

**HOUSE BILL NO. 1550**

Introduced by

Representatives Boucher, Carlson, Kaldor

Senator O'Connell

1 A BILL for an Act to create and enact a new section to chapter 54-16 of the North Dakota  
2 Century Code, relating to accessing a line of credit for emergencies; and to amend and reenact  
3 sections 54-16-03.1 and 54-27.2-03 of the North Dakota Century Code, relating to emergency  
4 commission requests and transfers and expenditures from the budget stabilization fund.

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

6 **SECTION 1. AMENDMENT.** Section 54-16-03.1 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-16-03.1. Submission of petition to emergency commission.** When an  
9 emergency exists, a state officer may present to the emergency commission an itemized  
10 petition requesting approval to transfer money and spending authority between funds or line  
11 items pursuant to section 54-16-04; accept and expend federal funds pursuant to section  
12 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; ~~or~~ accept  
13 and expend other funds pursuant to section 54-16-04.2; or obtain a line of credit under  
14 section 2 of this Act.

15 **SECTION 2.** A new section to chapter 54-16 of the North Dakota Century Code is  
16 created and enacted as follows:

17 **Line of credit authorization for emergencies.** The emergency commission, upon the  
18 advice of the office of management and budget, may authorize a state officer to obtain a line of  
19 credit from the Bank of North Dakota to provide for unanticipated cost increases that exceed  
20 two and one-half percent of the agency's or institution's biennial general fund appropriation due  
21 to an emergency. The line of credit authorization is limited to the additional funding necessary  
22 to provide for the unanticipated cost increases that exceed two and one-half percent of the  
23 agency's or institution's biennial general fund appropriation. The line of credit authority is  
24 effective only for the remainder of the biennium during which the authority is granted by the

1 emergency commission. For purposes of this section, an "emergency" means a calamity or  
2 unforeseen happening caused by a national or international event, natural disaster, or  
3 significant inflationary increases that were not anticipated in the agency appropriation.

4 **SECTION 3. AMENDMENT.** Section 54-27.2-03 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **54-27.2-03. Transfers and expenditures from budget stabilization fund.**

- 7 1. If the director of the office of management and budget projects that general fund  
8 revenues for the biennium will be at least two and one-half percent less than  
9 estimated by the most recently adjourned special or regular session of the  
10 legislative assembly, and if the governor orders a transfer, which must be reported  
11 to the budget section of the legislative council, the state treasurer shall transfer the  
12 appropriate funds from the budget stabilization fund to the state general fund to  
13 offset the decrease in general fund revenues. The amount transferred from the  
14 budget stabilization fund upon order of the governor may not exceed the difference  
15 between an amount two and one-half percent below the general fund revenue  
16 projections for the biennium of the most recently adjourned special or regular  
17 session of the legislative assembly and the general fund revenue projections for  
18 the biennium by the director of the office of management and budget. The amount  
19 transferred from the budget stabilization fund upon order of the governor to the  
20 state general fund may be expended within the limits of legislative guidelines and  
21 general fund appropriations of the most recently adjourned special or regular  
22 session of the legislative assembly. For purposes of this section, "general fund  
23 revenues for the biennium" and "general fund revenue projections for the  
24 biennium" include the general fund balance at the beginning of the biennium.
- 25 2. If a state officer has obtained a line of credit from the Bank of North Dakota  
26 pursuant to authority granted under section 2 of this Act, the emergency  
27 commission, upon the advice of the office of management and budget, and subject  
28 to budget section approval, may authorize the state officer to receive and expend  
29 funds from the budget stabilization fund necessary to repay any outstanding  
30 balance, including accrued interest of the line of credit.