

**Secretary of State
Budget No. 108
Senate Bill No. 2002**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	32.00	\$5,623,063	\$15,431,641	\$21,054,704
2019-21 base budget	32.00	5,808,732	3,044,155	8,852,887
Legislative increase (decrease) to base budget	0.00	(\$185,669)	\$12,387,486	\$12,201,817

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 legislative appropriations	\$5,623,063	\$0	\$5,623,063
2017-19 legislative appropriations	5,808,732	0	5,808,732
2019-21 legislative increase (decrease) to 2017-19 appropriations	(\$185,669)	\$0	(\$185,669)
Percentage increase (decrease) to 2017-19 appropriations	32.0%	N/A	32.0%

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.		\$82,224	(\$200,158)	(\$117,934)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.		152,354	9,745	162,099
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.		133,862	8,924	142,786
Increased funding for temporary salaries.			150,000	150,000
Reduced ongoing funding for election reform to provide a total ongoing funding of \$1,601,747.			(402,497)	(402,497)
Reduced funding for public printing to provide a total of \$257,278.		(31,172)		(31,172)
Adjusted funding for operating expenses.		(527,002)	820,673	293,671

Added ongoing funding from the general services operating fund for technology projects.			800,000	800,000
Added funding for Microsoft Office 365 licensing expenses.	4,065		799	4,864
Added one-time funding from the strategic investment and improvements fund (\$8.2 million) and federal funds (\$3 million) for voting system and e-poll books.			11,200,000	11,200,000
Total	<u>0.00</u>	<u>(\$185,669)</u>	<u>\$12,387,486</u>	<u>\$12,201,817</u>

FTE Changes

The Legislative Assembly approved 32 FTE positions for the Secretary of State for the 2019-21 biennium, the same as the 2017-19 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2002, the Legislative Assembly identified \$11.2 million of one-time funding to the Secretary of State for the 2019-21 biennium, for the statewide voting system and e-poll book project. The appropriation includes \$8.2 million from the strategic investment and improvements fund and \$3 million from federal funds.

Other Sections in Senate Bill No. 2002

Estimated income - Strategic investment and improvements fund - Voting system and e-poll books - Section 3 identifies \$8.2 million from the strategic investment and improvements fund for the Secretary of State's statewide voting system and e-poll book project.

Exemption - Line item transfer - 2017-19 biennium - Section 4 authorizes the Secretary of State to transfer up to \$140,000 of special funds from the operating expenses line item to the salaries and wages line item contained in Section 1 of Chapter 2 of the 2017 Session Laws.

Salary of the Secretary of State - Section 5, as amended in Section 24 of Senate Bill No. 2015, provides the statutory changes to increase the Secretary of State's salary. The Secretary of State's annual salary will increase from the current level of \$105,770 to \$107,885 (2 percent) effective July 1, 2019, and to \$110,582 (2.5 percent) effective July 1, 2020, to reflect salary adjustments consistent with 2019-21 biennium state employee salary increases.

Secretary of State's general services operating fund - Section 6 amends North Dakota Century Code Section 54-09-08 to remove the requirement to transfer all funds in the Secretary of State's general services operating fund exceeding \$75,000 to the general fund at the end of each biennium.

Secretary of State fees - Section 7 amends Section 54-09-11 to remove a directive for the Secretary of State to establish a fee for furnishing lists from the central indexing system and establish a fee of \$40 for preparing any listing or compilation of any information recorded or filed, and charge an additional fee of 50 cents per page for a listing in paper format. The section also amends Section 54-09-11 to increase the filing fee for the central indexing system from \$10 to \$20 and to allow the fee to be used for the programming and maintenance of the information technology systems administered by the Secretary of State. The section also amends Section 54-09-11 to remove the requirement for the Secretary of State to pay \$10 to the county recorder of the county of residence for the first debtor listed on each statement filed pursuant to Sections 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, and 41-09-72.

Exemption - Technology project - Section 8 provides that any unexpended funds from the technology project appropriation in subdivision 1 of Section 1 of Chapter 36 of the 2015 Session Laws is not subject to the provisions of Section 54-11.1-11, and any unexpended funds may be expended during the 2019-21 biennium.

Emergency - Section 9 declares the election reform line in Section 1, and Sections 3 and 4 to be an emergency measure.

Related Legislation

House Bill No. 1035 - Amends Section 16.1-06-09 to require the Secretary of State to include, on a ballot, a statement of estimated fiscal impact of constitutional amendments and initiated or referred measures.

House Bill No. 1045 - Provides definitions and establishes in Century Code electronic transactions and blockchain technology and smart contracts.

House Bill No. 1422 - Amends Section 28-32-20 to remove the requirement for the Secretary of State to distribute physical copies of North Dakota Administrative Code and its supplements, requires the Secretary of State to send electronic notification of quarterly updates to Administrative Code, and requires the Legislative Council to publish the Administrative Code and its supplements on the legislative branch website.

House Bill No. 1521 - Creates and amends various subsections and sections of Century Code, relating to reporting campaign contributions and expenditures, restrictions on public officials and lobbyists, investigations of ethics violations, implementing requirements of Article XIV of the Constitution of North Dakota, to rulemaking procedures, disqualification of agency heads in quasi-judicial proceedings, and requirements for the North Dakota Ethics Commission. The bill also authorizes the Secretary of State to impose a penalty and provides an appropriation to the Ethics Commission.

Senate Bill No. 2308 - Creates and amends statutory provisions relating to counting write-in votes, ballot formats, and certificates of nomination. The bill requires the Secretary of State to place an eligible applicant's name on the primary election ballot and authorizes a candidate to have their name removed from the ballot.