

**Fifty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2005**

HOUSE BILL NO. 1010
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for fund transfers; to provide for making payments of insurance premiums tax collections to fire departments; to provide for a legislative council study; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating to the commissioner's salary.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the insurance commissioner in section 3 of this Act as follows:

Salaries and wages	\$4,698,378
Operating expenses	1,781,501
Capital assets	6,900
Pharmaceutical drug access program	100,000
Grants	<u>5,304,000</u>
Total all funds - Base level	\$11,890,779
Less estimated income - Base level	<u>11,790,779</u>
Total general fund - Base level	\$100,000

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the insurance commissioner which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$355,279
Operating expenses	381,876
Capital assets	(6,900)
Pharmaceutical drug access program	(100,000)
Grants	<u>1,116,000</u>
Total all funds - Adjustments/enhancements	\$1,746,255
Less estimated income - Adjustments/enhancements	<u>1,846,255</u>
Total general fund - Adjustments/enhancements	(\$100,000)

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Salaries and wages	\$5,053,657
Operating expenses	2,163,377
Grants	<u>6,420,000</u>
Total special funds appropriation	\$13,637,034

SECTION 4. INSURANCE PREMIUMS TAX COLLECTIONS PAYMENTS. Section 3 of this Act includes the sum of \$6,420,000, or so much of the sum as may be necessary to the insurance

commissioner, of which \$6,200,000 is for the purpose of making payments of insurance premiums tax collections to fire departments, \$120,000 is for the purpose of making two equal payments to the North Dakota firefighter's association, and \$100,000 is for the purpose of providing a grant to the North Dakota association of oil and gas producing counties for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 5. BONDING FUND. Section 3 this Act includes the sum of \$35,000, or so much of the sum as may be necessary, from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. FIRE AND TORNADO FUND. Section 3 of this Act includes the sum of \$988,576, or so much of the sum as may be necessary, from the state fire and tornado fund to pay fire and tornado fund administrative expenses for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 7. UNSATISFIED JUDGMENT FUND. Section 3 of this Act includes the sum of \$35,000, or so much of the sum as may be necessary, from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 8. PETROLEUM TANK RELEASE COMPENSATION FUND. Section 3 of this Act includes the sum of \$120,000, or so much of the sum as may be necessary, from the petroleum tank release compensation fund to pay petroleum tank release compensation fund administrative expenses for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 9. ANHYDROUS AMMONIA STORAGE FACILITY INSPECTION FUND. Section 3 of this Act includes the sum of \$150,000, or so much of the sum as may be necessary, from the anhydrous ammonia storage facility inspection fund to pay for anhydrous ammonia tank inspection costs for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 10. CRITICAL METHAMPHETAMINE-USE ZONE ADDITION. Notwithstanding rules adopted by the commissioner identifying a critical methamphetamine-use zone, the commissioner shall designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone subject to section 19-20.2-11 and rules adopted pursuant to that section. Section 3 of this Act includes the sum of \$50,000 from the insurance regulatory trust fund, or so much of the sum as is necessary, to implement security measures established by the commissioner, including the purchase and distribution of locking devices, in the counties of Walsh, Cavalier, and Pembina, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 11. LEGISLATIVE COUNCIL STUDY - HEALTH CARE AND HEALTH INSURANCE STUDY PROPOSAL. During the 2005-06 interim, the legislative council shall consider studying the desirability of proposing a comprehensive health care and health insurance study to be performed during the 2007-08 interim. The 2005-06 interim study must include consideration of whether there is a need for a comprehensive, long-range study of the state's current and future health care needs in order to address issues such as the aging population of the state, the phenomenon of health care cost-shifting to the private sector, the trend of uncompensated health care services, shortages in the number of health care professionals, duplication of technology and facilities, and any other factors that might affect the health care system in North Dakota in the year 2020. If the study results in a proposal for a comprehensive health care and health insurance study, the proposal must address the parameters of the proposed study and how the proposed study will be designed in order to allow for significant consumer input. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 12. LEGISLATIVE COUNCIL STUDY - ACCIDENT AND HEALTH INSURANCE LOSS RATIOS. During the 2005-06 interim, the legislative council shall study the appropriate minimum standard of loss ratio for accident and health insurers and whether that loss ratio is more appropriately

set by statute or by rule. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

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

26.1-01-09. Salary of commissioner. The annual salary of the commissioner is ~~sixty-four thousand seven hundred forty-two dollars through December 31, 2001, sixty-six thousand six hundred eighty-four~~ fifty-nine dollars through June 30, ~~2002~~ 2006, and ~~sixty-eight thousand eighteen~~ seventy-two thousand eight hundred sixty-one dollars thereafter.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1010.

House Vote: Yeas 77 Nays 13 Absent 4

Senate Vote: Yeas 47 Nays 0 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2005.

Approved at _____ M. on _____, 2005.

Governor

Filed in this office this _____ day of _____, 2005,

at _____ o'clock _____ M.

Secretary of State