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Sixty-seventh
Legislative Assembly
of North Dakota

FIRST DRAFT:
Prepared by the Legislative Council staff for the
Government Finance Committee
June 2020

Introduced by

A BILL for an Act to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to legislative management studies of state agency fees.

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

**SECTION 1.** A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

**Legislative interim committee review of state agency fees.**

1. During each interim, the legislative management shall assign to one or more interim committees a study of selected state agency fees as provided in this section. The legislative management shall assign the studies in a manner that provides for the review of each state agency fee at least once every ten years.
2. An interim committee assigned a fee study shall request the appropriate state agency to prepare an analysis of each selected state agency fee. The analysis must include:
   a. A comparison of revenue generated by the fee to the cost incurred to provide the services associated with the fee;
   b. The history of the fee, including when it was created and any subsequent changes;
   c. The appropriateness of the fee amount and the affordability of the fee to the public; and
   d. The appropriateness of using other government revenues to pay a portion of services associated with the fee and the effect of the use of other revenues.
3. An interim committee assigned a fee study shall:
   a. Consider, as part of the study:

(1) Whether revenue from the fee should cover the entire cost of the services associated with the fee or whether the cost of the services should be subsidized by another revenue source;

(2) The appropriateness of the fee amount; and

(3) The appropriateness of the use of the fee revenue.

b. Report its findings and recommendations to the legislative management. As part of its recommendations, the committee shall identify potential state agency fees to be reviewed during the subsequent interim.

4. Any state agency authorized by the legislative assembly to impose a fee shall provide data and analysis as requested by the interim committee conducting a study under this section.