

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1419

Introduced by

Representatives Wieland, Froseth, Pollert, Weiler

Senators Cook, Fischer

1 A BILL for an Act to amend and reenact sections 54-27.2-01, 54-27.2-02, and 54-27.2-03 of the
2 North Dakota Century Code, relating to the maximum balance of, transfers to, and transfers
3 from the budget stabilization fund; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 54-27.2-01 of the North Dakota Century Code, as
6 effective after June 30, 2009, is amended and reenacted as follows:

7 **(Effective after June 30, 2009) Budget stabilization fund - Maximum balance -**
8 **Transfer to general fund.** The budget stabilization fund is a special fund in the state treasury.
9 The state investment board shall supervise investment of the budget stabilization fund in
10 accordance with chapter 21-10. Any interest or other budget stabilization fund earnings must
11 be deposited in the fund. ~~Any amounts provided by law for deposit in the fund and any interest~~
12 ~~or earnings of the fund which would bring the balance in the fund to an amount greater than ten~~
13 ~~percent of the current biennial state general fund budget, as finally approved by the most~~
14 ~~recently adjourned special or regular session of the legislative assembly, may not be deposited~~
15 ~~or retained in the fund but must be deposited instead in the state general fund. Any amount in~~
16 ~~the budget stabilization fund at the end of any biennium in excess of twelve and one-half~~
17 ~~percent of the current biennial state general fund budget, as finally approved by the most~~
18 ~~recently adjourned special or regular session of the legislative assembly, must be transferred~~
19 ~~by the state treasurer to the general fund. For purposes of this section, "at the end of any~~
20 ~~biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.~~

21 **SECTION 2. AMENDMENT.** Section 54-27.2-02 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **54-27.2-02. Certain general fund revenues to be deposited in the budget**
24 **stabilization fund - Limitation.** Notwithstanding any other provision of law ~~except section~~

54-27.2-01, any amount in the state general fund in excess of sixty-five million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund except that the state treasurer may not transfer any funds that would bring the balance in the budget stabilization fund to an amount in excess of twelve and one-half percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the legislative assembly. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 3. AMENDMENT. Section 54-27.2-03 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-03. Transfers and expenditures from budget stabilization fund.

1. If the director of the office of management and budget projects that general fund revenues for the biennium will be ~~at least two and one-half percent~~ less than estimated by the most recently adjourned special or regular session of the legislative assembly, and if the governor orders a transfer, which must be reported to the budget section of the legislative council, the state treasurer shall transfer the appropriate funds from the budget stabilization fund to the state general fund to offset one-half of the decrease in general fund revenues. ~~The amount transferred from the budget stabilization fund upon order of the governor may not exceed the difference between an amount two and one-half percent below the general fund revenue projections for the biennium of the most recently adjourned special or regular session of the legislative assembly and the general fund revenue projections for the biennium by the director of the office of management and budget.~~ The amount transferred from the budget stabilization fund upon order of the governor to the state general fund may be expended within the limits of legislative guidelines and general fund appropriations of the most recently adjourned special or regular session of the legislative assembly. For purposes of this section, "general fund revenues for the biennium" and "general fund revenue projections for the biennium" include the general fund balance at the beginning of the biennium.

2. a. If during a regular or special session of the legislative assembly the estimated amount of general fund revenues for the current biennium is not sufficient to

1 provide for the general fund appropriations approved by the most recently
2 adjourned regular or special session of the legislative assembly, the
3 legislative assembly may transfer funds from the budget stabilization fund to
4 the general fund in an amount necessary to provide funding equal to the
5 general fund appropriations approved by the most recently adjourned regular
6 or special session of the legislative assembly.

7 b. If during a regular or special session of the legislative assembly the estimated
8 amount of general fund revenues projected for the subsequent biennium is
9 not sufficient to provide for the general fund appropriations approved by the
10 most recently adjourned regular or special session of the legislative assembly
11 plus costs to continue, the legislative assembly may transfer funds from the
12 budget stabilization fund in an amount necessary to provide that funding. For
13 purposes of this section, "costs to continue" means the estimated funding
14 adjustments necessary to continue for two years in the subsequent biennium
15 state employee salaries, elementary and secondary education state school
16 aid, and human service provider payments at the same level as the second
17 year of the current biennium, or other adjustments necessary to provide for
18 state employee health insurance coverage or as a result of federal medical
19 assistance percentage changes to maintain human services programs.

20 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.