

## **EXECUTIVE BUDGET RECOMMENDATIONS REQUIRING STATUTORY CHANGES OR OTHER LEGISLATIVE ACTION**

In addition to general agency budget recommendations, elected officials' salary increases, and capital construction bonding proposals, the following recommendations included in the executive budget require statutory changes by the 2007 Legislative Assembly to implement:

### **REVENUES**

- Amends North Dakota Century Code (NDCC) Sections 54-27.2-01 and 54-27.2-03 to change the maximum balance allowed in the budget stabilization fund from 5 percent of the current general fund budget to \$200 million and to allow the Governor to order transfers from the fund to provide for any general fund revenue shortfall rather than only a shortfall in excess of 2.5 percent or more (Sections 14 and 15 of Senate Bill No. 2015 (2007)).
- Extends through June 30, 2009, pesticide registration fees of \$350 per biennium. The fee was to decrease to \$300 on June 30, 2007 (Section 9 of Senate Bill No. 2009 (2007)).

### **FUNDING TRANSFERS**

- Provides for transfers from Bank of North Dakota profits to the general fund of \$60 million, the same as the 2005-07 biennium. The 2007-09 transfer may not reduce the Bank's capital below \$175 million (Section 7 of Senate Bill No. 2015 (2007)). For the 2005-07 biennium, the transfer was not allowed to reduce the Bank's capital below \$150 million. Based on the executive budget recommendations that anticipate a \$60 million transfer from the Bank of North Dakota during the 2005-07 biennium and \$60 million during the 2007-09 biennium, the Bank's capital at the end of the 2007-09 biennium is projected to be \$211 million.
- Provides for transfers from Mill and Elevator Association profits to the general fund of \$5 million, the same as the 2005-07 biennium (Section 12 of House Bill No. 1014 (2007)).
- Provides for a transfer from the student loan trust fund to the general fund of \$3.1 million, \$5.9 million less than the \$9 million transfer authorized for the 2005-07 biennium (Section 8 of Senate Bill No. 2015 (2007)).

- Provides for a transfer from the lands and minerals trust fund to the general fund of \$15 million, \$8.2 million more than the \$6.8 million transfer authorized for the 2005-07 biennium (Section 6 of Senate Bill No. 2015 (2007)).

### **ORGANIZATIONAL CHANGES**

Transfers the children's special health services program from the Department of Human Services to the State Department of Health (Sections 5 through 11 of Senate Bill No. 2012 (2007)).

### **ELEMENTARY EDUCATION**

Makes changes affecting the school funding formula (the bill containing the proposed changes is pending introduction).

### **PROPERTY TAX RELIEF**

Provides a continuing appropriation of up to \$116.7 million per biennium from the permanent oil tax trust fund for providing property tax relief to counties (Section 16 of Senate Bill No. 2015 (2007)). The bill containing the program's details is pending introduction.

### **RETIREE HEALTH CREDIT**

Provides for an increase in the monthly retiree health credit from \$4.50 per year of credited service to \$5 per year of credited service and pays for the increase by increasing the retiree health credit employer contribution by .15 percent, from 1 to 1.15 percent of payroll (Senate Bill No. 2050 (2007)).

### **BIOFUELS PACE FUND**

Provides \$4.2 million from the general fund for a newly created Biofuels - PACE Fund at the Bank of North Dakota and transfers any unobligated balance in the Biodiesel PACE Fund at the end of the biennium to the Biofuels PACE Fund (Section 17 of House Bill No. 1014 (2007)). The bill containing the program's detail is pending introduction.