

**HOUSE BILL NO. 1386**

Introduced by

Representatives Skarphol, Dosch, Grande, Heilman, Monson, Sanford

Senators Erbele, Laffen, Robinson

1 A BILL for an Act to amend and reenact section 15-10-12 of the North Dakota Century Code,  
2 relating to the acceptance of gifts by the state board of higher education and institutions under  
3 its control.

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

5 **SECTION 1. AMENDMENT.** Section 15-10-12 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15-10-12. (Effective through June 30, 2013) Board may accept gifts and bequests -**  
8 **Deposit and appropriation of institutional funds.**

9 Subject to the limitations of section 15-10-12.1, the state board of higher education may  
10 receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any  
11 institution of higher education under its control or subject to its administration, and all moneys  
12 coming into the hands of the board as donations, gifts, grants, and bequests must be used for  
13 the specific purpose for which they are donated or given. A special revenue fund, for each  
14 institution of higher education under the control of the board or subject to its administration,  
15 must be maintained within the state treasury. All rent, interest, or income from land, money, or  
16 property, donated or granted by the United States and allocated to specific institutions of higher  
17 learning under the terms of the Enabling Act and the Constitution of North Dakota must be  
18 deposited in the special revenue fund of each institution and expended in accordance with  
19 section 1 of article IX of the Constitution of North Dakota. All other funds, unless restricted by  
20 the terms of a grant, donation, or bequest, received by the institutions from federal, state, and  
21 local grants and contracts, indirect cost recoveries, tuition, special student fees, room and board  
22 fees and other auxiliary enterprise fees, student activity fees, continuing education program  
23 fees, internal service fund revenues, and all other revenues must be deposited in the institution  
24 special revenue funds. The state treasurer shall immediately transfer the funds deposited in the

1 special revenue funds to institution accounts in the Bank of North Dakota. Biennial estimates of  
2 revenue and expenditures of the other funds by source of funds must be presented at the same  
3 time biennial budget requests for appropriations from the special revenue fund and state  
4 general fund are prepared and submitted to the office of the budget. Payments from each  
5 institution's general fund appropriation must be made in amounts as may be necessary for the  
6 operation and maintenance of each institution. The funds in the institution accounts are  
7 appropriated on a continuing basis to the state board of higher education. All such  
8 appropriations are subject to proration in the same manner as other appropriations are prorated  
9 if insufficient funds are available to meet expenditures from the general fund. Sinking funds for  
10 the payment of interest and principal of institutional revenue bonds must be deposited pursuant  
11 to section 15-55-06.

12 **(Effective after June 30, 2013) Board may accept gifts and bequests - Deposit of**  
13 **funds.** The state board of higher education may, subject to the limitations of section 15-10-12.1,  
14 receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any  
15 institution of higher education under its control or subject to its administration, and all moneys  
16 coming into the hands of the board as donations, gifts, grants, and bequests must be used for  
17 the specific purpose for which they are donated or given. Upon receipt of any such moneys  
18 offered or tendered for the benefit of any institution under the control of the board, the board  
19 shall record the acceptance of the moneys and deposit the moneys in the appropriate special  
20 revenue fund; established for each institution of higher education under the control of the board  
21 or subject to its administration; The special revenue fund must be maintained within the state  
22 treasury and all institutional income from tuition collections must be placed in the special fund  
23 for the use of the institution for which the money was raised. All rent, interest, or income from  
24 land, money, or property, donated or granted by the United States and allocated to specific  
25 institutions of higher learning under the terms of the Enabling Act and the Constitution of North  
26 Dakota must be deposited in the special revenue fund of each institution and expended in  
27 accordance with section 1 of article IX of the Constitution of North Dakota. Moneys in the  
28 special revenue fund are subject to legislative appropriations. All other funds, unless restricted  
29 by the terms of a grant, donation, or bequest, received by the institutions from federal, state,  
30 and local grants and contracts, indirect cost recoveries, special student fees, room and board  
31 fees and other auxiliary enterprise fees, student activity fees, continuing education program

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