

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions
2 under the supervision of the director of the office of management and budget; to provide for
3 various transfers and financial transactions; to provide an exemption from the provisions of
4 section 54-44.1-11 of the North Dakota Century Code; to amend and reenact section
5 57-51.1-07.2 of the North Dakota Century Code, relating to suspending payments into the
6 permanent oil tax trust fund; and to provide an expiration date.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
9 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and
11 other income, to the various divisions under the supervision of the director of the office of
12 management and budget for the purpose of defraying their expenses, for the biennium
13 beginning July 1, 2003, and ending June 30, 2005, as follows:

14 Salaries and wages	\$15,549,754
15 Operating expenses	11,364,985
16 Capital assets	733,000
17 Grants	<u>179,000</u>
18 Total all funds	\$27,826,739
19 Less estimated income	<u>7,918,764</u>
20 Total general fund appropriation	\$19,907,975

21 **SECTION 2. CAPITOL BUILDING FUND.** The amount of \$25,000, or so much of the
22 sum as is necessary, included in the estimated income line item in section 1 of this Act, is to be
23 spent by the administration division from the capitol building fund for capitol grounds planning
24 during the biennium beginning July 1, 2003, and ending June 30, 2005.

1 **SECTION 3. EXEMPTION.** The amount appropriated for the fiscal management
2 division, as contained in subdivision 1 of section 1 of chapter 15 of the 2001 Session Laws is
3 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
4 appropriation are available for continued development and operating costs of the accounting,
5 management, and payroll systems during the biennium beginning July 1, 2003, and ending
6 June 30, 2005.

7 **SECTION 4. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS -**
8 **GUIDELINES.** It is the intent of the fifty-eighth legislative assembly that 2003-05 compensation
9 adjustments for permanent state employees are to be increases of 1.0 percent, beginning with
10 the month of January 2004, to be paid in February 2004, and 2.0 percent, beginning with the
11 month of January 2005, to be paid in February 2005.

12 Employees whose documented performance levels do not meet standards are not
13 eligible for the general increases.

14 Probationary employees are not entitled to the general increases. However,
15 probationary employees may be given all or a portion of the increases upon completion of
16 probation, at the discretion of the appointing authority.

17 During the biennium, no salary increase other than the 1.0 percent in January 2004 and
18 the 2.0 percent in January 2005 may be given to an employee whose salary exceeds or would
19 exceed the salary range maximum.

20 **SECTION 5. INTENT.** Within the authority included in section 1 of this Act are the
21 following grants and special items:

22 Boys and girls clubwork	\$53,000
23 State contingencies	500,000
24 State memberships and related expenses	353,200
25 Firefighter's association	126,000
26 Unemployment insurance	1,500,000
27 Capitol grounds planning commission	25,000
28 State consultant	120,000

29 **SECTION 6. TRANSFER.** During the biennium beginning July 1, 2003, and ending
30 June 30, 2005, the director of the office of management and budget is authorized to transfer

1 special funds from the land and minerals trust fund to the general fund in the amount of
2 \$3,000,000.

3 **SECTION 7. TRANSFER.** During the biennium beginning July 1, 2003, and ending
4 June 30, 2005, the director of the office of management and budget is authorized to transfer to
5 the general fund any balance remaining in the permanent oil tax trust fund as of July 1, 2003.

6 **SECTION 8. FIRE AND TORNADO FUND.** The amount of \$126,000, or so much of
7 the amount as is necessary, included in the estimated income line item in section 1 of this Act,
8 is from the fire and tornado fund.

9 **SECTION 9. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
10 **FUND.** During the biennium ending June 30, 2005, the industrial commission shall transfer to
11 the state general fund up to \$60,000,000 from the current earnings and the accumulated
12 undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount
13 transferred may come from accumulated undivided profits. The moneys must be transferred in
14 the amounts and at such times as requested by the director of the office of management and
15 budget.

