

**HOUSE BILL NO.**

Introduced by

Representative Metcalf

1 A BILL for an Act to amend and reenact section 54-44.1-06 of the North Dakota Century Code,  
2 relating to inclusion of property tax relief in the governor's budget if the state general fund  
3 balance at the end of a biennium is expected to exceed a designated amount.

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

5 **SECTION 1. AMENDMENT.** Section 54-44.1-06 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-44.1-06. (Effective through June 30, 2009) Preparation of the budget data -**

8 **Contents.** The director of the budget, through the office of the budget, shall prepare budget  
9 data which must contain and include the following:

- 10 1. Summary statements of the financial condition of the state, accompanied by the  
11 detailed schedules of assets and liabilities as the director of the budget determines  
12 desirable, which must include the following:
  - 13 a. Summary statements of fund balances and assets showing in detail for each  
14 fund the surplus or deficit at the beginning of each of the two fiscal years of  
15 the previous biennium and the first fiscal year of the present biennium, the  
16 actual revenue for those years, the total appropriations for the previous and  
17 present biennium, and the total expenditures for those fiscal years; and
  - 18 b. Similar summary statements of the estimated fund balances and assets for  
19 the current fiscal year and each of the fiscal years of the next biennium.  
20 Summary statements may include a comparative consolidated balance sheet  
21 showing all the assets and liabilities of the state and the surplus or deficit, as the  
22 case may be, at the close of the first fiscal year of the current biennium.
- 23 2. Statements of actual revenue for the previous biennium, the first year of the  
24 present biennium, and the estimated revenue of the current fiscal year and of the

- 1 next biennium, and a statement of unappropriated surplus expected to have  
2 accrued in the state treasury at the beginning of the next fiscal year. The  
3 statement of unappropriated surplus for the general fund must reflect any projected  
4 deficiency appropriations relating to expenditures from the general fund for the  
5 present biennium. The statements of revenue and estimated revenue must be  
6 classified by sources and by budget unit collecting them. Existing sources of  
7 revenue must be analyzed as to their equity, productivity, and need for revision,  
8 and any proposed new sources of revenue must be explained.
- 9 3. Summary statements of expenditures of the previous biennium and first year of the  
10 present biennium, itemized by budget units and classified as prescribed by the  
11 director of the budget.
- 12 4. Detailed comparative statements of expenditures and requests for appropriations  
13 by funds, budget units and classification of expenditures, showing the expenditures  
14 for the previous biennium, the first fiscal year of the present biennium, the budget  
15 of the current biennium, and the governor's recommendation for appropriations for  
16 each budget unit for the next biennium, all distributed according to the prescribed  
17 classification of expenditures. Following the lists of actual and proposed  
18 expenditures of each budget unit there must be a brief explanation of the functions  
19 of the unit and comments on its policies and plans and on any considerable  
20 differences among the amounts recommended, with any descriptive, quantitative,  
21 comparative, and other data as to work done, unit costs, and like information as  
22 may be considered necessary or desirable. For capital outlay expenditures  
23 involving construction projects to be completed in two or more fiscal years, there  
24 must be shown the total estimated cost of each such project and the amount  
25 thereof recommended to be appropriated and expended in each ensuing fiscal  
26 year until completion of the project. Capital outlay needs may be projected for at  
27 least two years beyond the period covered by the budget.
- 28 5. A detailed statement showing the estimate of all moneys required to be raised or  
29 appropriated for the payment of interest upon the funded debt of the state and its  
30 other obligations bearing interest, and the amount of money required to be

- 1            contributed in the two next ensuing fiscal years to the general sinking funds  
2            maintained for the redemption and payment of the debts of the state.
- 3            6. A summary statement of the unappropriated fund balance estimated to be  
4            available at the beginning of the next biennium, and the estimated revenue of the  
5            next biennium, as compared with the total recommended amounts of appropriation  
6            for all classes of expenditures for the next biennium, and if the total of the  
7            recommended expenditures exceeds the total of the estimated resources,  
8            recommendations as to how the deficiency is to be met and estimates of any  
9            proposed additional revenue.
- 10          7. Drafts of proposed general and special appropriations acts embodying the budget  
11          data and recommendations of the governor for appropriations for the next biennium  
12          and drafts of such revenues and other acts recommended by the governor for  
13          putting into effect the proposed financial plan. The recommended general  
14          appropriation for each budget unit must be specified in a separate section of the  
15          general appropriations act. The draft of the proposed appropriations act for the  
16          North Dakota university system must include block grants for a base funding  
17          appropriation and for an initiative funding appropriation for specific strategies or  
18          initiatives and an appropriation for asset funding for renewal and replacement of  
19          physical plant assets at the institutions of higher education.
- 20          8. A list of every individual asset or service, excluding real estate, with a value of at  
21          least fifty thousand dollars and every group of assets and services comprising a  
22          single system with a combined value of at least fifty thousand dollars acquired  
23          through a capital or operating lease arrangement or debt financing arrangement by  
24          a state agency or institution. The list must include assets or services acquired in  
25          the current biennium and anticipated assets or services to be acquired in the next  
26          biennium.
- 27          9. Any other information as the director of the budget determines desirable or as is  
28          required by law.

