

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Metcalf

1 A BILL for an Act to amend and reenact section 54-44.1-06 of the North Dakota Century Code,
2 relating to inclusion of property tax relief of the governor's budget if the state general fund
3 balance at the end of a biennium is expected to exceed a designated amount.

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

5 **SECTION 1. AMENDMENT.** Section 54-44.1-06 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-44.1-06. (Effective through June 30, 2009) Preparation of the budget data -**

8 **Contents.** The director of the budget, through the office of the budget, shall prepare budget
9 data which must contain and include the following:

- 10 1. Summary statements of the financial condition of the state, accompanied by the
11 detailed schedules of assets and liabilities as the director of the budget determines
12 desirable, which must include the following:
 - 13 a. Summary statements of fund balances and assets showing in detail for each
14 fund the surplus or deficit at the beginning of each of the two fiscal years of
15 the previous biennium and the first fiscal year of the present biennium, the
16 actual revenue for those years, the total appropriations for the previous and
17 present biennium, and the total expenditures for those fiscal years; and
 - 18 b. Similar summary statements of the estimated fund balances and assets for
19 the current fiscal year and each of the fiscal years of the next biennium.
- 20 Summary statements may include a comparative consolidated balance sheet
21 showing all the assets and liabilities of the state and the surplus or deficit, as the
22 case may be, at the close of the first fiscal year of the current biennium.
- 23 2. Statements of actual revenue for the previous biennium, the first year of the
24 present biennium, and the estimated revenue of the current fiscal year and of the

1 next biennium, and a statement of unappropriated surplus expected to have
2 accrued in the state treasury at the beginning of the next fiscal year. The
3 statement of unappropriated surplus for the general fund must reflect any projected
4 deficiency appropriations relating to expenditures from the general fund for the
5 present biennium. The statements of revenue and estimated revenue must be
6 classified by sources and by budget unit collecting them. Existing sources of
7 revenue must be analyzed as to their equity, productivity, and need for revision,
8 and any proposed new sources of revenue must be explained.

9 3. Summary statements of expenditures of the previous biennium and first year of the
10 present biennium, itemized by budget units and classified as prescribed by the
11 director of the budget.

12 4. Detailed comparative statements of expenditures and requests for appropriations
13 by funds, budget units and classification of expenditures, showing the expenditures
14 for the previous biennium, the first fiscal year of the present biennium, the budget
15 of the current biennium, and the governor's recommendation for appropriations for
16 each budget unit for the next biennium, all distributed according to the prescribed
17 classification of expenditures. Following the lists of actual and proposed
18 expenditures of each budget unit there must be a brief explanation of the functions
19 of the unit and comments on its policies and plans and on any considerable
20 differences among the amounts recommended, with any descriptive, quantitative,
21 comparative, and other data as to work done, unit costs, and like information as
22 may be considered necessary or desirable. For capital outlay expenditures
23 involving construction projects to be completed in two or more fiscal years, there
24 must be shown the total estimated cost of each such project and the amount
25 thereof recommended to be appropriated and expended in each ensuing fiscal
26 year until completion of the project. Capital outlay needs may be projected for at
27 least two years beyond the period covered by the budget.

28 5. A detailed statement showing the estimate of all moneys required to be raised or
29 appropriated for the payment of interest upon the funded debt of the state and its
30 other obligations bearing interest, and the amount of money required to be

contributed in the two next ensuing fiscal years to the general sinking funds maintained for the redemption and payment of the debts of the state.

6. A summary statement of the unappropriated fund balance estimated to be available at the beginning of the next biennium, and the estimated revenue of the next biennium, as compared with the total recommended amounts of appropriation for all classes of expenditures for the next biennium, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of any proposed additional revenue.

7. Drafts of proposed general and special appropriations acts embodying the budget data and recommendations of the governor for appropriations for the next biennium and drafts of such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act. The draft of the proposed appropriations act for the North Dakota university system must include block grants for a base funding appropriation and for an initiative funding appropriation for specific strategies or initiatives and an appropriation for asset funding for renewal and replacement of physical plant assets at the institutions of higher education.

8. A list of every individual asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of 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 debt financing arrangement by a state agency or institution. The list must include assets or services acquired in the current biennium and anticipated assets or services to be acquired in the next biennium.

