

**FIRST ENGROSSMENT
with House Amendments**

ENGROSSED SENATE BILL NO. 2010

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the insurance
2 commissioner; to provide an appropriation to the legislative council; to provide for fund
3 transfers; to provide for making payments of insurance premiums tax collections to fire
4 departments; and to amend and reenact sections 26.1-01-09 and 26.1-22-10 of the North
5 Dakota Century Code, relating to the commissioner's salary and insurance of personal property
6 by the state fire and tornado fund.

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

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

11 Salaries and wages	\$5,096,278
12 Operating expenses	2,163,377
13 Grants	<u>6,420,000</u>
14 Total special funds appropriation - Base level	\$13,679,655

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

19 Salaries and wages	\$696,324
20 Operating expenses	15,000
21 Grants	<u>70,000</u>
22 Total special funds appropriation - Adjustments/enhancements	\$781,324

23 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
24 funds as may be necessary, are appropriated from special funds derived from federal funds

1 and other income, to the insurance commissioner for the purpose of defraying the expenses of
2 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

3 Salaries and wages	\$5,792,602
4 Operating expenses	2,178,377
5 Grants	<u>6,490,000</u>
6 Total special funds appropriation	\$14,460,979

7 **SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL.** There is appropriated out
8 of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise
9 appropriated, the sum of \$70,000, or so much of the sum as may be necessary, to the
10 legislative council for the purpose of defraying expenses of legislative members attending
11 functions of the national conference of insurance legislators, for the biennium beginning July 1,
12 2007, and ending June 30, 2009.

13 **SECTION 5. INSURANCE PREMIUMS TAX COLLECTIONS PAYMENTS.** Section 3
14 of this Act includes the sum of \$6,320,000, or so much of the sum as may be necessary to the
15 insurance commissioner, of which \$6,200,000 is for the purpose of making payments of
16 insurance premiums tax collections to fire departments and \$120,000 is for the purpose of
17 making two equal payments to the North Dakota firefighter's association for the biennium
18 beginning July 1, 2007, and ending June 30, 2009.

19 **SECTION 6. BONDING FUND.** Section 3 of this Act includes the sum of \$44,131, or
20 so much of the sum as may be necessary, from the state bonding fund to pay bonding fund
21 administrative expenses for the biennium beginning July 1, 2007, and ending June 30, 2009.

22 **SECTION 7. FIRE AND TORNADO FUND.** Section 3 of this Act includes the sum of
23 \$1,173,804, or so much of the sum as may be necessary, from the state fire and tornado fund,
24 including \$170,000 for a grant to the North Dakota firefighter's association and \$1,003,804 to
25 pay fire and tornado fund administrative expenses for the biennium beginning July 1, 2007, and
26 ending June 30, 2009.

27 **SECTION 8. UNSATISFIED JUDGMENT FUND.** Section 3 of this Act includes the
28 sum of \$16,546, or so much of the sum as may be necessary, from the state unsatisfied
29 judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium
30 beginning July 1, 2007, and ending June 30, 2009.

1 **SECTION 9. PETROLEUM TANK RELEASE COMPENSATION FUND.** Section 3 of
2 this Act includes the sum of \$108,674, or so much of the sum as may be necessary, from the
3 petroleum tank release compensation fund to pay petroleum tank release compensation fund
4 administrative expenses for the biennium beginning July 1, 2007, and ending June 30, 2009.

5 **SECTION 10. ANHYDROUS AMMONIA STORAGE FACILITY INSPECTION FUND.**
6 Section 3 of this Act includes the sum of \$150,000, or so much of the sum as may be
7 necessary, from the anhydrous ammonia storage facility inspection fund to pay for anhydrous
8 ammonia tank inspection costs for the biennium beginning July 1, 2007, and ending June 30,
9 2009.

10 **SECTION 11. AMENDMENT.** Section 26.1-01-09 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **26.1-01-09. Salary of commissioner.** The annual salary of the commissioner is
13 ~~seventy seventy-six~~ thousand ~~seven five~~ hundred ~~thirty-nine eleven~~ dollars through June 30,
14 ~~2006 2008~~, and ~~seventy-three~~ ~~seventy-nine~~ thousand five hundred ~~sixty-eight~~ ~~seventy-one~~
15 dollars thereafter.

16 **SECTION 12. AMENDMENT.** Section 26.1-22-10 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **26.1-22-10. Commissioner to provide insurance on all buildings and personal**
19 **property.** Upon application the commissioner shall provide for insurance against loss by fire,
20 lightning, inherent explosion, windstorm, cyclone, tornado and hail, explosions, riot attending a
21 strike, aircraft, smoke, vehicles, or any other risks of direct physical loss, all in the manner and
22 subject to the restrictions of the standard fire insurance policy and standard endorsement, and
23 no other hazards, in the fund, on all buildings owned by the state, state industries, political
24 subdivisions, international peace gardens, and winter shows, and the fixtures and permanent
25 contents in such buildings, to the extent of not to exceed the insurable value of such property,
26 as the value is agreed to between the commissioner and the officer or board having control of
27 such property, or, in case of disagreement, by approval through arbitration. The commissioner
28 may allow personal property to be insured on a blanket basis.

29 All buildings and the contents of the buildings owned by the state mill and elevator
30 association, in lieu of coverage under this chapter, may, at the option of the industrial
31 commission, be insured by private insurance companies licensed to do business in this state,

Sixtieth
Legislative Assembly

1 against at least all the types of hazards insured against by the fund. If the industrial
2 commission exercises the option provided in this section, the commission shall seek
3 competitive sealed bids, shall invite the fund to submit a bid, and may reject any or all bids
4 received.

5 All public buildings owned by a political subdivision, in lieu of coverage provided for in
6 this section, may at the option of the governing body of the political subdivision be insured on
7 the basis of competitive sealed bids, through the fund which must be invited to submit a sealed
8 bid or private insurance companies licensed to do business in this state, against damage
9 resulting from hazards, which include those types of hazards that may be insured against by
10 the fund. The governing body may reject any or all such bids.

11 All public libraries owned by the state or political subdivisions may, in addition to the
12 coverage provided for in this section, be covered against damage through vandalism. If this
13 coverage cannot be extended to the public libraries situated within this state, the libraries may
14 contract for this coverage with private insurance companies; provided, that this coverage meets
15 the recommendations of the insurance code of the American library association.