

Fifty-sixth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1201

Introduced by

Representatives Drovdal, Lloyd, Warner

Senators Bowman, Lyson, O'Connell

1 A BILL for an Act to create and enact a new subsection to section 18-10-06 of the North Dakota
2 Century Code, relating to powers of rural fire protection districts; and to amend and reenact
3 sections 18-04-07, 18-05-01, 18-05-02, 18-05-03, 18-05-04, 18-05-05, 18-05-06, 18-05-07,
4 18-05-08, 18-05-09, 18-05-10, 18-05-12, 18-05-13, 28-22-19, subsection 70 of section
5 40-05-01, 40-46-01, subsection 21 of section 57-15-10, section 57-15-43, and subdivision j of
6 subsection 1 of section 57-38-01.2 of the North Dakota Century Code, relating to the
7 organization of firefighters relief associations by fire departments and rural fire protection
8 districts.

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

10 **SECTION 1. AMENDMENT.** Section 18-04-07 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **18-04-07. Disbursement of fund by city auditor.** Moneys received by the city auditor
13 under the provisions of this chapter must be disbursed as follows:

- 14 1. In a city having a paid fire department, ~~such amount~~ the money must be placed in
15 a fund to be disbursed by the governing body of the municipality in maintaining
16 ~~such~~ the fire department. If the municipality has a duly organized and
17 incorporated ~~firemen's~~ firefighters relief association, the ~~amount~~ money must be
18 disbursed in accordance with section 18-05-04.
- 19 2. In a city or rural fire protection district having no paid fire department, ~~such amount~~
20 the money must be paid over to the treasurer of the fire department, or to the
21 treasurer of each separately organized fire company ~~which~~ that satisfies the
22 requirements of section 18-04-01 in equal proportions when there ~~are~~ is more than
23 one in the municipality or rural fire protection district, upon the written order of ~~such~~
24 the department or companies approved by the governing body of the municipality

1 or rural fire protection district. If the municipality or rural fire protection district has
2 a duly organized and incorporated firefighters relief association, the amount must
3 be disbursed in accordance with section 18-05-04.

4 3. For the purpose of this section, a nonpaid or volunteer fire department is any
5 department ~~where~~ in which less than fifty percent of the personnel of ~~said~~ the
6 department are full-time regularly salaried firefighters. A volunteer firefighter is a
7 firefighter who does not receive a regular monthly salary though the firefighter may
8 receive compensation for each fire call the firefighter responds to.

9 **SECTION 2. AMENDMENT.** Section 18-05-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **18-05-01. Firemen's Firefighters relief association - Where it may be organized.** A
12 ~~firemen's~~ firefighters relief association may be organized in any city ~~which~~ or rural fire
13 protection district that has a ~~paid~~ fire department. In organizing ~~such a~~ firefighters relief
14 association, the procedure provided in chapter 10-33 must be followed.

15 **SECTION 3. AMENDMENT.** Section 18-05-02 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **18-05-02. Control of funds - Derivation of funds.** Through its board of trustees and
18 officers, a ~~firemen's~~ firefighters relief association ~~shall have~~ has full charge, management, and
19 control of the funds provided for in this chapter, which funds must be derived from the following
20 sources:

- 21 1. From interest, rents, gifts, or money from other sources; and
- 22 2. From funds received from the state ~~of North Dakota.~~

23 **SECTION 4. AMENDMENT.** Section 18-05-03 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **18-05-03. Treasurer of relief association to furnish bond.** Before entering upon the
26 duties of office, the treasurer of every ~~firemen's~~ firefighters relief association shall give a good
27 and sufficient bond to the association conditioned for the faithful discharge of the duties of ~~the~~
28 ~~office~~ treasurer, and for the safekeeping and paying over, according to law, of all moneys ~~which~~
29 that come into the person's treasurer's hands as such while acting as treasurer.

