

**TITLE 1: GOVERNMENT**  
**DIVISION 7: PLANNING, BUDGETING AND AUDITING**

**§ 7301. Expenditure Authority for Capital Improvement Projects.**

(a) No public officer or other person shall allot, obligate, or expend funds for capital improvement projects which require funding out of the guaranteed direct grant assistance established by Covenant § 702(b), except as authorized pursuant to this part or annual appropriation acts.

(b) If funds for capital improvement projects are not appropriated by act of the legislature prior to the beginning of the budget year, the Governor or his authorized designees may thereafter expend, obligate, or otherwise commit up to 10 percent of the unappropriated funds for capital improvement projects for the current fiscal year to meet the needs of ongoing capital improvement projects; provided, that upon the approval of the chairmen of the House Appropriations Committee and the Senate Fiscal Affairs Committee, the Governor may expend, obligate, or otherwise commit a greater amount to prevent default upon contractual obligations entered into during previous fiscal years for ongoing capital improvement projects. The Governor shall report to the legislature 20 days before any expenditure, obligation, or commitment of funds under this subsection (b) of this section.

(c) The Governor's authority to expend, commit, and otherwise obligate funds appropriated in previous years for ongoing capital improvement projects shall continue unless expressly limited by the act appropriating funds for the project.

(d) The Governor or his authorized designee shall insure that no more than 10 percent of capital improvement project funds shall be expended by the Technical Services Division of the Department of Public Works for the contract management and administration of any project. All funds expended for this purpose shall be included in the estimate of the total cost of a project and may be drawn upon only after a solicitation for bid is issued. The funds shall remain available until obligated or expended and shall revert to the General Fund upon completion of the project.

**Source:** PL 3-68, § 301, modified.

**Commission Comment:** With respect to the reference to the "Department of Public Works," see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001.