

Introduced by

Legislative Management

(Government Finance Committee)

1 A BILL for an Act to create and enact a new section to chapter 15-10, a new section to chapter
2 15.1-27, and a new section to chapter 15.1-36 ~~and a new section to chapter 54-52~~ of the North
3 Dakota Century Code, relating to a scholarship fund, uses of the foundation aid stabilization
4 fund, and a school construction assistance loan fund ~~and a public employee retirement-~~
5 ~~stabilization fund; to amend and reenact section 21-10-06 of the North Dakota Century Code,~~
6 ~~relating to funds managed by the state investment board;~~ to provide a continuing appropriation;
7 to provide for transfers; and to provide for a contingent effective date.

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

9 **SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created
10 and enacted as follows:

11 **Scholarship fund.**

12 The scholarship fund is a special fund in the state treasury. Moneys deposited in the fund
13 must remain in the fund on a permanent basis. Any interest or other earnings of the fund must
14 be used to award scholarships to residents of this state attending institutions of higher
15 education in the state. The state board of higher education shall develop rules and guidelines
16 for the award of scholarships from interest or other earnings of the fund.

17 **SECTION 2.** A new section to chapter 15.1-27 of the North Dakota Century Code is created
18 and enacted as follows:

19 **Uses of the foundation aid stabilization fund.**

20 Any funds that remain in the foundation aid stabilization fund, after transfers to other funds,
21 must be used to provide state aid to school districts and educationally related property tax relief
22 to school district patrons.

23 **SECTION 3.** A new section to chapter 15.1-36 of the North Dakota Century Code is created
24 and enacted as follows:

1 **School construction assistance loan fund - Continuing appropriation.**

2 The school construction assistance loan fund is a special revolving loan fund in the state
3 treasury. Moneys in the fund may be used only for are appropriated on a continuing basis for the
4 purpose of providing low-interest school construction loans as designated by the legislative
5 assembly. Any interest or other earnings of the fund earnings must be deposited in the fund.

6 ~~SECTION 4. AMENDMENT. Section 21-10-06 of the North Dakota Century Code is~~
7 ~~amended and reenacted as follows:~~

8 ~~**21-10-06. Funds under management of board - Accounts.**~~

9 ~~1. Subject to the provisions of section 21-10-01, the board is charged with the investment~~
10 ~~of the following funds:~~

11 ~~a. State bonding fund.~~

12 ~~b. Teachers' fund for retirement.~~

13 ~~c. State fire and tornado fund.~~

14 ~~d. Workforce safety and insurance fund.~~

15 ~~e. National guard tuition trust fund.~~

16 ~~f. Public employees retirement system.~~

17 ~~g. Insurance regulatory trust fund.~~

18 ~~h. State risk management fund.~~

19 ~~i. Budget stabilization fund.~~

20 ~~j. Health care trust fund.~~

21 ~~k. Cultural endowment fund.~~

22 ~~l. Petroleum tank release compensation fund.~~

23 ~~m. Legacy fund.~~

24 ~~n. Public employee retirement stabilization fund.~~

25 ~~2. Separate accounting must be maintained for each of the funds listed in subsection 1.~~

26 ~~The moneys of the individual funds may be commingled for investment purposes when~~
27 ~~determined advantageous.~~

28 ~~3. The state investment board may provide investment services to, and manage the~~
29 ~~money of, any agency, institution, or political subdivision of the state, subject to~~
30 ~~agreement with the industrial commission. The scope of services to be provided by the~~
31 ~~state investment board to the agency, institution, or political subdivision must be~~

1 specified in a written contract. The state investment board may charge a fee for
2 providing investment services and any revenue collected must be deposited in the
3 state retirement and investment fund.

4 ~~SECTION 5. A new section to chapter 54-52 of the North Dakota Century Code is created~~
5 ~~and enacted as follows:~~

6 ~~Public employee retirement stabilization fund.~~

7 ~~The public employee retirement stabilization fund is a special fund in the state treasury.~~
8 ~~Moneys in the fund may be used by the legislative assembly only for the purpose of addressing~~
9 ~~any unfunded retirement benefit obligations of the main state employee retirement plan. The~~
10 ~~state investment board shall supervise investment of the public employee retirement~~
11 ~~stabilization fund in accordance with chapter 21-10. Any interest or other fund earnings must be~~
12 ~~deposited in the fund.~~

13 **SECTION 4. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**

14 **CONSTRUCTION ASSISTANCE LOAN FUND.** During the period beginning July 1, 2016, and
15 ending June 30, 2017, the office of management and budget shall transfer ~~the sum of~~
16 ~~\$250,000,000~~an amount equal to the lesser of \$300,000,000 or fifty percent of the balance of
17 the foundation aid stabilization fund on July 1, 2016, from the foundation aid stabilization fund to
18 the school construction assistance loan fund.

19 **SECTION 5. TRANSFER - FOUNDATION AID STABILIZATION FUND TO ~~PUBLIC~~**

20 **~~EMPLOYEE RETIREMENT STABILIZATION FUND~~SCHOLARSHIP FUND.** During the period
21 beginning July 1, 2016, and ending June 30, 2017, the office of management and budget shall
22 transfer ~~the sum of \$200,000,000~~an amount equal to the lesser of \$300,000,000 or fifty percent
23 of the balance of the foundation aid stabilization fund on July 1, 2016, from the foundation aid
24 stabilization fund to the ~~public employee retirement stabilization~~scholarship fund.

25 **SECTION 6. CONTINGENT EFFECTIVE DATE.** Sections ~~42, 4,~~ and 5 of this Act are
26 contingent on the passage of Senate Concurrent Resolution No. 4003 by the sixty-fourth
27 legislative assembly and approval of that resolution by the voters of this state. If sections ~~42, 4,~~
28 and 5 of this Act take effect, the sections become effective on July 1, 2016.