

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 2, remove "and"

Page 1, line 3, after "fund" insert "; to provide a transfer; and to amend and reenact section 18-04-05 of the North Dakota Century Code, relating to payments to fire departments from the insurance tax distribution fund"

Page 1, replace lines 12 through 16 with:

"Salaries and wages	\$8,943,097	(\$441,618)	\$8,501,479
Operating expenses	<u>2,512,042</u>	<u>(332,265)</u>	<u>2,179,777</u>
Total special funds	\$11,455,139	(\$773,883)	\$10,681,256
Full-time equivalent positions	49.50	(3.50)	46.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$134,513 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 1, line 24, replace "\$16,571,207" with "\$13,837,850"

Page 2, line 3, replace "\$15,681,207" with "\$13,076,768"

Page 2, line 4, replace "\$890,000" with "\$761,082"

Page 2, line 6, replace "\$50,813" with "\$52,004"

Page 2, line 9, replace "\$1,660,748" with "\$1,797,218"

Page 2, line 12, replace "\$29,062" with "\$29,703"

Page 2, line 16, replace "\$116,881" with "\$119,472"

Page 2, after line 18, insert:

"SECTION 9. TRANSFER - INSURANCE TAX DISTRIBUTION FUND - GENERAL FUND. Notwithstanding section 7 of chapter 50 of the 2015 Session Laws, any amounts in the insurance tax distribution fund continued to the 2017-19 biennium pursuant to section 7 of chapter 50 of the 2015 Session Laws, must be transferred to the general fund on August 1, 2017.

SECTION 10. AMENDMENT. Section 18-04-05 of the North Dakota Century Code is amended and reenacted as follows:

18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Transfer to firefighters death benefit fund - Disbursement to North Dakota firefighter's association - Payments by insurance commissioner.

1. The insurance commissioner shall disburse funds in the insurance tax distribution fund as provided under this section.

2. The insurance commissioner shall transfer an amount of up to fifty thousand dollars per biennium, as may be necessary, to the firefighters death benefit fund for distribution under chapter 18-05.1.
3. The insurance commissioner shall disburse funds to the North Dakota firefighter's association for uses authorized under chapter 18-03, subject to legislative appropriations.
4. The insurance commissioner shall compute the amounts due to the certified city fire departments, certified rural fire departments, or certified fire protection districts entitled to benefits under this chapter on or before December first of each year. The insurance commissioner shall allocate one-half of the biennial legislative appropriation ~~which must be based on an amount equal to one hundred percent of the total premium tax collected for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance, less the amount transferred to the firefighters death benefit fund and the amount distributed to the North Dakota firefighter's association~~ for distribution under this subsection, to each eligible city not within a certified fire protection district, each certified rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in December of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance on property within the city, certified rural fire protection district, or area served by the certified rural fire department to the total of those premiums for those policies in the state."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$8,943,097	(\$441,618)	\$8,501,479
Operating expenses	2,512,042	(332,265)	2,179,777
Fire department grants	16,571,207	(2,733,357)	13,837,850
Total all funds	\$28,026,346	(\$3,507,240)	\$24,519,106
Less estimated income	28,026,346	(3,507,240)	24,519,106
General fund	\$0	\$0	\$0
FTE	49.50	(3.50)	46.00

Department No. 401 - Insurance Department - Detail of House Changes

	Adds Funding for Base Payroll Changes¹	Adds Funding for Health Insurance Increases²	Removes FTE Positions³	Removes Funding for Retention Bonuses⁴	Reduces Funding for Operating Expenses⁵	Adjusts Funding Between Line Items⁶
Salaries and wages	\$240,791	\$134,513	(\$782,322)	(\$9,600)		(\$25,000)
Operating expenses					(357,265)	25,000
Fire department grants						
Total all funds	\$240,791	\$134,513	(\$782,322)	(\$9,600)	(\$357,265)	\$0

Less estimated income	<u>240,791</u>	<u>134,513</u>	<u>(782,322)</u>	<u>(9,600)</u>	<u>(357,265)</u>	<u>0</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(3.50)	0.00	0.00	0.00
	Reduces Funding for the North Dakota Firefighter's Association⁷	Reduces Funding for Fire Department Grants⁸	Total House Changes			
Salaries and wages			(\$441,618)			
Operating expenses			(332,265)			
Fire department grants	<u>(128,918)</u>	<u>(2,604,439)</u>	<u>(2,733,357)</u>			
	<u>(\$128,918)</u>	<u>(\$2,604,439)</u>	<u>(\$3,507,240)</u>			
Total all funds						
Less estimated income	<u>(128,918)</u>	<u>(2,604,439)</u>	<u>(3,507,240)</u>			
	\$0	\$0	\$0			
General fund						
	0.00	0.00	(3.50)			
FTE						

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ The following FTE positions and related funding are removed:

	FTE	Special Funds
Senior examiner	(1.00)	(\$261,952)
Office assistant	(0.50)	(65,037)
Nonclassified professional	(1.00)	(289,471)
Additional reduction	<u>(1.00)</u>	<u>(165,862)</u>
Total	(3.50)	(\$782,322)

⁴ Funding for employee retention bonuses is removed.

⁵ Funding is reduced for operating expenses, including travel, operating fees and services, and professional services.

⁶ The salaries and wages line item is reduced by \$25,000 from the insurance regulatory trust fund and the operating expenses line item is increased by \$25,000 from the state fire and tornado fund.

⁷ Funding from the insurance tax distribution fund is decreased from \$890,000 to \$761,082 for payments to the North Dakota Firefighter's Association. This amount reflects 5.5 percent of the total amount appropriated from the insurance tax distribution fund for payments to fire departments and the North Dakota Firefighter's Association. Including \$130,000 of one-time funding appropriated for payments to the North Dakota Firefighter's Association for the 2015-17 biennium, this funding reduction results in increased estimated general fund revenue of \$258,918 for the 2017-19 biennium.

⁸ Funding from the insurance tax distribution fund for grants to fire departments is reduced from \$15,681,207 to \$13,076,768. This amount represents 94.5 percent of the total amount appropriated from the insurance tax distribution fund for payments to fire departments and the North Dakota Firefighter's Association. This funding reduction results in increased estimated general fund revenue of \$2,604,439 for the 2017-19 biennium.

This amendment also:

- Adds a section to identify the amount appropriated relating to increases in employee health

insurance premiums from \$1,130 to \$1,249 per month.

- Adjusts Section 4 to reflect the amounts appropriated for payments to North Dakota fire departments and the North Dakota Firefighter's Association.
- Adjusts the amounts identified in Sections 5 through 8 to reflect the appropriations made in Section 1.
- Adds a section to transfer funding carried over pursuant to Section 7 of Chapter 50 of the 2015 Session Laws from the insurance tax distribution fund to the general fund. The transfer to the general fund is estimated to be \$475,000.
- Adds a section to amend North Dakota Century Code Section 18-04-05, relating to payments to fire departments from the insurance tax distribution fund.