

TESTIMONY

Doug Nelson, State Fire Marshal
House Political Subdivision Committee
March 6th, 2025

To the Honorable Representative David Longmuir, Chairman of the Political Subdivisions Committee, and Committee members,

I stand before you today in support of Senate Bill 2090, which is an agency bill created to clean up some sections of Title 18 due to the transfer of the Fire Marshal's Office from the Attorney General's Office to the Insurance Department last session.

Section 1 updates and adds language to the duties of the state fire marshal and deputy state fire marshals. The language fireworks, and hazardous materials are included to reflect other sections of code where our office is already given authority to create and enforce rules. The term hazardous materials is inclusive of all combustibles, flammables, and other chemicals that are regulated under the Fire Code of North Dakota. Authority already currently exists for the enforcement in other areas of the century code related to this language such as section 18-09 liquid petroleum gas regulation and 23-13 safety regulations (for motor fuel dispensing).

I did submit an amendment to this section to further clarify the scope of hazardous materials. It was brought to our attention that the Department of Emergency Services has a separate program under Century Code that requires reporting and notification of hazardous chemicals. The amendment is meant to clarify our office's scope within this area.

This section also corrects language to better reflect current practices and scope of fire codes and fire investigations. Fire and life safety systems is the current phrase for any and replaces automatic or other fire alarms and extinguishing equipment. Origin and Cause of fires and explosions is the updated language to describe and replace cause and origin of fires.

Section 2 removes authority to charge a fee for the inspection of facilities licensed by the department of health and human services. The most common inspection conducted by our office at the request of health and human services are childcares for their licensing requirements. I am not aware, nor have I ever been made aware of our office charging this fee. The amount in code is not enough to off-set the costs of the inspection, and I do not foresee our office beginning to charge fees to inspect childcares at any time in the future. Therefore, we are suggesting to strike this language to remove this red tape.

Section 3 changes are in reference to a change at the federal level. The United States fire administration is changing the program that our office and fire departments report fires in. The suggestion is to recognize this new system of fire reporting, and in case of future changes, give deference to our office without having to change Century Code so quickly.

Section 4 updates language to bring this section of code closer in line with the requirements of the preceding section 18-01-06. The fire incident report is often the initial fire investigation report. The changes reduce the need for blank reports to be issued by our office as they are already offered online, and set the same schedule for incident and investigation reporting. The federal fire reporting system is where fire records are kept. The removal of paper or physical records better reflects current practices on record keeping through online or cloud based programs.

Section 5 of this bill proposes a change in how the fireworks application fee, currently set at \$250, is handled. Instead of being deposited into the General Fund, the fee will now be directed to the Insurance Regulatory Trust Fund. This adjustment is part of a broader cleanup effort following the transfer of the Fire Marshal's office from the Attorney General's Office to the Insurance Commissioner. We did provide a fiscal note on this change and you will notice it is moving an estimated \$10,500 from the General Fund to the Insurance Regulatory Trust Fund which is a Special Fund. By reallocating this fee, we ensure that resources are directed toward the proper oversight and regulation of fire safety and insurance, and are being consistent with other fees collected by the agency.

Section 6 of SB 2090 addresses an oversight that occurred as a result of SB 2211 from the previous session. Specifically, in Section 54-12-01, the code still reflects that the Attorney General has the authority to appoint the State Fire Marshal and oversee its operations. This language was unintentionally left unchanged after the transfer of responsibilities from the Attorney General's office. Section 6 of SB 2090 aims to correct this oversight and update the statute to reflect the current organizational structure. Additionally, in Section 8, we have requested retroactive application of this change, given the nature of this correction.

Section 7 of SB 2090 eliminates the requirement to bill the Department of Environmental Quality (DEQ) and the Fire and Tornado Fund (F&T Fund) for Fire Marshal services. Currently, the process for billing DEQ requires substantial administrative effort, including tracking time, verifying timecards, issuing an Interdepartmental Billing (IBD), notifying DEQ, ensuring they process the bill as accounts payable, and following up to ensure payment. All of these steps are required for a relatively small total of \$3,779, making the process highly inefficient. The administrative burden on both the Fire Marshal's office and the DEQ is disproportionate to the small amount being billed. This unnecessary red tape takes up time and resources that could be better allocated elsewhere.

Eliminating this billing requirement would not only reduce administrative complexity but would also allow both agencies to focus on their core responsibilities and work more efficiently. Streamlining this process is an important step toward reducing unnecessary bureaucracy and red tape.

Additionally, the current billing process for Fire Marshal services to the Fire and Tornado Fund (F&T Fund) remains overly complex and redundant. For the 2021-2023 biennium, the Attorney General's Office billed the F&T Fund a total of \$193,615 for Fire Marshal services, and for the

2023-2025 biennium, our office is on track to bill a similar amount, with \$160,528 currently billed.

Similar to the DEQ billing, the process of tracking time, creating general ledger entries, and issuing bills within the same agency is unnecessarily cumbersome. This redundancy adds layers of administrative complexity that create inefficiencies without offering any added benefit. By removing these steps, we can significantly streamline the process, reduce overhead, and allow the Fire Marshal's office to focus more on its vital work in fire safety and prevention rather than administrative tasks. This change is a critical part of our effort to reduce red tape and create a more efficient, transparent system that better serves the people of our state.

Chairman Longmuir and members of the committee, I respectfully request a Do Pass recommendation, and am happy to answer any questions that you may have.