

# FIRES

## CHAPTER 217

HOUSE BILL NO. 1036  
(Legislative Council)  
(Interim Finance and Taxation Committee)

### FIRE PROTECTION DISTRICT FUNDING

AN ACT to amend and reenact section 18-04-05 and subsection 1 of section 26.1-03-17 of the North Dakota Century Code, relating to allocation of insurance premium tax revenues to fire protection districts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

**18-04-05.** ~~Amount due cities, rural fire protection districts, or rural fire departments - Certificate of commissioner of insurance to office of management and budget.~~ The commissioner of insurance shall compute the amounts due to the ~~several~~ cities, townships, certified rural fire departments, or fire protection districts entitled to benefits under this chapter, ~~and shall certify such amounts for payment to the office of management and budget on or before September first of each year, in the following manner:~~

1. To ~~cities a city~~ not within the boundaries of a fire protection district, a sum equal to ~~two and one fourth~~ eighty-four percent of the tax collected on premiums received by insurance companies pursuant to section 26.1-03-17 issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance on property in ~~such cities~~ the city.
2. To ~~each city fire department performing service outside of its incorporated limits, the sum of one hundred dollars.~~
3. To ~~each rural fire department not certified by the state fire marshal, the sum of two hundred dollars per year.~~
4. To each rural fire protection district organized within the provisions of under this title or rural fire department certified by the state fire marshal, ~~two hundred dollars plus~~ a sum equal to ~~two and one fourth~~ eighty-four percent of the tax collected on premiums received by insurance companies pursuant to section 26.1-03-17 issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance on property within the ~~boundaries of such rural fire protection districts~~ district or property served by the certified rural fire ~~departments~~ department.

~~The amount distributed by the commissioner of insurance pursuant to this section may not exceed the amount of the biennial appropriation made by the legislative assembly. Payments by the commissioner of insurance must be distributed in September of each year beginning in September 1990. If the appropriation is less~~

than the amount determined by applying the formula pursuant to this section, the commissioner of insurance by proration shall provide each eligible recipient the same proportion of the appropriation as the percent of the total funds it would have received pursuant to such formula.

**SECTION 2. AMENDMENT.** Subsection 1 of section 26.1-03-17 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. Before issuing the annual certificate required by law, the commissioner shall collect from every stock and mutual insurance company, nonprofit health service corporation, health maintenance organization, and prepaid legal service organization, except a fraternal benefit society, doing business in this state, a tax on the gross amount of premiums, assessments, membership fees, subscriber fees, policy fees, service fees collected by any third party administrator providing administrative services to a group that is self-insured for health care benefits, and finance and service charges received in this state during the preceding calendar year, at the rate of two percent with respect to life insurance, one and three-fourths percent with respect to accident and health insurance, and one and three-fourths percent with respect to all other lines of insurance. This tax does not apply to considerations for annuities. The total tax is payable on or before March first following the year for which the tax is assessable and, Eighty-four percent of the revenue from the tax imposed upon policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance must be deposited in the insurance tax distribution fund under section 18-04-04.1 but not in an amount exceeding two million six hundred thousand dollars in any fiscal year, and any amounts exceeding that amount and the remaining sixteen percent as well as revenue from the tax imposed upon policies for any other line of insurance must be deposited in the general fund in the state treasury. If the due date falls on a Saturday or legal holiday, the tax is payable on the next succeeding business day.

Approved March 16, 1993  
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