30 **SECTION 5. AMENDMENT.** Section 18-05-04 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **18-05-04. Apportioning insurance tax received by city or rural fire protection**
2 **district.** ~~The amount received under section 18-04-05 by the city auditor in a city having or the~~
3 ~~treasurer of a rural fire protection district with a paid fire department and a duly organized and~~
4 ~~incorporated firemen's firefighters relief association except as hereinafter provided must be~~
5 ~~apportioned as follows:~~ shall apportion the amount received under section 18-04-05, so
6 one-half ~~thereof must be~~ of the amount is placed in a fund to be disbursed by the city's or rural
7 fire protection district's governing body in maintaining the fire department; and one-half ~~thereof~~
8 ~~must be is~~ paid to the treasurer of the firemen's firefighters relief association. ~~Instead of~~
9 ~~making such apportionment~~ Except, the city's governing body in its discretion may direct the
10 city auditor or the rural fire protection district's board of directors may direct the treasurer to pay
11 all or any portion of the one-half of the amount ~~se~~ received which would otherwise be disbursed
12 in maintaining the fire department to the treasurer of the firemen's firefighters relief association
13 if its financial condition makes ~~such~~ the disposition necessary or advisable.

14 **SECTION 6. AMENDMENT.** Section 18-05-05 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **18-05-05. Disbursement of money received by treasurer of firemen's firefighters**
17 **relief association.** The amount received by the treasurer of a firemen's firefighters relief
18 association from ~~this~~ the state may be disbursed for the following purposes only:

- 19 1. For the maintenance of the association.
- 20 2. For pensions to and the relief of sick, injured, and disabled members of any fire
21 department in the municipality or the rural fire protection district and ~~their widows~~
22 ~~and orphans~~ the members' surviving spouses and children.
- 23 3. For the payment of service pensions as provided in section 18-05-06 in ~~such~~ the
24 amounts and ~~in such~~ manner as the association designates in its articles of
25 incorporation and bylaws.

26 **SECTION 7. AMENDMENT.** Section 18-05-06 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **18-05-06. Service pension - Who may receive - Recipient entitled to no further**
29 **relief from association.**

- 30 1. A firemen's firefighters relief association organized under the laws of this state
31 may pay out of any funds received from the state, city, municipality, or ~~from~~ any

- 1 other source a service pension in ~~such an~~ amount; not exceeding two hundred
2 dollars per month, as may be provided by ~~its~~ the association's bylaws, to each of
3 its members who has retired and who:
- 4 4. a. Has reached the age of fifty years;
- 5 2. b. Has done active duty for twenty years or more as a member of a ~~volunteer,~~
6 ~~paid, or partially paid and partially volunteer,~~ fire department in the
7 municipality or rural fire protection district in which ~~such~~ the association
8 exists;
- 9 3. c. Has been a member of the ~~firemen's~~ firefighters relief association for at least
10 ten years ~~prior to~~ before the date of ~~the person's~~ retirement; and
- 11 4. d. Complies with any additional conditions as to age, service, and membership
12 ~~which~~ that may be prescribed by the bylaws of the association.
- 13 2. ~~No~~ A pension may not be paid to any person individual while ~~the person that~~
14 individual remains a member of the fire department or rural fire protection district
15 department, and ~~a person~~ an individual who is receiving a service pension is
16 entitled to no other relief from the association. An individual who becomes a
17 member of a firefighters relief association at the time of the formation of the
18 association and who meets all of the requirements of subsection 1, except
19 subdivision c relating to vesting, may receive a retirement benefit under this
20 section if the benefit is actuarially reduced to account for the decreased period of
21 contribution to the fund.

22 **SECTION 8. AMENDMENT.** Section 18-05-07 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **18-05-07. Eligibility for service pension may be acquired by paying back**
25 **assessments.** ~~Any~~ A firefighter who, for the number of years required for retirement, actually
26 has served in a fire department in a municipality or rural fire protection district in which a
27 ~~firemen's~~ firefighters relief association has been organized and who pays into the ~~firemen's~~
28 firefighters relief and pension fund maintained in ~~such~~ the municipality assessments equal to
29 the amounts assessed against the members of the association during the time of the ~~person's~~
30 firefighter's service in the department, with interest upon ~~such~~ the assessments, must be
31 allowed membership in the association and ~~shall~~ is entitled to receive, upon retirement, the

1 same pension from the fund as is paid to other firefighters. The bylaws of an association may
2 not contain any provision ~~which~~ that discriminates against a firefighter who actually has worked
3 as ~~such a firefighter~~ during the number of years required by the bylaws or which prevents the
4 ~~person firefighter~~ from, or discriminates against the ~~person firefighter~~ in, participating in the
5 association or in the benefits from the fund. The rights provided for in this chapter are acquired
6 by compliance with this section whether ~~such~~ compliance was accomplished ~~prior~~ before or
7 ~~subsequent to~~ after July 1, 1935, without regard to the time when the required service was
8 performed.

