

HOUSE BILL NO. 1104

Introduced by

Political Subdivisions Committee

(At the request of the State Auditor)

1 A BILL for an Act to amend and reenact sections 11-23-02 and 25-01.1-20, subsection 2 of
2 section 27-17-02, section 36-15-06, subsection 3 of section 40-16-03, and sections 40-33-24,
3 40-33.1-08, 40-40-04, 40-61-07, and 61-24-10 of the North Dakota Century Code, relating to
4 the duties of the state auditor; and to repeal sections 40-40-12 and 54-10-12 of the North
5 Dakota Century Code, relating to the state auditor.

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

7 **SECTION 1. AMENDMENT.** Section 11-23-02 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **11-23-02. Auditor to prepare budget of county expenditures.** The county auditor
10 shall prepare an annual budget for the general fund, each special revenue fund, and each debt
11 service fund of the county in the form prescribed by the state auditor. The budget must set forth
12 specifically:

- 13 1. The detailed breakdown of the estimated revenues and appropriations requested
14 for each fund for the ensuing year.
- 15 2. The detailed breakdown of the revenues and expenditures for each fund for the
16 preceding year.
- 17 3. The detailed breakdown of estimated revenues and expenditures for each fund for
18 the current year.
- 19 4. The transfers in or out for each fund for the preceding year and the estimated
20 transfers in or out for the current year and the ensuing year.
- 21 5. The beginning and ending balance of each fund or estimates of the balances for
22 the preceding year, current year, and ensuing year.
- 23 6. The tax levy request for any funds levying taxes for the ensuing year.

7. The certificate of levy showing the amount levied for each fund and the total amount levied.

8. The budget must be prepared on the same basis of accounting used by the county for its annual financial reports.

9. The amount of cash reserve for the general fund and each special revenue fund, not to exceed seventy-five percent of the appropriation for the fund.

~~The county auditor shall transmit one copy of such annual budget to the state auditor no later than January first of each year.~~

SECTION 2. AMENDMENT. Section 25-01.1-20 of the North Dakota Century Code is amended and reenacted as follows:

25-01.1-20. Care and custody of funds belonging to patients of state institutions.

The superintendent of any state institution under the management and control of the supervising department, when the care and custody of any funds belonging to patients thereof are by law devolved upon the superintendent, shall keep accurate accounts of such funds in books provided for that purpose and shall pay out such funds under such rules and regulations as may be prescribed by law or by the supervising department, taking proper vouchers therefor in all cases from the patient or responsible representative of such patient. Each superintendent shall give a bond in such sum as may be required by law, or as may be prescribed by the supervising department, ~~to be subject to the approval of the state auditor,~~ conditioned for the faithful performance of duties and a due accounting for the funds entrusted to the superintendent's care.

SECTION 3. AMENDMENT. Subsection 2 of section 27-17-02 of the North Dakota Century Code is amended and reenacted as follows:

2. In lieu of receiving judicial retirement salary under this chapter, a judge of the supreme court or a judge of the district court, or in the event of the judge's death, the surviving spouse or legal representative, upon application to the ~~state auditor~~ supreme court at any time after he ceases to be such judge and without having made application for and received judicial retirement salary under this chapter, is entitled to receive the amount of judicial retirement assessments heretofore or hereafter deducted and withheld by the state of North Dakota. If such judge has received judicial retirement salary under this chapter, the amount of judicial

retirement assessments deducted and withheld by the state of North Dakota in excess of judicial retirement salary received by such judge, are payable, in the event of his death, but not otherwise, to the surviving spouse if living, otherwise to his legal representative.

SECTION 4. AMENDMENT. Section 36-15-06 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

36-15-06. Fees of appraisers - How paid. Each member of the board of appraisers who is not an agent of the board is entitled to reasonable compensation for services rendered. Compensation for all board of appraiser members must be the same and must be paid out of the fund created for the purpose of carrying out the provisions of this chapter, upon presentation of vouchers ~~to the state auditor duly~~ approved by the board.

SECTION 5. AMENDMENT. Subsection 3 of section 40-16-03 of the North Dakota Century Code is amended and reenacted as follows:

3. Records. To maintain a complete record of all financial transactions of the city which includes receipts, disbursements, fund balances, other assets, liabilities, and equity. ~~Records shall be maintained as prescribed by the state auditor.~~

SECTION 6. AMENDMENT. Section 40-33-24 of the North Dakota Century Code is amended and reenacted as follows:

40-33-24. Funds of jointly operated utilities. All funds of any jointly operated utility as provided in section 40-33-22 shall not be subject to the provisions of sections 40-33-10 and 40-33-11, but shall be kept separate and apart from all other funds of any participating municipality and shall be disbursed in the manner provided by the governing board thereof. ~~All books and accounts of such jointly operated utility shall be examined periodically by the state auditor, who shall be reimbursed by the utility for the costs of such examination. The state auditor shall render reports upon such examinations to the governing bodies of the participating municipalities.~~

