

HOUSE BILL NO. 1155

Introduced by

Representatives Delzer, Bellew, Carlson, Monson, Streyle

1 A BILL for an Act to amend and reenact ~~section~~sections 54-27.2-01, 54-27.2-03, and 54-44.1-12
2 of the North Dakota Century Code, relating to the balance of the budget stabilization fund,
3 transfers and expenditures from the budget stabilization fund, and the allotment of funds; and to
4 declare an emergency.

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

6 **SECTION 1. AMENDMENT.** Section 54-27.2-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-27.2-01. Budget stabilization fund.**

9 The budget stabilization fund is a special fund in the state treasury. The state investment
10 board shall supervise investment of the budget stabilization fund in accordance with chapter
11 21-10. Any interest or other budget stabilization fund earnings must be ~~deposited in~~credited to
12 the fund. Any amounts provided by law for deposit in the fund and any interest or earnings of
13 the fund which would bring the balance in the fund at the end of any fiscal year to an amount
14 greater than ~~nine and one-half~~fifteen percent of the current biennial state general fund budget,
15 as finally approved by the most recently adjourned special or regular session of the legislative
16 assembly, may not be deposited ~~or retained in~~ or credited to the fund but must be deposited
17 instead in the state general fund.

18 **SECTION 2. AMENDMENT.** Section 54-27.2-03 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-27.2-03. Transfers and expenditures from budget stabilization fund.**

21 ~~If the director of the office of management and budget projects that general fund revenues~~
22 ~~for the biennium will be at least two and one-half percent less than estimated by the most~~
23 ~~recently adjourned special or regular session of the legislative assembly, and if the governor~~
24 ~~orders a transfer, which must be reported to the budget section of the legislative management,~~

1 the state treasurer shall transfer the appropriate funds from the budget stabilization fund to the
2 state general fund to offset the decrease in general fund revenues. The amount transferred from
3 the budget stabilization fund upon order of the governor may not exceed the difference between
4 an amount two and one-half percent below the general fund revenue projections for the
5 biennium of the most recently adjourned special or regular session of the legislative assembly
6 and the general fund revenue projections for the biennium by the director of the office of
7 management and budget. The amount

8 1. The governor may order transfers from the budget stabilization fund to the general
9 fund only if general fund allotments totaling at least three percent have been made
10 during the biennium under section 54-44.1-12. The amount of transfers made under
11 this section is limited as follows:

12 ~~1. The amount of transfers may not exceed the difference between an amount three-~~
13 ~~percent less than the general fund revenue projections for the biennium of the most~~
14 ~~recently adjourned special or regular session of the legislative assembly and the~~
15 ~~revised general fund revenue projections for the biennium as determined by the~~
16 ~~director of the office of management and budget.~~

17 ~~2. Except as provided under subsection 3 of this section, the total amount of transfers~~
18 ~~made during a biennium is limited to the lesser of one-half of the balance of the budget~~
19 ~~stabilization fund as of the first day of the biennium or an amount equal to six percent~~
20 ~~of total biennium general fund appropriations approved by the most recently adjourned~~
21 ~~special or regular session of the legislative assembly.~~

22 ~~3. After the maximum amount of transfers is made under subsection 2 of this section,~~
23 ~~additional transfers may be made in amounts equal to the amount of general fund~~
24 ~~reduction from any budget allotments under section 54-44.1-12 that exceed three~~
25 ~~percent during a biennium.~~

26 a. After general fund allotments totaling at least three percent have been made
27 during the biennium under section 54-44.1-12, the governor may order a transfer
28 up to an amount equal to three percent of general fund appropriations.

29 b. If the maximum transfer from the budget stabilization fund is made to the general
30 fund under subdivision a and an additional general fund allotment of at least one

1 percent is made under section 54-44.1-12, the governor may order a transfer up
2 to an amount equal to two percent of general fund appropriations.

3 c. If the maximum transfer from the budget stabilization fund is made to the general
4 fund under subdivision b and an additional general fund allotment of at least one
5 percent is made under section 54-44.1-12, the governor may order a transfer up
6 to an amount equal to three percent of general fund appropriations.

7 d. If the maximum transfer from the budget stabilization fund is made to the general
8 fund under subdivision c and an additional general fund allotment of at least one
9 percent is made under section 54-44.1-12, the governor may transfer any
10 remaining funds in the budget stabilization fund to the general fund.

11 e. The amount of a transfer made under any subdivision of this subsection may not
12 exceed the difference between the general fund revenue projections for the
13 biennium of the most recently adjourned special or regular session of the
14 legislative assembly and the revised general fund revenue projections for the
15 biennium, less the amounts of any allotments ordered under section 54-44.1-12
16 during the biennium, as determined by the director of the office of management
17 and budget. For purposes of this subsection, "general fund revenue projections
18 for the biennium" includes the general fund balance at the beginning of the
19 biennium.

20 2. Any amounts transferred from the budget stabilization fund upon order of the governor
21 to the state general fund may be expended within the limits of legislative guidelines
22 and general fund appropriations of the most recently adjourned special or regular
23 session of the legislative assembly. For purposes of this section, "general fund
24 revenues for the biennium" and "general fund ~~revenue projections for the biennium~~"
25 ~~include the general fund balance at the beginning of the biennium~~ appropriations"
26 includes total biennium general fund appropriations approved by the most recently
27 adjourned special or regular session of the legislative assembly. The director of the
28 office of management and budget must provide a report to the budget section of the
29 legislative management when a transfer is made under this section.

30 **SECTION 3. AMENDMENT.** Section 54-44.1-12 of the North Dakota Century Code is
31 amended and reenacted as follows:

54-44.1-12. Control over rate of expenditures.

1. The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for state school aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund ~~as follows:~~

~~a. The first two and one-half percent allotment from the general fund must be offset with a transfer from the foundation aid stabilization fund.~~

~~b. Any general fund allotment in excess of two and one-half percent that is necessary, after all moneys available in the budget stabilization fund have been transferred to the general fund under section 54-27.2-03, may be offset with a transfer from the foundation aid stabilization fund.~~

2. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

a. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.

b. The payment or the obligation incurred is not authorized by law.

c. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:

(1) Statements of legislative intent expressed in enacted appropriation

measures or other measures enacted by the legislative assembly; and

- 1 (2) Statements of purpose of amendment explaining amendments to enacted
2 appropriation measures, as recorded in the journals of the legislative
3 assembly.
- 4 d. Circumstances or availability of facts not previously known or foreseen by the
5 legislative assembly which make possible the accomplishment of the purpose of
6 the appropriation at a lesser amount than that appropriated.

7 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.