Sixty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 5, 2021

HOUSE BILL NO. 1031
(Legislative Management)
(Government Finance Committee)

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; to provide for a legislative management study relating to establishing new state agency fees; and to declare an emergency.

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. The legislative management shall assign to one or more interim committees a study of selected state agency fees as provided in this section.

   a. By July 1, 2022, each state agency that is authorized to impose forty fees or fewer shall submit a report to the office of management and budget including:

      (1) The amount of each fee;

      (2) When the fee was implemented;

      (3) Why the fee is set at the specific dollar amount;

      (4) Where the fee is deposited; and

      (5) Whether the fee is critical for the budget of the agency.

   b. By July 1, 2024, each state agency that is authorized to impose more than forty fees shall submit a report to the legislative management including:

      (1) The amount of each fee;

      (2) When the fee was implemented;

      (3) Why the fee is set at the specific dollar amount;

      (4) Where the fee is deposited; and

      (5) Whether the fee is critical for the budget of the agency.

   c. By September first in the year the reports are received, the office of management and budget shall compile all of the reports into a single report and provide the report to the legislative management.

2. In addition to the report required under subsection 1, each state agency shall provide an analysis of each 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. Make a recommendation regarding the fee which identifies whether the fee should remain unchanged or be eliminated, increased, decreased, or otherwise modified and the rationale for the recommendation.

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, analysis, and other information as requested by the interim committee conducting a study under this section.

5. Fees to be examined under this section include those deposited in the general fund or the agency operating budget.

6. If a state agency is unable to meet the deadline imposed under subsection 1, the state agency may appeal to the legislative management for an extension.

7. Notwithstanding any other provision of law, state agencies may not establish any new fees under chapter 28-32 unless the fee was approved by the legislative assembly, the budget section, or the emergency commission.

8. By July first of each even-numbered year, each agency that has fees shall provide a report to the legislative management indicating whether any fees were added, deleted, or changed during the course of the biennium.

SECTION 2. LEGISLATIVE MANAGEMENT STUDY. During the 2021-22 interim, the legislative management shall consider studying the creation of a general fee policy relating to how state agencies' fees should be established for new programs and a continued review of existing fees. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-eighth legislative assembly.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

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 Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1031 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 93 Nays 0 Absent 1

Speaker of the House	Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 45 Nays 2 Absent 0

President of the Senate	Secretary of the Senate

Received by the Governor at _____M. on _____, 2021.

Approved at _____M. on _____, 2021.

Governor

Filed in this office this _____day of _____, 2021,

at _____ o'clock _____M.

Secretary of State