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Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

April 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1010

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the insurance
2 commissioner; to create and enact a new section to chapter 26.1-23.1 of the North Dakota
3 Century Code, relating to a government self-insurance pool report; to amend and reenact
4 subsection 8 of section 10-04-10 and section 26.1-01-09 of the North Dakota Century Code,
5 relating to fees charged by the securities division and the salary of the insurance commissioner;
6 and to provide for a legislative management report.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated from other funds derived from special funds and federal
10 funds, to the insurance commissioner for the purpose of defraying the expenses of the
11 insurance commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
12 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
15 Salaries and wages	\$10,746,226	\$1,103,163	\$11,849,389
16 New and vacant FTE pool	0	266,964	266,964
17 Operating expenses	2,637,667	(29,479)	2,608,188
18 Capital assets	0	90,000	90,000
19 Grants	2,400,000	0	2,400,000

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1	Total other funds	\$15,783,893	\$1,430,648	\$17,214,541
2	Full-time equivalent positions	47.00	0.00	47.00
3	Salaries and wages	\$10,746,226	\$4,068,400	\$14,814,626
4	New and vacant FTE pool	0	556,803	556,803
5	Operating expenses	2,637,667	619,522	3,257,189
6	Capital assets	0	90,000	90,000
7	Grants	2,400,000	0	2,400,000
8	Total other funds	\$15,783,893	\$5,334,725	\$21,118,618
9	Full-time equivalent positions	47.00	11.00	58.00

10 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE**
 11 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 12 items included in the appropriation in section 1 of this Act which are not included in the entity's
 13 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 14 committees of the seventieth legislative assembly regarding the use of this funding.

15	<u>One-Time Funding Description</u>	<u>Other Funds</u>
16	Radios and x-ray machine	\$90,000
17	Total other funds	\$90,000
18	Accrued leave payout	63,250
19	Fire marshal compensatory time/overtime	20,000
20	Total other funds	\$173,250

21 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
 22 insurance commissioner may not spend funds appropriated in the new and vacant FTE pool line
 23 item in section 1 of this Act, but may request the office of management and budget to transfer
 24 funds from the new and vacant FTE pool line item to the salaries and wages line item in
 25 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
 26 approved by the sixty-ninth legislative assembly.

27 **SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORTING.** In addition to the
 28 amounts appropriated in section 1 of this Act, any federal funds that become available are
 29 appropriated to the insurance commissioner, for the biennium beginning July 1, 2025, and
 30 ending June 30, 2027. The insurance commissioner shall report any additional federal funds
 31 under this section to the office of management and budget and the legislative council.

1 | **SECTION 5. AMENDMENT.** Subsection 8 of section 10-04-10 of the North Dakota Century
2 | Code is amended and reenacted as follows:

3 | 8. Fees. The fee, which must accompany the application, for registration, transfer, or
4 | notice filing, and for each annual renewal thereof is:

- | | | |
|---|----------|----------|
| 5 a. For each broker-dealer | \$200.00 | \$240.00 |
| 6 b. For each agent | \$60.00 | \$75.00 |
| 7 c. For each investment adviser or federal covered adviser | \$100.00 | \$120.00 |
| 8 d. For each investment adviser representative | \$50.00 | \$60.00 |

9 | An application to register as a broker-dealer, agent, investment adviser, or investment
10 | adviser representative may, with the consent of the commissioner, be withdrawn upon
11 | written application.

12 | **SECTION 6. AMENDMENT.** Section 26.1-01-09 of the North Dakota Century Code is
13 | amended and reenacted as follows:

14 | **26.1-01-09. Salary of commissioner.**

15 | The annual salary of the commissioner is one hundred thirty thousand dollars through-
16 | ~~June 30, 2024, and one hundred thirty five thousand two hundred dollars~~ thirty-nine thousand
17 | two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three thousand four
18 | hundred thirty-four dollars thereafter.

19 | **SECTION 7.** A new section to chapter 26.1-23.1 of the North Dakota Century Code is
20 | created and enacted as follows:

21 | **Government self-insurance pool - Report.**

22 | A government self-insurance pool organized under this chapter shall provide a report to the
23 | legislative management by September thirtieth of each even-numbered year. The report must
24 | include information on activities of the pool, including the claims activity, claims payment history,
25 | balances, a history of complaints, and executive staff and board compensation.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$10,746,226	\$11,849,389	\$2,965,237	\$14,814,626
New and vacant FTE pool		266,964	289,839	556,803
Operating expenses	2,637,667	2,608,188	649,001	3,257,189
Capital assets		90,000		90,000
Grants	2,400,000	2,400,000		2,400,000
Total all funds	\$15,783,893	\$17,214,541	\$3,904,077	\$21,118,618
Less estimated income	15,783,893	17,214,541	3,904,077	21,118,618
General fund	\$0	\$0	\$0	\$0
FTE	47.00	47.00	11.00	58.00

Department 401 - Insurance Department - Detail of Senate Changes

	Adds Funding for One FTE Position ¹	Combines the Securities Department into the Insurance Department ²	Adds Attorney Equity Funding ³	Adds Fire Marshal Equity Funding ⁴	Adds Funding for Comp Time/Overtime for Fire Marshal ⁵	Adds Funding for Accrued Leave Payout ⁶
Salaries and wages		\$2,686,987	\$150,000	\$45,000	\$20,000	\$63,250
New and vacant FTE pool	\$231,667	58,172				
Operating expenses	5,830	643,171				
Capital assets						
Grants						
Total all funds	\$237,497	\$3,388,330	\$150,000	\$45,000	\$20,000	\$63,250
Less estimated income	237,497	3,388,330	150,000	45,000	20,000	63,250
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1.00	10.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$2,965,237
New and vacant FTE pool	289,839
Operating expenses	649,001
Capital assets	
Grants	
Total all funds	\$3,904,077
Less estimated income	3,904,077
General fund	\$0
FTE	11.00

¹ One FTE attorney position is added, including funding of \$231,667 in the new and vacant FTE pool and \$5,830 for operating expenses.

² Securities Department funding is transferred to the Insurance Department as a new division per Senate Bill No. 2214.

³ Salary equity funding is added for staff attorneys.

⁴ Salary equity funding is added for fire marshal staff.

⁵ Funding is added for fire marshal compensatory time and overtime.

⁶ One-time funding is added for accrued leave payouts.

House Bill No. 1010 - Other Changes - Senate Action

A section is added amending Section 10-04-10 to increase securities registration fees. The fee changes are estimated to increase general fund revenues by \$3,888,320 for the 2025-27 biennium.