9. Any other information as the director of the budget determines desirable or as is required by law.

(Effective after June 30, 2009) Preparation of the budget data - Contents. The director of the budget, through the office of the budget, shall prepare budget data which must contain and include the following:

- 1 1. Summary statements of the financial condition of the state, accompanied by the
2 detailed schedules of assets and liabilities as the director of the budget determines
3 desirable, which must include the following:
 - 4 a. Summary statements of fund balances and assets showing in detail for each
5 fund the surplus or deficit at the beginning of each of the two fiscal years of
6 the previous biennium and the first fiscal year of the present biennium, the
7 actual revenue for those years, the total appropriations for the previous and
8 present biennium, and the total expenditures for those fiscal years; and
 - 9 b. Similar summary statements of the estimated fund balances and assets for
10 the current fiscal year and each of the fiscal years of the next biennium.
- 11 Summary statements may include a comparative consolidated balance sheet
12 showing all the assets and liabilities of the state and the surplus or deficit, as the
13 case may be, at the close of the first fiscal year of the current biennium.
- 14 2. Statements of actual revenue for the previous biennium, the first year of the
15 present biennium, and the estimated revenue of the current fiscal year and of the
16 next biennium, and a statement of unappropriated surplus expected to have
17 accrued in the state treasury at the beginning of the next fiscal year. The
18 statement of unappropriated surplus for the general fund must reflect any projected
19 deficiency appropriations relating to expenditures from the general fund for the
20 present biennium. The statements of revenue and estimated revenue must be
21 classified by sources and by budget unit collecting them. Existing sources of
22 revenue must be analyzed as to their equity, productivity, and need for revision,
23 and any proposed new sources of revenue must be explained.
- 24 3. Summary statements of expenditures of the previous biennium and first year of the
25 present biennium, itemized by budget units and classified as prescribed by the
26 director of the budget.
- 27 4. Detailed comparative statements of expenditures and requests for appropriations
28 by funds, budget units and classification of expenditures, showing the expenditures
29 for the previous biennium, the first fiscal year of the present biennium, the budget
30 of the current biennium, and the governor's recommendation for appropriations for
31 each budget unit for the next biennium, all distributed according to the prescribed

1 classification of expenditures. Following the lists of actual and proposed
2 expenditures of each budget unit there must be a brief explanation of the functions
3 of the unit and comments on its policies and plans and on any considerable
4 differences among the amounts recommended, with any descriptive, quantitative,
5 comparative, and other data as to work done, unit costs, and like information as
6 may be considered necessary or desirable. For capital outlay expenditures
7 involving construction projects to be completed in two or more fiscal years, there
8 must be shown the total estimated cost of each such project and the amount
9 thereof recommended to be appropriated and expended in each ensuing fiscal
10 year until completion of the project. Capital outlay needs may be projected for at
11 least two years beyond the period covered by the budget.

- 12 5. A detailed statement showing the estimate of all moneys required to be raised or
13 appropriated for the payment of interest upon the funded debt of the state and its
14 other obligations bearing interest, and the amount of money required to be
15 contributed in the two next ensuing fiscal years to the general sinking funds
16 maintained for the redemption and payment of the debts of the state.
- 17 6. A summary statement of the unappropriated fund balance estimated to be
18 available at the beginning of the next biennium, and the estimated revenue of the
19 next biennium, as compared with the total recommended amounts of appropriation
20 for all classes of expenditures for the next biennium, and if the total of the
21 recommended expenditures exceeds the total of the estimated resources,
22 recommendations as to how the deficiency is to be met and estimates of any
23 proposed additional revenue.
- 24 7. Drafts of a proposed general appropriations act and special appropriations acts
25 embodying the budget data and recommendations of the governor for
26 appropriations for the next biennium and drafts of such revenues and other acts
27 recommended by the governor for putting into effect the proposed financial plan.
28 The recommended general appropriation for each budget unit must be specified in
29 a separate section of the general appropriations act.
- 30 8. A list of every individual asset or service, excluding real estate, with a value of at
31 least fifty thousand dollars and every group of assets and services comprising a

1 single system with a combined value of at least fifty thousand dollars acquired
2 through a capital or operating lease arrangement or debt financing arrangement by
3 a state agency or institution. The list must include assets or services acquired in
4 the current biennium and anticipated assets or services to be acquired in the next
5 biennium.

6 9. A draft of an Act to allocation property tax relief among tax payers of the state, if
7 the unappropriated fund balances at the beginning of the next biennium or the
8 state general fund and budget stabilization fund total more than _____
9 according the summary statement required under subsection 6. The draft required
10 by this subsection must provide the amount and method of allocation of property
11 tax relief during the next biennium and provide for appropriations and transfers as
12 necessary. The amount of property tax relief provided by the draft during the next
13 biennium must equal the amount by which the unappropriated fund balances at the
14 beginning of the next biennium for the state general fund and budget stabilization
15 fund exceed _____ but the amount of property tax relief provided by the
16 draft may not exceed _____.

17 ~~9-~~ 10. Any other information as the director of the budget determines desirable or as is
18 required by law.