16 **SECTION 10. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE**
17 **GENERAL FUND - BUDGET SECTION APPROVAL.** If, during the biennium ending June 30,
18 2005, the director of the office of management and budget determines through revised
19 projections that general fund revenue collections will not meet the revenues as forecast in the
20 March 2003 legislative forecast, the industrial commission shall transfer to the state general
21 fund an additional amount, as determined by the director of the office of management and
22 budget and approved by the budget section, from the earnings and accumulated and undivided
23 profits of the Bank of North Dakota. The moneys must be transferred in amounts and at such
24 times as requested by the director of the office of management and budget. The additional
25 amount transferred may not exceed the lesser of \$25,000,000 or the revenue shortfall of actual
26 collections compared to the March 2003 legislative forecast. The director may determine what
27 portion of the shortfall will be covered by the transfer pursuant to this section and what portion
28 will be covered by allotment pursuant to section 54-44.1-12.

29 **SECTION 11. BANK OF NORTH DAKOTA TRANSFERS - LIMITATIONS.** Any
30 transfer authorized by the fifty-eighth legislative assembly may only be made to the extent the
31 transfer does not reduce the Bank's capital structure below \$140,000,000.

1 **SECTION 12. STUDENT LOAN TRUST TRANSFER TO STATE GENERAL FUND.**

2 The industrial commission shall transfer to the general fund in the state treasury the sum of
3 \$9,000,000 from the North Dakota student loan trust. The moneys must be transferred in such
4 amounts and at such times as requested by the director of the office of management and
5 budget during the biennium beginning July 1, 2003, and ending June 30, 2005, and upon
6 certification by the student loan trust trustee that sufficient moneys remain available to pay all
7 debt service on student loan trust bonds, all required rebate payments to the United States
8 treasury, and all program operating expenses.

9 **SECTION 13. AMENDMENT.** Section 57-51.1-07.2 of the North Dakota Century Code
10 is amended and reenacted as follows:

11 **57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of**
12 **distribution formula.** At the end of any biennium beginning after June 30, 1997, all revenue
13 deposited in the general fund during that biennium and derived from taxes imposed on oil and
14 gas under chapters 57-51 and 57-51.1 which exceeds sixty-two million dollars must be
15 transferred by the state treasurer to a special fund in the state treasury known as the
16 permanent oil tax trust fund. At the end of the 1995-97 biennium all revenue deposited in the
17 general fund during that biennium and derived from taxes imposed on oil and gas under
18 chapters 57-51 and 57-51.1 which exceeds fifty-six million three hundred thousand dollars must
19 be transferred by the state treasurer to a special fund in the state treasury known as the
20 permanent oil tax trust fund. The state treasurer shall transfer interest earnings of the
21 permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of
22 the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the
23 members elected to each house of the legislative assembly.

24 If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after
25 June 30, 1997, the director of the budget shall adjust the sixty-two million dollar amount in this
26 section by the same percentage increase or decrease in the amount of revenue allocable to the
27 general fund after the change in the allocation formula, and transfers to the permanent oil tax
28 trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the
29 transfers to the permanent oil tax trust fund is not increased or decreased merely because of
30 changes in the distribution formulas.

1 Notwithstanding section 54-27.2-02, the state treasurer shall make the transfers
2 required by this section before calculating any general fund revenue balance available for
3 transfer to the budget stabilization fund under chapter 54-27.2. In this section, "at the end of
4 any biennium" has the same meaning as in section 54-27.2-02.

5 Notwithstanding any other provision of this section, no transfer of revenue to the
6 permanent oil tax trust fund may be made for the biennium ending June 30, 2005.

7 **SECTION 14. EXPIRATION DATE.** Section 13 of this Act is effective through June 30,
8 2005, and after that date is ineffective. Section 57-51.1-07.2 as it existed on the day before the
9 effective date of this Act becomes effective as of July 1, 2005.