

**Fifty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2003**

SENATE BILL NO. 2078  
(Government and Veterans Affairs Committee)  
(At the request of the Office of Management and Budget)

AN ACT to amend and reenact subsection 1 of section 44-08-04.2 and sections 44-08-04.5, 44-08-05.1, and 54-06-06 of the North Dakota Century Code, relating to travel advances, direct payment of lodging expenses, payment approval requirements, and periodic salary payments for state employees; and to repeal sections 44-08-08 and 54-06-16 of the North Dakota Century Code, relating to per diem oath and penalty and minimum wage for state employees.

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

**SECTION 1. AMENDMENT.** Subsection 1 of section 44-08-04.2 of the North Dakota Century Code is amended and reenacted as follows:

1. Any state agency shall advance at the request of the agency head for employees of that agency funds to be used for payment of meal and lodging expenses incurred while the official or employee is traveling on official business of this state, provided that such travel must be planned to be in excess of five days per month, whether or not consecutive, and provided that the funds advanced do not exceed eighty percent of estimated expenses for the period. Travel ~~advance warrant checks~~ advances must be ~~issued on vouchers signed approved~~ approved by the chief executive officer or a designee of the agency involved. Funds advanced for meals and lodging under this section must be accounted for as required under section 44-08-04 for travel.

**SECTION 2. AMENDMENT.** Section 44-08-04.5 of the North Dakota Century Code is amended and reenacted as follows:

**44-08-04.5. Prepayment and direct billing of ~~out-of-state~~ lodging expenses of state officers and employees.**

1. The office of management and budget shall seek to obtain sales tax exemptions for state employee travel lodging expense from all other states and the District of Columbia. If available from other states, the office of management and budget shall file exemption records, documents, or numbers for use by state agencies. Whenever any state agency, board, bureau, or institution makes out-of-state travel plans involving a lodging expense, the agency may contact the office of management and budget to determine if a sales tax exemption has been obtained from the destination state or states. If an exemption has been obtained, and if travel plans are sufficiently certain, the agency, board, bureau, or institution may obtain the required documentation from the office of management and budget and arrange with the out-of-state lodging provider to have the agency prepay the lodging expense or to have the lodging expense directly billed to the agency and obtain the benefit of the sales tax exemption.
2. If a state agency, board, bureau, or institution makes ~~out-of-state~~ travel plans involving a lodging expense ~~when the lodging expense may be obtained at a reduced cost because it is part of a combination of travel related expenses purchased together~~, the agency, board, bureau, or institution may arrange with the lodging provider or travel agency to have the lodging expense prepaid by the agency or billed directly to the agency.

**SECTION 3. AMENDMENT.** Section 44-08-05.1 of the North Dakota Century Code is amended and reenacted as follows:

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

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

For purchases made with the use of a purchasing card authorized under subsection 8 of section 54-44.4-02, an employee of the office of management and budget designated by the director of the office of management and budget, on behalf of all agencies, may review and approve vouchers payments under this section and make payments pursuant thereto. Any public officer or employee who willfully approves a voucher payment with knowledge it contains false or unlawful claims or that it does not otherwise meet the requirements of this section for approval is guilty of theft and punishable under the provisions of chapter 12.1-23. Any public officer or employee who, without the use of ordinary care and diligence, negligently approves a voucher payment for a department, agency, or institution containing false or unlawful claims or which does not otherwise meet the requirements of this section for approval is personally liable for any funds improperly expended. The director of the office of management and budget, members of the office of the budget, state auditor, or any other person who has knowledge of an actual or possible violation of this section shall make such information known to the attorney general. The attorney general shall investigate any alleged violations and, if a violation appears to exist, shall criminally prosecute under chapter 12.1-23 or bring a civil suit for the recovery of such funds as may actually have been improperly paid against the payee and officer or employee who approved ~~such voucher~~ the payment in violation of any of the above requirements or shall bring both such criminal action and civil suit. The officer or employee who approves any voucher payment negligently has the right of subrogation against the payee of ~~such voucher~~ the payment in the event public funds have been improperly paid to the payee.

**SECTION 4. AMENDMENT.** Section 54-06-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-06-06. Salaries of state officers ~~payable monthly~~ and employees - Periodic payment.** Unless otherwise provided by law, the office of management and budget ~~is directed to~~ shall prepare, ~~and state auditor to sign,~~ warrants for the salaries of ~~the various~~ state officers and employees not less frequently than monthly as the same become due.

**SECTION 5. REPEAL.** Sections 44-08-08 and 54-06-16 of the North Dakota Century Code are repealed.

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President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2078.

Senate Vote:    Yeas    47        Nays    0        Absent    0

House Vote:    Yeas    91        Nays    0        Absent    3

\_\_\_\_\_  
Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2003.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2003.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2003,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State