9 **SECTION 9. AMENDMENT.** Section 18-05-08 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **18-05-08. Pensions to be uniform - Reduction or increase in pensions authorized.**

12 All pensions granted in a municipality or rural fire protection district under the provisions of this
13 chapter must be uniform in amount. Every association, however, ~~shall have the right at all~~
14 ~~times to~~ may reduce or increase the amount of pensions, within the limitations contained in this
15 chapter, whenever the amount of funds on hand or other good reason renders such action
16 advisable.

17 **SECTION 10. AMENDMENT.** Section 18-05-09 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **18-05-09. Who deemed firefighter.** ~~No~~ A substitute firefighter, ~~no~~ a person serving on
20 probation, and ~~no~~ a firefighter in a municipality or rural fire protection district having a relief
21 association in its fire department who is not a member of ~~such~~ the association may not be
22 deemed a firefighter within the meaning of this chapter.

23 **SECTION 11. AMENDMENT.** Section 18-05-10 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **18-05-10. Qualifications as to age and term of service inapplicable to pension for**
26 **disability.** The qualifications as to age and term of service prescribed by this chapter do not
27 apply to a member of a fire department who makes an application for a pension on account of
28 injuries or disabilities ~~which make the person~~ that result in the firefighter being unfit for to
29 perform the duties of an active firefighter. The relief association shall pay the pension to ~~such~~
30 those members, or to the ~~widow or orphans~~ surviving spouse or children of a deceased
31 firefighter, in ~~such~~ the amounts and under ~~such~~ the limitations and conditions as its articles of

1 incorporation and bylaws provide and permit. ~~No~~ A pension paid to any one family, however,
2 may not exceed the maximum monthly service pension permitted under this chapter.

3 **SECTION 12. AMENDMENT.** Section 18-05-12 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **18-05-12. Secretary and treasurer of ~~firemen's~~ firefighters relief association to**
6 **prepare report - Contents - Filing.** The secretary and treasurer of every ~~firemen's~~ firefighters
7 relief association shall prepare annually a report of all the receipts and expenditures of the
8 association for the previous year showing the source of all receipts and for what purpose and to
9 whom any money was paid and expended. ~~Such~~ The report must be filed in the office of the
10 city auditor of the municipality wherein the association is situated or in the case of a rural fire
11 protection district the office of the county auditor of the county in which the rural fire protection
12 district is located, and a duplicate of the report must be filed with the office of management and
13 budget before any money may be paid to ~~any such~~ the relief association.

14 **SECTION 13. AMENDMENT.** Section 18-05-13 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **18-05-13. Audit of books of relief association - Report of unauthorized spending**
17 **to governor - Duty of governor.** The books and accounts of the secretary and treasurer of
18 each ~~firemen's~~ firefighters relief association receiving funds under the provisions of this chapter
19 must be audited as required by section 54-10-14. If the money, or any part of it, has been or is
20 being expended for unauthorized purposes, the facts must be reported to the governor.
21 Thereupon, the governor shall direct the office of management and budget not to prepare any
22 warrants for the benefits of the fire department or relief association of the municipality in which
23 ~~such~~ the association is organized until it appears to the state auditor, who shall report the fact
24 to the governor, that all moneys wrongfully expended have been replaced. The governor may
25 take such further action as the emergency may demand.