SECTION 7. AMENDMENT. Section 40-33.1-08 of the North Dakota Century Code is amended and reenacted as follows:

40-33.1-08. Moneys of the authority. All moneys of an authority shall be paid to the city auditor as agent of the authority, who shall not commingle such moneys with any other moneys. Such moneys shall be deposited in a separate bank account or accounts. The

1 moneys in such accounts shall be paid out by the auditor on requisition of the chairman of the
2 authority or of such other person or persons as the authority may authorize to make such
3 requisitions after audit by the auditor. All deposits of such moneys shall, if required by the
4 auditor or the authority, be secured by obligations of the United States or of the state of North
5 Dakota of a market value equal at all times to the amount of the deposit, and all banks and trust
6 companies are authorized to give such security for such deposits. The auditor and his legally
7 authorized representatives are authorized and empowered from time to time to examine the
8 accounts and books of the authority, including its receipts, disbursements, contracts, leases,
9 sinking funds, investments, and any other records and papers relating to its financial standing.
10 An authority shall have power, notwithstanding the provisions of this section, to contract with
11 the holders of any of its notes as to the custody, collection, securing, investment, and payment
12 of any moneys of the authority, or any moneys held in trust or otherwise for the payment of
13 notes or in any way to secure notes, and to carry out any such contract notwithstanding that
14 such contract may be inconsistent with the previous provisions of this section. Moneys held in
15 trust or otherwise for the payment of notes or in any way to secure notes and deposits of such
16 moneys may be acquired in the same manner as moneys of the authority, and all banks and
17 trust companies are authorized to give such security for such deposits.

18 ~~The accounts of an authority shall be subject to the supervision of the state auditor.~~

19 **SECTION 8. AMENDMENT.** Section 40-40-04 of the 1999 Supplement to the North
20 Dakota Century Code is amended and reenacted as follows:

21 **40-40-04. Municipality to prepare preliminary budget statement.** The governing
22 body of each municipality, annually on or before September tenth, shall make, ~~on suitable~~
23 ~~blanks prescribed by the state auditor,~~ an itemized statement known as the preliminary budget
24 statement showing the amounts of money which, in the opinion of the governing body, will be
25 required for the proper maintenance, expansion, or improvement of the municipality during the
26 year, ~~and giving other information relating to the finances of the municipality as the state auditor~~
27 ~~may require.~~

28 **SECTION 9. AMENDMENT.** Section 40-61-07 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **40-61-07. Moneys of the authority.** All moneys of an authority shall be paid to the city
31 auditor as agent of the authority, who shall not commingle such moneys with any other moneys.

1 Such moneys shall be deposited in a separate bank account or accounts. The moneys in such
2 accounts shall be paid out by the auditor on requisition of the chairman of the authority or of
3 such other person or persons as the authority may authorize to make such requisitions after
4 audit by the auditor. Approval of the payment of an account or claim shall be recorded in the
5 record of the proceedings of the authority and this shall be sufficient to indicate approval without
6 requiring the approving members to sign or initial the voucher or order for payment. All
7 deposits of such moneys shall, if required by the auditor or the authority, be secured by
8 obligations of the United States or of the state of North Dakota of a market value equal at all
9 times to the amount of the deposit, and all banks and trust companies are authorized to give
10 such security for such deposits. The auditor and his legally authorized representatives are
11 authorized and empowered from time to time to examine the accounts and books of the
12 authority, including its receipts, disbursements, contracts, leases, sinking funds, investments,
13 and any other records and papers relating to its financial standing. An authority shall have
14 power, notwithstanding the provisions of this section, to contract with the holders of any of its
15 bonds as to the custody, collection, securing, investment, and payment of any moneys of the
16 authority, or any moneys held in trust or otherwise for the payment of bonds or in any way to
17 secure bonds, and to carry out any such contract notwithstanding that such contract may be
18 inconsistent with the previous provisions of this section. Moneys held in trust or otherwise for
19 the payment of bonds or in any way to secure bonds and deposits of such moneys may be
20 acquired in the same manner as moneys of the authority, and all banks and trust companies
21 are authorized to give such security for such deposits.

22 ~~The accounts of an authority shall be subject to the supervision of the state auditor.~~

23 **SECTION 10. AMENDMENT.** Section 61-24-10 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **61-24-10. Certified copies of levy and budget sent to county auditors.** Immediately
26 after completion of the budget and the adoption of the annual tax levy by the board of directors
27 of the district, but not later than October first, the secretary of the district shall send one certified
28 copy of the levy as adopted and one certified copy of the budget to the county auditor of each
29 county in the district, ~~and one certified copy of the levy and one certified copy of the budget to~~
30 ~~the state auditor.~~

- 1 **SECTION 11. REPEAL.** Sections 40-40-12 and 54-10-12 of the North Dakota Century
- 2 Code are repealed.