosure of the business of the
18 office of which ~~such~~ the public official is an incumbent. ~~Such~~ The action must be brought in the
19 name of the commissioner as plaintiff, and the court in ~~such~~ the action may interplead all
20 concerned parties ~~concerned. Whenever the.~~ The commissioner ~~deems it advisable, the~~
21 ~~commissioner shall~~ may make a complaint to the governor requesting the governor to institute
22 an investigation with the purpose of removing from the office any defaulting public official or any
23 public official who so conducts the affairs of the public official's office as to endanger the fund.

24 **SECTION 22. AMENDMENT.** Section 26.1-21-19 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **26.1-21-19. Cancellation of liability of fund - When permitted - Effect.** ~~The~~
27 ~~commissioner, after~~ After due investigation ~~and if in the commissioner's judgment the interests~~
28 ~~of the fund require, the commissioner~~ may cancel the liability of the fund for the acts of any
29 public employee or public official, ~~such.~~ The cancellation ~~to take~~ takes effect thirty days after
30 written notice ~~thereof. In such case, the.~~ If a public official whose official's or public employee's
31 bond is canceled, or the public employee whose coverage is canceled under a blanket bond,

1 the public official or public employee may secure, at personal expense, a bond executed by a
2 duly authorized surety company in an amount determined by the commissioner. Evidence of a
3 surety bond purchased under this section must be filed with the commissioner.

4 **SECTION 23. AMENDMENT.** Section 26.1-21-23 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-21-23. Public official may furnish private bond - Premiums payable from**
7 **public moneys only to fund.** ~~Any person elected or appointed to office, in~~ In lieu of the bond
8 provided for in this chapter, a public officer or public employee may furnish a bond issued by a
9 duly authorized surety company in an amount determined by the commissioner, but not an
10 officer or board of the state or of any political subdivision may not pay for ~~any such~~ the surety
11 bond or bonds out of any public funds. Evidence of a bond purchased under this section must
12 be filed with the commissioner.

13 **SECTION 24. AMENDMENT.** Subsection 3 of section 27-05.2-02 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 3. In a county in which the supreme court determines that at least five full-time
16 employees are necessary to provide adequate clerk of district court services, the
17 elected clerk of district court and clerk of court staff designated by the supreme
18 court shall become employees of the state judicial system if the board of county
19 commissioners consents to the transition after consultation with the elected clerk.
20 This subsection applies upon receipt by the supreme court of a resolution adopted
21 by the board of county commissioners indicating its consent. Any equipment,
22 including technology-related equipment, and furnishings in the control and custody
23 of the clerk of district court on the date the clerk becomes a state employee must
24 remain in the control and custody of the clerk until the state court administrator
25 determines the items are no longer needed. The clerk, upon becoming a state
26 employee, shall receive a salary in an amount not less than the salary received as
27 a county employee and shall remain an employee of the state judicial system until
28 the clerk retires, resigns, or the term for which the clerk was initially elected
29 expires, whichever occurs earlier. Thereafter, the clerk of district court must be
30 appointed in the manner provided by supreme court rule. ~~The bond for the clerk of~~
31 ~~district court must be set by the supreme court.~~ If the board of county

1 commissioners does not consent to the clerk and designated staff becoming
2 employees of the state judicial system, the county must provide clerk of district
3 court services at its own expense in accordance with subsection 2.

4 **SECTION 25. AMENDMENT.** Section 54-09-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-09-02. Duties of secretary of state.** In addition to the duties prescribed by the
7 constitution, the secretary of state shall:

- 8 1. Receive bills and resolutions from every session of the legislative assembly, and
9 shall perform such other duties as may devolve upon the secretary of state by
10 resolution of the two houses, or either of them.
- 11 2. Keep a register of and attest the official acts of the governor.
- 12 3. Affix the great seal with the secretary of state's attestation to commissions and
13 other public instruments to which the official signature of the governor is required.
- 14 4. Record and maintain records of all conveyances made to the state and all articles
15 of incorporation filed in the secretary of state's office.
- 16 5. ~~Record and maintain records of the official bond of any state official who furnishes~~
17 ~~in lieu of the bond furnished by the state bonding fund a bond by a duly authorized~~
18 ~~surety company.~~
- 19 6. Maintain records for all books distributed by the secretary of state and direct the
20 county auditor of each county to do the same as provided by law.
- 21 7. ~~6.~~ 6. Furnish on demand to persons paying the fees therefor a certified copy of all or any
22 part of any law, record, or other instrument filed, deposited, or recorded in the
23 secretary of state's office.
- 24 8. ~~7.~~ 7. Keep records of all the fees, commissions, and compensation of whatever nature
25 or kind earned, collected, or charged by the secretary of state, with the date, name
26 of payer, and the nature of the services in each case.
- 27 9. ~~8.~~ 8. Biennially report to the governor with copies filed in the secretary of state's office
28 as prescribed by section 54-06-04 all moneys received from any source for
29 services performed and accompany the report with a detailed statement under oath
30 of the manner in which the appropriations for the secretary of state's office have
31 been expended during the preceding two fiscal years.

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1 ~~40.~~ 9. Immediately after the laws, resolutions, and journals of the legislative assembly are
2 bound, distribute the laws, resolutions, and journals to the persons entitled thereto
3 by law or rules of the senate and house of representatives.

4 ~~44.~~ 10. Keep records of cities as prescribed by law.

5 ~~42.~~ 11. Indicate on each bill passed by the legislative assembly the date of filing in the
6 secretary of state's office.

7 ~~43.~~ 12. Perform all other duties as are prescribed by law.

8 **SECTION 26. REPEAL.** Section 4-27-10 of the North Dakota Century Code is
9 repealed.