

**HOUSE BILL NO. 1541**

Introduced by

Legislative Management

1 A BILL for an Act to provide an appropriation to the legislative assembly for the payment of dues  
2 and the legislative council for the payment of fees and employer retirement contributions; to  
3 amend and reenact section 24-02-37.3 of the North Dakota Century Code, as amended by  
4 section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, relating  
5 to budget section approval limits for the flexible transportation fund; to provide for a legislative  
6 management study; to provide for a legislative management report; to provide for retroactive  
7 application; and to provide an effective date.

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

9 **SECTION 1. APPROPRIATION - 2021-23 BIENNIUM - LEGISLATIVE ASSEMBLY.** There  
10 is appropriated out of any moneys in the general fund in the state treasury, not otherwise  
11 appropriated, the sum of \$5,000, or so much of the sum as may be necessary, to the legislative  
12 assembly for international legislators' forum dues for the period beginning May 10, 2023, and  
13 ending June 30, 2023.

14 **SECTION 2. APPROPRIATION - LEGISLATIVE COUNCIL - REPORT - ONE-TIME**  
15 **FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury,  
16 not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary,  
17 to the legislative council for the purpose of contracting for a performance audit of the state  
18 auditor and for other consulting services of interim committees, for the biennium beginning  
19 July 1, 2023, and ending June 30, 2025. The chairman of the legislative management shall  
20 arrange for the audit and receive the audit report. The performance audit must address the  
21 efficiency and effectiveness of the state auditor's office relative to industry best practices. The  
22 performance audit must include a review of the appropriateness of the number of hours to  
23 complete audits; methods used to monitor staff time and allocate hours charged to audits; billing  
24 processes; quality assurance processes; the adequacy and timeliness of communications with

1 audited entities, governing boards, and the public; and other areas as determined by the  
2 chairman of the legislative management. The funding provided in this section is considered a  
3 one-time funding item.

4 **SECTION 3. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER RETIREMENT**  
5 **CONTRIBUTION FUNDING.** There is appropriated out of any moneys in the general fund in the  
6 state treasury, not otherwise appropriated, the sum of \$58,283, or so much of the sum as may  
7 be necessary, to the legislative council for the purpose of providing funding for the cost of the  
8 one percent employer retirement contribution increase included in House Bill No. 1040, as  
9 approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and  
10 ending June 30, 2025.

11 **SECTION 4. AMENDMENT.** Section 24-02-37.3 of the North Dakota Century Code as  
12 amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative  
13 assembly, is amended and reenacted as follows:

14 **SECTION 10. AMENDMENT.** Section 24-02-37.3 of the North Dakota Century  
15 Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth  
16 legislative assembly, is amended and reenacted as follows:

17 **24-02-37.3. Flexible transportation fund - Budget section approval - Report.**

18 There is created in the state treasury the flexible transportation fund. The fund  
19 consists of eligible federal or state funding and any contributed private funds.

- 20 1. The flexible transportation fund must be administered and expended by the  
21 director and may be used for the following:
- 22 a. Providing a match for federal funding obtained by the department of  
23 transportation.
  - 24 b. State-funded road and bridge construction and maintenance, and  
25 transportation support costs including staffing, facilities, and operational  
26 expenditures on the state highway system.
  - 27 c. State-funded road and bridge construction and maintenance activities within  
28 the state but off of the state highway system. The director shall establish the  
29 terms and provisions of the program.
- 30 2. All money derived from the investment of the flexible transportation fund or any  
31 portion of the fund, must be credited to the flexible transportation fund. The

1 director shall monthly transmit all moneys collected and received under this  
2 chapter to the state treasurer to be transferred and credited to the flexible  
3 transportation fund.

4 3. The director must receive budget section approval for any project that  
5 utilizes more than ~~fifteen~~ten million dollars from the fund except for projects  
6 that match federal or private funds and the amount utilized from the fund is  
7 fifty percent or less of total project costs. Any request considered by the  
8 budget section must comply with section 54-35-02.9.

