

Introduced by

1 A BILL for an Act to create and enact a new section to chapter 12-63 of the North Dakota
2 Century Code, relating to a law enforcement training fund; to amend and reenact section
3 26.1-03-17 of the North Dakota Century Code, relating to a motor vehicle insurance premium
4 tax; and to provide an appropriation.

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

6 **SECTION 1.** A new section to chapter 12-63 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Law enforcement training fund.** There is established in the state treasury a special
9 fund known as the law enforcement training fund. The peace officer standards and training
10 board shall administer the fund. Subject to legislative appropriation, the law enforcement
11 training fund may be used for the purpose of providing training for law enforcement officers and
12 other emergency service providers.

13 **SECTION 2. AMENDMENT.** Section 26.1-03-17 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **26.1-03-17. Commissioner to collect premium tax - Insurance companies**
16 **generally - Computation - Credits - Penalty - Estimated tax.**

17 1. Before issuing the annual certificate required by law, the commissioner shall collect
18 from every stock and mutual insurance company, nonprofit health service
19 corporation, health maintenance organization, and prepaid legal service
20 organization, except fraternal benefit and benevolent societies, doing business in
21 this state, a tax on the gross amount of premiums, assessments, membership fees,
22 subscriber fees, policy fees, service fees collected by any third-party administrator
23 providing administrative services to a group that is self-insured for health care
24 benefits, and finance and service charges received in this state during the

preceding calendar year, at the rate of two percent with respect to life insurance, one and three-fourths percent with respect to accident and health insurance, and one and three-fourths percent with respect to all other lines of insurance. This tax does not apply to considerations for annuities. In addition to any premium tax imposed under this subsection, an additional _____ percent is imposed with respect to motor vehicle insurance. The total tax is payable on or before March first following the year for which the tax is assessable. ~~Collections~~ Except for the additional premium tax imposed with respect to motor vehicle insurance, collections from this tax must be deposited in the insurance tax distribution fund under section 18-04-04.1 but not in an amount exceeding one-half of the biennial amount appropriated for distribution under section 18-04-05 in any fiscal year. Collections from this tax exceeding the amount deposited in the insurance tax distribution fund each fiscal year must be deposited in the general fund in the state treasury. If the due date falls on a Saturday or legal holiday, the tax is payable on the next succeeding business day. Collections from the additional premium tax imposed with respect to motor vehicle insurance must be deposited in the law enforcement training fund.

2. An insurance company, nonprofit health service corporation, health maintenance organization, or prepaid legal service organization subject to the tax imposed by subsection 1 is entitled to a credit against the tax due for the amount of any assessment paid as a member of a comprehensive health association under subsection 3 of section 26.1-08-09 for which the member may be liable for the year in which the assessment was paid, a credit as provided under section 26.1-38.1-10, a credit against the tax due for an amount equal to the examination fees paid to the commissioner under sections 26.1-01-07, 26.1-02-02, 26.1-03-19.6, 26.1-03-22, 26.1-17-32, and 26.1-18.1-18, and a credit against the tax due for an amount equal to the ad valorem taxes, whether direct or in the form of rent, on that proportion of premises occupied as the principal office in this state for over one-half of the year for which the tax is paid. The credits under this subsection must be prorated on a quarterly basis and may not exceed the total tax liability under subsection 1.

- 1 3. Any company failing to pay the tax imposed by subsection 1, within the time
2 required, is subject to a penalty of one hundred dollars plus twenty-five dollars per
3 day, excepting the first day after the tax became due. Any company failing to file
4 the appropriate tax statement required by rule if the tax is zero is subject to a
5 penalty of twenty-five dollars per day for each day's neglect not to exceed five
6 hundred dollars. The commissioner, if satisfied that the delay was excusable, may
7 waive, and if paid, issue a premium tax credit for all or any part of the penalty and
8 interest.
- 9 4. Every stock and mutual insurance company, nonprofit health service corporation,
10 health maintenance organization, and prepaid legal service organization, except
11 fraternal benefit or benevolent societies, doing business in this state required to
12 pay premium taxes in this state shall make and file a statement of estimated
13 premium taxes. The statement and payment must be made on a quarterly basis as
14 prescribed by the commissioner. Failure of a company to make payments of at
15 least one-fourth of the total tax paid during the previous calendar year, or eighty
16 percent of the actual tax for the quarter being reported of the current calendar year,
17 shall subject the company to the penalty and interest provided in subsection 3.
- 18 5. If an amount of tax, penalty, or interest has been paid which was not due under the
19 provisions of this section, a refund may be issued to the taxpayer who made the
20 erroneous payment. The refund is allowed as a credit against any tax due or to
21 become due under this section or as a cash refund, at the discretion of the
22 commissioner. The taxpayer who made the erroneous payment shall present a
23 claim for refund to the commissioner not later than two years after the due date of
24 the return for the period for which the erroneous payment was made.
- 25 6. In lieu of the tax required by subsection 1, the commissioner shall collect from each
26 entity subject to this section an annual filing fee in the amount of two hundred
27 dollars, provided the total tax liability of the entity pursuant to subsection 1 is less
28 than two hundred dollars. No annual filing fee is due or may be collected from an
29 entity if its total tax liability pursuant to subsection 1 is in excess of two hundred
30 dollars. The annual filing fee may be reduced by any credits available pursuant to

1 subsections 2 and 5. Failure of a company to pay the two hundred dollar filing fee
2 subjects the company to the penalty as provided in subsection 3.

3 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the law
4 enforcement training general fund in the state treasury, not otherwise appropriated, the sum of
5 \$_____, or so much of the sum as may be necessary, to the peace officer standards
6 and training board for the purpose of providing training for law enforcement officers and other
7 emergency service providers, for the biennium beginning July 1, 2005, and ending June 30,
8 2007.

NOTE: This bill draft contains blanks that must be completed before introduction.