

HOUSE BILL NO. 1148

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to amend and reenact section 44-08-05.1, subsection 8 of section 54-44.4-02,
2 and section 54-44.4-04 of the North Dakota Century Code, relating to approval of vouchers for
3 state purchases made using a purchasing card and required use of purchasing cards for state
4 purchases costing less than a designated amount.

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

6 **SECTION 1. AMENDMENT.** Section 44-08-05.1 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **44-08-05.1. Vouchers - Requirements for approval - Penalty - Action for**
9 **violations.** Any public officer or employee who has the power to approve a voucher for a
10 department, agency, or institution for travel expenses or any other state expenditure of public
11 funds shall determine before approving such voucher the following:

- 12 1. That the expenditure for travel or other expenditures were for lawful and official
13 purposes.
- 14 2. If for travel expense, that the travel actually occurred, and that the sums claimed
15 for travel expenses are actually due the individual who is seeking reimbursement,
16 allowance, or payment.
- 17 3. If the voucher is for expenditure other than travel expense, that the expenditure is
18 lawful and that the voucher contains no false claims.

19 For purchases made with the use of a purchasing card authorized under subsection 8 of
20 section 54-44.4-02, an employee of the office of management and budget designated by the
21 director of the office of management and budget, on behalf of all agencies, may review and
22 approve vouchers under this section and make payments pursuant thereto. Any public officer
23 or employee who willfully approves a voucher with knowledge it contains false or unlawful
24 claims or that it does not otherwise meet the requirements of this section for approval is guilty of

1 theft and punishable under the provisions of chapter 12.1-23. Any public officer or employee
2 who, without the use of ordinary care and diligence, negligently approves a voucher for a
3 department, agency, or institution containing false or unlawful claims or which does not
4 otherwise meet the requirements of this section for approval is personally liable for any funds
5 improperly expended. The director of the office of management and budget, members of the
6 office of the budget, state auditor, or any other person who has knowledge of an actual or
7 possible violation of this section shall make such information known to the attorney general.
8 The attorney general shall investigate any alleged violations and, if a violation appears to exist
9 he, shall criminally prosecute under chapter 12.1-23 or bring a civil suit for the recovery of such
10 funds as may actually have been improperly paid against the payee and officer or employee
11 who approved such voucher in violation of any of the above requirements or shall bring both
12 such criminal action and civil suit. The officer or employee who approves any voucher
13 negligently has the right of subrogation against the payee of such voucher in the event public
14 funds have been improperly paid to the payee.

15 **SECTION 2. AMENDMENT.** Subsection 8 of section 54-44.4-02 of the 1999
16 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 17 8. Such specific items or items costing less than a specified amount as determined
18 and indicated by written directive by the director of the office of management and
19 budget. The director may organize and administer, including by contract with a
20 provider, a system of procurement for items agencies are authorized to purchase
21 under this subsection which includes use of a procurement card. If the director
22 establishes and administers a purchasing card system, the director may require all
23 agencies to use it for purchasing of items designated under this subsection costing
24 less than a specified amount designated in writing by the director.

25 **SECTION 3. AMENDMENT.** Section 54-44.4-04 of the 1999 Supplement to the North
26 Dakota Century Code is amended and reenacted as follows:

27 **54-44.4-04. Office of management and budget - Rules.** The office of management
28 and budget shall adopt, pursuant to chapter 28-32, rules necessary to administer this chapter.
29 The written directives issued by the director exercising authority provided in subsection 8 of
30 section 54-44.4-02 and section 54-44.4-03 need not be adopted as rules under chapter 28-32.