9 4. The director shall allocate at least twenty-five percent of motor vehicle  
10 excise tax collections deposited in the flexible transportation fund pursuant  
11 to section 57-40.3-10 for non-oil-producing county and township road and  
12 bridge projects as follows:

- 13 a. The funds must be allocated by the department to counties for  
14 projects or grants for the benefit of counties and organized and  
15 unorganized townships;
- 16 b. The department shall establish criteria to distribute the funds;
- 17 c. The funds must be used for the maintenance and improvement of  
18 county and township paved and unpaved roads and bridges;
- 19 d. Priority must be given to projects that match federal funds and to  
20 projects that improve roadways that serve as local corridors;
- 21 e. An organized township is not eligible to receive funding if the township  
22 does not maintain any roadways or does not levy at least eighteen  
23 mills for general purposes; and
- 24 f. For purposes of this subsection, "non-oil-producing county" means a  
25 county that received no allocation of funding or a total allocation of  
26 less than five million dollars under subsection 2 of section 57-51-15 in  
27 the most recently completed even-numbered fiscal year before the  
28 start of each biennium.

29 5. The director shall provide periodic reports to the budget section regarding  
30 the status of the fund and projects receiving allocations from the fund.

1           **SECTION 5. LEGACY FUND EARNINGS - REPORT TO LEGISLATIVE MANAGEMENT.**

2 Each biennium, the state retirement and investment office shall provide a report including the  
3 amount of legacy fund earnings above the percent of market value that would have been  
4 transferred to the legacy earnings fund had Senate Bill No. 2330 not been passed by the sixty-  
5 eighth legislative assembly to the legislative management.

6           **SECTION 6. LEGISLATIVE MANAGEMENT STUDY - STATE FIRE AND TORNADO**

7 **FUND AND STATE BONDING FUND ADMINISTRATION.** During the 2023-24 interim, the  
8 legislative management shall consider studying, in collaboration with the insurance  
9 commissioner and the director of the office of management and budget, the feasibility and  
10 desirability of changing administration of the state fire and tornado fund and state bonding fund  
11 from the insurance commissioner to the director of the office of management and budget. The  
12 study must include an analysis of the statutory changes necessary to accomplish the change in  
13 administration and other statutory changes necessary to facilitate the office of management and  
14 budget's administration of these funds. The legislative management shall report its findings and  
15 recommendations, together with any legislation required to implement the recommendations, to  
16 the sixty-ninth legislative assembly.

17           **SECTION 7. LEGISLATIVE MANAGEMENT STUDY - MANAGEMENT AND**

18 **MAINTENANCE OF STATE FACILITIES.**

- 19           1. During the 2023-24 interim, the legislative management shall consider studying the  
20 policies and procedures of state agencies, excluding institutions under the control of  
21 the state board of higher education, for managing, maintaining, and leasing state  
22 facilities.
- 23           2. The study must include consideration of:
- 24           a. The most efficient and cost-effective organizational structure for managing,  
25 maintaining, and leasing state facilities, including a comparison of allocating  
26 funding and full-time equivalent positions to various agencies and centralizing  
27 funding and full-time equivalent positions under one agency.
- 28           b. The costs and benefits of leasing or owning state facilities.
- 29           c. The appropriate use of contracts for service and full-time equivalent positions for  
30 custodial services, mechanical services, snow removal, lawn care, and  
31 maintenance.

1           3. The legislative management shall report its findings and recommendations, together  
2           with any legislation required to implement the recommendations, to the sixty-ninth  
3           legislative assembly.

4           **SECTION 8. LEGISLATIVE MANAGEMENT STUDY - GUARDIANSHIP PROGRAMS.**

5           During the 2023-24 interim, the legislative management shall study the state's guardianship  
6           programs. The study must include consideration of the existing structure for the programs under  
7           the office of management and budget, judicial branch, and department of health and human  
8           services; the feasibility of consolidating the programs under one agency; and an appropriate  
9           level of funding for the programs. The legislative management shall report its findings and  
10          recommendations, together with any legislation required to implement the recommendations, to  
11          the sixty-ninth legislative assembly.

12          **SECTION 9. RETROACTIVE APPLICATION.** Section 1 of this Act applies retroactively to  
13          May 10, 2023, and the remainder of this Act applies retroactively to July 1, 2023.

14          **SECTION 10. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing  
15          with the secretary of state.