

January 1998

POSSIBLE CHANGES TO THE NORTH DAKOTA CENTURY CODE REGARDING THE ACQUISITION OF ASSETS AND SERVICES BY STATE AGENCIES AND INSTITUTIONS

In accordance with the Legislative Audit and Fiscal Review Committee request, the Legislative Council staff, the Office of Management and Budget, and the State Auditor's office developed the following possible changes to the North Dakota Century Code to address the creative ways agencies and institutions use to acquire assets and services. The consensus of the group was that two possible changes could be made to address the question raised by the Legislative Audit and Fiscal Review Committee.

The first possible change to the Century Code relating to this issue would be to require agencies and institutions to disclose the acquisition of assets or services in excess of \$50,000 in the budget document. This proposed change would require the following changes to North Dakota Century Code Section 54-44.1-06(8):

A list of every individual ~~leased~~ asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of ~~leased~~ assets and services comprising a single system with a combined value of at least fifty thousand

dollars acquired through a capital or operating lease arrangement or other financing arrangement by a state agency or institution. The list must include ~~leased~~ assets or services acquired in the current biennium and anticipated ~~leased~~ assets or services to be acquired in the next biennium.

The second possible change to the North Dakota Century Code would be the addition of a section prohibiting the contracting for services to be provided during the current biennium by state agencies when the payment for the services extends beyond the current biennium. The following section could be added to the Century Code:

Unless specifically provided by law, a state agency or institution may not enter into a contract for services to be provided to the agency or institution in the current biennium if the contract provides for the payment for the services to extend beyond the current biennium.