29            **(Effective after June 30, 2009) Preparation of the budget data - Contents.** The  
30            director of the budget, through the office of the budget, shall prepare budget data which must  
31            contain and include the following:

- 1           1. Summary statements of the financial condition of the state, accompanied by the  
2           detailed schedules of assets and liabilities as the director of the budget determines  
3           desirable, which must include the following:
  - 4           a. Summary statements of fund balances and assets showing in detail for each  
5           fund the surplus or deficit at the beginning of each of the two fiscal years of  
6           the previous biennium and the first fiscal year of the present biennium, the  
7           actual revenue for those years, the total appropriations for the previous and  
8           present biennium, and the total expenditures for those fiscal years; and
  - 9           b. Similar summary statements of the estimated fund balances and assets for  
10           the current fiscal year and each of the fiscal years of the next biennium.  
11           Summary statements may include a comparative consolidated balance sheet  
12           showing all the assets and liabilities of the state and the surplus or deficit, as the  
13           case may be, at the close of the first fiscal year of the current biennium.
- 14          2. Statements of actual revenue for the previous biennium, the first year of the  
15          present biennium, and the estimated revenue of the current fiscal year and of the  
16          next biennium, and a statement of unappropriated surplus expected to have  
17          accrued in the state treasury at the beginning of the next fiscal year. The  
18          statement of unappropriated surplus for the general fund must reflect any projected  
19          deficiency appropriations relating to expenditures from the general fund for the  
20          present biennium. The statements of revenue and estimated revenue must be  
21          classified by sources and by budget unit collecting them. Existing sources of  
22          revenue must be analyzed as to their equity, productivity, and need for revision,  
23          and any proposed new sources of revenue must be explained.
- 24          3. Summary statements of expenditures of the previous biennium and first year of the  
25          present biennium, itemized by budget units and classified as prescribed by the  
26          director of the budget.
- 27          4. Detailed comparative statements of expenditures and requests for appropriations  
28          by funds, budget units and classification of expenditures, showing the expenditures  
29          for the previous biennium, the first fiscal year of the present biennium, the budget  
30          of the current biennium, and the governor's recommendation for appropriations for  
31          each budget unit for the next biennium, all distributed according to the prescribed

- 1 classification of expenditures. Following the lists of actual and proposed  
2 expenditures of each budget unit there must be a brief explanation of the functions  
3 of the unit and comments on its policies and plans and on any considerable  
4 differences among the amounts recommended, with any descriptive, quantitative,  
5 comparative, and other data as to work done, unit costs, and like information as  
6 may be considered necessary or desirable. For capital outlay expenditures  
7 involving construction projects to be completed in two or more fiscal years, there  
8 must be shown the total estimated cost of each such project and the amount  
9 thereof recommended to be appropriated and expended in each ensuing fiscal  
10 year until completion of the project. Capital outlay needs may be projected for at  
11 least two years beyond the period covered by the budget.
- 12 5. A detailed statement showing the estimate of all moneys required to be raised or  
13 appropriated for the payment of interest upon the funded debt of the state and its  
14 other obligations bearing interest, and the amount of money required to be  
15 contributed in the two next ensuing fiscal years to the general sinking funds  
16 maintained for the redemption and payment of the debts of the state.
- 17 6. A summary statement of the unappropriated fund balance estimated to be  
18 available at the beginning of the next biennium, and the estimated revenue of the  
19 next biennium, as compared with the total recommended amounts of appropriation  
20 for all classes of expenditures for the next biennium, and if the total of the  
21 recommended expenditures exceeds the total of the estimated resources,  
22 recommendations as to how the deficiency is to be met and estimates of any  
23 proposed additional revenue.
- 24 7. Drafts of a proposed general appropriations act and special appropriations acts  
25 embodying the budget data and recommendations of the governor for  
26 appropriations for the next biennium and drafts of such revenues and other acts  
27 recommended by the governor for putting into effect the proposed financial plan.  
28 The recommended general appropriation for each budget unit must be specified in  
29 a separate section of the general appropriations act.
- 30 8. A list of every individual asset or service, excluding real estate, with a value of at  
31 least fifty thousand dollars and every group of assets and services comprising a

1 single system with a combined value of at least fifty thousand dollars acquired  
2 through a capital or operating lease arrangement or debt financing arrangement by  
3 a state agency or institution. The list must include assets or services acquired in  
4 the current biennium and anticipated assets or services to be acquired in the next  
5 biennium.

6 9. A draft of an act to allocate property tax relief among school districts of the state if  
7 the projected unappropriated combined fund balances at the beginning of the next  
8 biennium of the state general fund and budget stabilization fund total more than  
9 one hundred million dollars according to the summary statements required under  
10 subsection 1. The draft required by this subsection must provide the fund sources,  
11 amounts, and method of allocation of property tax relief during the next biennium  
12 and provide for appropriations and transfers as necessary. The amount of property  
13 tax relief provided by the draft during the next biennium must equal the amount by  
14 which the summary statements required under subsection 1 show that the  
15 unappropriated combined fund balances at the beginning of the next biennium for  
16 the state general fund and budget stabilization fund exceed one hundred million  
17 dollars but the amount of property tax relief provided by the draft may not exceed  
18 two hundred million dollars. The draft must provide approximately equal  
19 percentage reductions in the general fund levy against residential and agricultural  
20 property in each school district in the state in each year of the next biennium and  
21 provide for allocation of funds among school districts to replace the property tax  
22 revenue reductions.

23 10. Any other information as the director of the budget determines desirable or as is  
24 required by law.