



North Dakota Legislative Council

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BUDGET CHANGES DURING THE INTERIM - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL PROCESS

This memorandum summarizes changes to the Emergency Commission and Budget Section process for approving state agency budget changes during the interim. The changes were approved by the Legislative Assembly in House Bill No. 1233 (2025).

OVERVIEW

House Bill No. 1233 adjusts the Emergency Commission and Budget Section approval process for state agency budget changes during the interim. The bill provides that a specific legislative appropriation be provided for state contingencies identifying the amounts the Emergency Commission and Budget Section may approve each biennium for general fund, special funds, and federal funds. Based on agency requests approved by the Emergency Commission and Budget Section, the Office of Management and Budget transfers appropriation authority from the state contingencies appropriation to the approved agency. All requests submitted to the Emergency Commission also require Budget Section approval unless approval of the request is necessary to avoid an imminent threat to the safety of people or property due to a natural disaster or war crisis or an imminent financial loss to the state. The Budget Section may amend any request under consideration. The bill requires disaster funds approved by the Emergency Commission to be approved by the Budget Section. The bill repeals North Dakota Century Code Sections 54-16-04.2, 54-16-08, and 54-16-11.1 relating to the Emergency Commission authorizing the acceptance and expenditure of state special funds and other sources, state contingencies appropriations, and the Emergency Commission's ability to increase revenues and appropriation authority for intergovernmental service fund agencies.

COMPARISON OF EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL PROCESSES

The schedule below compares the current Emergency Commission and Budget Section approval process to the process that will become effective July 1, 2025.

Comparison of Emergency Commission and Budget Section Approval Processes		
	Current Law	Effective July 1, 2025
Section 54-16-04 - Line item transfers	Authorizes the Emergency Commission to order the transfer of funds between an agency's line items. Budget Section approval is required for any transfer in excess of \$50,000.	Authorizes the Emergency Commission to order the transfer of funds between an agency's line items. Budget Section approval is required for all transfers and the Budget Section may amend any request.
Section 54-16-04.1 - Acceptance and expenditure of funds	<ul style="list-style-type: none"> Allows the Emergency Commission to authorize an agency to accept and expend federal funds not appropriated by the Legislative Assembly. Budget Section approval is required if the amount to be accepted exceeds \$50,000. The Budget Section may amend any request exceeding \$3 million. The cumulative amount of approvals to expend federal funds may not exceed \$50 million per biennium. 	<ul style="list-style-type: none"> Allows the Emergency Commission to authorize a state agency to accept special or federal funds subject to Budget Section approval. Approval to spend the additional funds may be made through a transfer of state contingencies appropriation authority under Section 54-16-09 or pursuant to a future legislative appropriation.
Section 54-16.04.2 - Acceptance and expenditure of special funds	<ul style="list-style-type: none"> Allows the Emergency Commission to authorize an agency to accept and expend special funds not appropriated by the Legislative Assembly. 	Repealed - Language to authorize an agency to accept special funds is moved to Section 54-16-04.1. Approval to spend the additional funds is made through a transfer of state

	<ul style="list-style-type: none"> • Budget Section approval is required if the amount to be accepted exceeds \$50,000. • The Budget Section may amend any request exceeding \$3 million. • The cumulative amount of requests to expend special funds may not exceed \$20 million per biennium. 	contingencies appropriation authority under Section 54-16-09.
Section 54-16-08 - State contingencies appropriation	Provides the Legislative Assembly may appropriate money to the Office of Management and Budget for state contingencies.	Repealed.
Section 54-16-09 - Transfer from state contingencies appropriation	Authorizes the Emergency Commission to transfer funds from the state contingencies appropriation. Budget Section approval is required for any transfer exceeding \$50,000.	Authorizes the Emergency Commission to transfer funds from the state contingencies appropriation subject to Budget Section approval. The total amount authorized to be transferred each biennium is based on the amount of funding appropriated by the Legislative Assembly from the general fund, special funds, and federal funds for state contingencies. The Budget Section may amend any request under consideration. See the section below this schedule for the 2025-27 biennium state contingencies appropriations approved by the Legislative Assembly.
Section 54-16-11.1 - Intergovernmental service fund agencies revenue and appropriation authority	Authorizes the Emergency Commission to increase appropriation authority for intergovernmental service fund agencies.	Repealed. These requests are addressed under Section 54-16-09 as a special funds request.
Section 54-16-13 - Authorization to borrow for a disaster	Allows the Emergency Commission to authorize an agency to borrow money from the Bank of North Dakota to respond to an emergency. Budget Section approval is not required.	Allows the Emergency Commission to authorize an agency to borrow money from the Bank of North Dakota to respond to an emergency subject to Budget Section approval.

2025-27 BIENNIUM STATE CONTINGENCIES FUNDING

The following schedule details legislative appropriations approved for state contingencies for the 2025-27 biennium.

2025-27 Biennium State Contingencies Appropriations	
General fund	\$750,000
Special funds	20,000,000
Federal funds	50,000,000
Total	\$70,750,000