

**Fifty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2005**

SENATE BILL NO. 2010
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the council on the arts; to provide an appropriation from the cultural endowment fund; to amend and reenact sections 21-10-06, 54-54-04, and 54-54-08.2 of the North Dakota Century Code, relating to funds under the management of the state investment board, employees of the council on the arts, and to the cultural endowment fund; and to provide a statement of legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the council on the arts in section 3 of this Act as follows:

Salaries and wages	\$425,568
Operating expenses	221,443
Grants	1,415,857
Lewis and Clark bicentennial	<u>163,750</u>
Total all funds - Base level	\$2,226,618
Less estimated income - Base level	<u>1,222,215</u>
Total general fund - Base level	\$1,004,403

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the council on the arts which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$26,184
Operating expenses	6,543
Grants	60,400
Lewis and Clark bicentennial	<u>(55,450)</u>
Total all funds - Adjustments/enhancements	\$37,677
Less estimated income - Adjustments/enhancements	<u>46,103</u>
Total general fund - Adjustments/enhancements	(\$8,426)

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Salaries and wages	\$451,752
Operating expenses	227,986
Grants	1,476,257
Lewis and Clark bicentennial	<u>108,300</u>
Total all funds	\$2,264,295
Less estimated income	<u>1,268,318</u>
Total general fund appropriation	\$995,977

SECTION 4. APPROPRIATION. All income from the cultural endowment fund is appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 5. AMENDMENT. Section 21-10-06 of the North Dakota Century Code is amended and reenacted as follows:

21-10-06. Funds under management of board - Accounts. The board is charged with the investment of the following funds:

1. State bonding fund.
2. Teachers' fund for retirement.
3. State fire and tornado fund.
4. Workforce safety and insurance fund.
5. National guard tuition trust fund.
6. Public employees retirement system.
7. Insurance regulatory trust fund.
8. State risk management fund.
9. Veterans' cemetery trust fund.
10. Health care trust fund.
11. Cultural endowment fund.

Separate accounting must be maintained for each of the above funds. When it is deemed advantageous, the moneys of the individual funds may be commingled for investment purposes.

The state investment board may provide investment services to, and manage the money of, any agency, institution, or political subdivision of the state, subject to agreement with the industrial commission. The scope of services to be provided by the state investment board to the agency, institution, or political subdivision must be specified in a written contract. The state investment board may charge a fee for providing investment services and any revenue collected must be deposited in the state retirement and investment fund.

SECTION 6. AMENDMENT. Section 54-54-04 of the North Dakota Century Code is amended and reenacted as follows:

54-54-04. Other employees - Appointment - Compensation. The chairman with the approval of the council may employ such officers, experts, and other employees as may be needed to carry out the provisions of this chapter. ~~Such persons~~ The executive director shall serve at the pleasure of the chairman and the chairman shall fix ~~their~~ the compensation of the executive director.

SECTION 7. AMENDMENT. Section 54-54-08.2 of the North Dakota Century Code is amended and reenacted as follows:

54-54-08.2. Cultural endowments - Limitations. ~~The Investment of the cultural endowment fund must be maintained by the Bank of North Dakota which is also responsible for the investment of the principal moneys deposited in such fund under the supervision of the state investment board in accordance with chapter 21-10.~~ Funds will be expended from the cultural endowment fund only to the limits of accrued interest on state general fund appropriations and other public and private funds received. The expenditure of endowment funds must occur at the direction of the North Dakota council on the arts. The council may seek the counsel and assistance of a group or groups of private citizens

of the council's choosing to aid it in arriving at expenditure decisions when private funds are involved. Section 54-54-06 applies to private donations to the cultural endowment fund; provided, that gifts, donations, and bequests can be dedicated as principal of the fund in perpetuity or for a term of years, in which case only the income earned as a result of investment of those funds can be expended pursuant to section 54-54-08.1 and this section.

SECTION 8. LEGISLATIVE INTENT - INVESTMENT OF THE CULTURAL ENDOWMENT FUND. It is the intent of the fifty-ninth legislative assembly that the council on the arts, in cooperation with the state investment board, determine the asset mix and risk for investing the assets of the cultural endowment fund under the management of the state investment board.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2010.

Senate Vote: Yeas 43 Nays 0 Absent 4

House Vote: Yeas 89 Nays 4 Absent 1

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2005.

Approved at _____ M. on _____, 2005.

Governor

Filed in this office this _____ day of _____, 2005,

at _____ o'clock _____ M.

Secretary of State