26 **SECTION 14.** A new subsection to section 18-10-06 of the North Dakota Century Code
27 is created and enacted as follows:

28 To establish a firefighters relief association under chapter 18-05.

29 **SECTION 15. AMENDMENT.** Section 28-22-19 of the 1997 Supplement to the North
30 Dakota Century Code is amended and reenacted as follows:

1 **28-22-19. Exemptions from legal process - Public pensions, assistance, and**
2 **awards.** The following amounts are exempt from liability for debts of the person to or on
3 account of whom the amounts are paid, and are not subject to seizure upon execution or other
4 process:

- 5 1. All pensions or annuities or retirement, disability, death, or other benefits paid or
6 payable by, or amounts received as a return of contributions and interest from, a
7 retirement system established pursuant to state law by the state except as
8 provided by sections 15-39.1-12.2, 39-03.1-14.2, and 54-52-17.6, a state agency,
9 a political subdivision of the state, or a ~~firemen's~~ firefighters relief association for
10 retirement, annuity, pension, disability benefit, or death benefit purposes.
- 11 2. All awards made pursuant to chapter 54-23.4 as compensation for victims of
12 crimes.
- 13 3. All payments of assistance as aid to dependent children pursuant to chapter 50-09.

14 **SECTION 16. AMENDMENT.** Subsection 70 of section 40-05-01 of the 1997
15 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 16 70. Employee pension system. To adopt, by ordinance, a city employee pension
17 system ~~which~~ that may provide all rules and regulations governing its operation
18 and discontinuance, provided other pensions systems allowed by statute are not in
19 effect, excepting ~~firemen's~~ firefighters relief associations and federal social
20 security, or in order to consolidate existing pension plans. In addition to all other
21 rules and regulations deemed necessary and proper by the governing body, it may
22 provide as to matters pertaining to membership, tax levies in an amount not
23 exceeding the total levies authorized by chapters 40-45 and 40-46, membership
24 fees and assessments, management, investments, acceptance of money and
25 property, retirement conditions and payment amount, continuance of system and
26 discontinuance procedures, discontinuance payments, entrance into contracts with
27 an insurance firm or firms for coverage of ~~such~~ the employee pension system.

28 **SECTION 17. AMENDMENT.** Section 40-46-01 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **40-46-01. Adoption of employees' pension plan - Exclusion of police and**
2 **members of firemen's firefighters relief associations.** The provisions of this chapter ~~shall~~
3 become operative in any city qualified to adopt the same by:

4 1. The adoption by the governing body of the city of a plan substantially setting forth
5 the provisions of this chapter; and

6 2. The concurrence in ~~such~~ the plan by the employees of the city by a majority vote
7 thereof.

8 Thereafter, all employees of the city ~~shall be~~ are bound by the provisions of ~~such~~ the plan
9 without further action by the governing body or by the employees of the city. For ~~the~~ purposes
10 of this chapter, members of the police force of the city ~~shall~~ are not ~~be~~ considered employees
11 of the city and members of a ~~firemen's~~ firefighters relief association ~~shall~~ are not ~~be~~ considered
12 employees of the city, if by a majority vote of the members thereof, they exclude themselves.

13 **SECTION 18. AMENDMENT.** Subsection 21 of section 57-15-10 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 21. Taxes levied for an organized ~~firemen's~~ firefighters relief association in accordance
16 with section 57-15-43 may be levied in an amount not exceeding one-half of one
17 mill.

18 **SECTION 19. AMENDMENT.** Section 57-15-43 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **57-15-43. Tax levy for city having an organized firemen's firefighters relief**
21 **association - Limitations - Disbursement.** ~~Any~~ A city having an organized ~~firemen's~~
22 firefighters relief association as provided for under chapter 18-05; may levy an annual tax not
23 exceeding the limitation in subsection 21 of section 57-15-10 for the purpose of assisting ~~such~~
24 ~~firemen's~~ the firefighters relief association in providing for the pension and relief provided for by
25 ~~such~~ the association.

26 On the last day of June and December of each year, the auditor of ~~any~~ a city covered
27 by this section shall deliver and turn over to the treasurer of ~~any such firemen's~~ the firefighters
28 relief association, having qualified as provided for in chapter 18-05, all moneys collected under
29 this section.

30 **SECTION 20. AMENDMENT.** Subdivision j of subsection 1 of section 57-38-01.2 of
31 the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 1 j. Reduced by any amount, up to a maximum of five thousand dollars, received
2 pursuant to the ~~firemen's~~ firefighters relief associations authorized by
3 chapters 18-05 and 18-11, policemen's pension funds authorized by chapter
4 40-45, or the highway patrolmen's retirement system authorized by chapter
5 39-03.1; provided, however, that the adjustment provided in this subdivision
6 shall be reduced by any amount received pursuant to the federal Social
7 Security Act.