

**State Treasurer
Budget 120
Senate Bill No. 2005; House Bill No. 1012**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriation (original)	8.00	\$260,057,355 ¹	\$0	\$260,057,355
2013-15 legislative appropriation	8.00	311,333,469	298,000,000 ²	609,333,469
2015-17 appropriation increase (decrease) to 2013-15 appropriation	0.00	(\$51,276,114)	(\$298,000,000)	(\$349,276,114)
2015-17 general fund budget allotment (4.05 percent)	0.00	(10,532,323)	0	(10,532,323)
Adjusted 2015-17 appropriation after budget allotment	8.00	\$249,525,032	\$0	\$249,525,032

¹The original legislative appropriation amount includes \$258,073,699 of one-time funding from the general fund (see description below). Excluding this amount, the agency's original ongoing general fund appropriation is \$1,983,656.

²The amount shown includes a \$298 million appropriation from the strategic investment and improvements fund approved by the 2015 Legislative Assembly for funding distributions to cities and townships for the 2013-15 biennium. The distributions included \$100 million to the incorporated cities in the top 10 oil-producing counties, \$16 million for organized and unorganized townships in the 43 non-oil-producing counties, \$10 million to eligible incorporated cities, and \$172 million to Williston, Dickinson, Minot, and Watford City.

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

Desktop support services - Section 7 of 2015 House Bill No. 1021 requires certain agencies to receive desktop support services from the Information Technology Department. Senate Bill No. 2005 (2015) appropriated ongoing funding of \$20,880 from the general fund for desktop support services for the State Treasurer's office.

One-time funding - Information technology costs - In Section 2 of 2015 Senate Bill No. 2005, the Legislative Assembly identified \$73,699 of one-time funding from the general fund for information technology costs related to allocation formula changes.

Status/Result

The budget allotment reduced general fund appropriations for the State Treasurer by \$10,532,323. The State Treasurer reduced salaries and wages (\$29,000), operating expenses (\$44,400), coal severance payments (\$9,923), township road funding allocations (\$324,000), and property tax relief credits (\$10,125,000).

The Information Technology Department implemented desktop support services for the State Treasurer's office in July 2015. The agency anticipates spending all funding appropriated for desktop support services by the end of the biennium.

As of February 29, 2016, the State Treasurer has spent \$34,680 of the amount available for information technology costs. The agency anticipates reducing the appropriation by \$8,000 as part of the operating expenses budget allotment and anticipates spending the remaining \$31,019 on information technology-related costs by the end of the 2015-17 biennium.

One-time funding - Property tax relief credits - The Legislative Assembly in 2015 Senate Bill No. 2005, provided one-time funding of \$250 million from the general fund for state-paid property tax relief credits. Pursuant to North Dakota Century Code Section 57-20-07.2, the State Treasurer distributes 75 percent of each county's estimated property tax relief credits on April 1 of each year. In June of each year, the State Treasurer distributes the remainder of each county's actual property tax relief credits reduced by any amounts distributed in April.

One-time funding - Transportation funding - The Legislative Assembly appropriated \$8 million from the general fund to the State Treasurer in 2015 House Bill No. 1012 to provide \$5,000 to each organized and unorganized township within non-oil-producing counties. The funding must be allocated in February 2016. To be eligible to receive an allocation, a township must be located in one of the 43 counties that received no allocation or an allocation of less than \$5 million under Section 57-51-15 (oil- and gas-production tax allocations) in state fiscal year 2014.

State aid distribution withholding - Soil survey data - Section 57-02-27.2 requires the State Treasurer to withhold 5 percent of a county's allocation each quarter from the state aid distribution fund beginning with the first quarter of 2013 for any county that has not implemented the use of soil type and soil classification data from detailed or general soil surveys in assessing agricultural property. Allocations withheld from counties are to be deposited in the agricultural land valuation fund. After a county implements the use of soil type and soil classification data, the allocations withheld from the county are distributed by the State Treasurer from the agricultural land valuation fund to the county.

The State Treasurer distributed \$87,208,343 from the general fund to counties on April 1, 2016.

The State Treasurer distributed \$7,675,989 to non-oil-producing counties on February 22, 2016, pursuant to 2015 House Bill No. 1012. As a result of the budget allotment process, the allocation to each township was reduced by approximately \$10, from \$5,000 to \$4,990. Even though the appropriation was reduced by 4.05 percent, the allocations to each township were not because the original appropriation included more funding than was needed to provide \$5,000 to each eligible township.

As of April 2016 four counties--Burke, Dunn, Mountrail, and Nelson--have not implemented the use of soil type and soil classification data and have 5 percent of their allocations withheld. Approximately \$590,000 has been withheld and deposited in the agricultural land valuation fund.