

PUBLIC WELFARE

CHAPTER 302

S. B. No. 227

(Erickstad, Meidinger, Gefreh, Ringsak, Fiedler, Redlin)

MEDICAL ASSISTANCE FOR THE AGED

AN ACT

To provide for medical assistance to the aged and providing a penalty.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Purposes.) The purpose of this Act is to provide for a program of medical assistance to the aged for those applicants who have incurred burdensome medical expenses and who meet the standards and qualifications as set forth herein. Minor medical expenses are not intended to be covered under the provisions of this Act. The Act shall be called "Medical Assistance for the Aged".

§ 2. Definitions.)

1. "State agency" shall mean the public welfare board of North Dakota;
2. "County agency" shall mean the county welfare board in each of the several counties of the state;
3. "Applicant" shall mean a person who has applied for medical assistance for the aged;
4. "Recipient" shall mean any person who has received assistance under the terms of this Act;
5. "Aged" shall be defined as any person otherwise qualified by this Act who shall be sixty-five years of age or older;
6. "Medical" assistance for the aged shall be defined as the payment of part or all of the cost of furnishing of medical care and treatment by doctors of medicine and other dispensers of medical and chiropractic services or as payment for maintenance to the recipient as determined by the rules of the public welfare board of North Dakota including but not limited to (1) inpatient hospital services; (2) skilled nursing home services; (3) physicians' services; (4) outpatient hospital or clinic services; (5) private duty nursing services; (6) dental services; (7) laboratory and X-ray services; (8) pre-

scribed drugs; (9) diagnostic, screening and preventive services; and (10) authorized physical therapy. Should it be necessary to reduce expenditures for medical assistance hereunder due to lack of funds, the reduction is to be prorated among all of the dispensers of medical services equally.

§ 3. Duties of State Agency.) This Act shall be administered on a fee for services basis to dispensers of medical services, according to consistent regulations adopted for that purpose. The public welfare board may contract with private agencies or carriers to cover part or all of the benefits specified herein, provided, that no contract with a private agency or carrier shall deny the patient freedom of choice of doctor or hospital or other vendors of medical services.

The state agency shall:

1. Take such action and make such rules and regulations as may become necessary to entitle the state to receive aid from the federal government for medical assistance for the aged in North Dakota;
2. Supervise the administration of medical assistance for the aged throughout this state;
3. Take such action, give such directions, and promulgate such rules and regulations as may be necessary or desirable to carry out the provisions of this Act, including the adoption and application of suitable standards and procedures to insure uniform and equitable treatment of all applicants for medical assistance to the aged;
4. Cooperate with the federal government in matters of mutual concern pertaining to medical assistance for the aged, including the adoption of such methods of administration as are found by the federal government to be necessary for the efficient operation of the plan for such assistance;
5. Provide such qualified employees and representatives as may be necessary;
6. Prescribe the form of and print for and supply to the county agencies blanks for applications, reports, and such other forms as it may deem necessary and advisable;
7. Have authority to establish and maintain personnel standards on a merit basis for personnel employed by the state and county public assistance agencies not covered by a statewide merit system;

8. Make such reports in such form and containing such information as the federal government, from time to time, may require;
9. Comply with such provisions, rules, and regulations as the federal government, from time to time, may find it necessary to make to assure the correctness and verification of such reports; and
10. Publish a biennial report and such interim reports as may be deemed necessary.

§ 4. **Eligibility.**) Medical aid for aged shall be granted to any resident of this state sixty-five years of age or older who meets the following conditions:

1. Application has been made in the manner prescribed by the public welfare board.
2. Is not receiving old age assistance from the state or public assistance from any other state.
3. Has resided ten years in the United States, or is a citizen of the United States.
4. Has not sufficient income or other resources to provide for necessary medical and hospital care and treatment. However, the provisions of this Act shall not apply to any one applicant until after he has paid or obligated himself to pay in the amount of fifty dollars for medical assistance during the twelve month period prior to making application.
5. The ownership of real or personal property by an applicant for medical assistance for the aged or by the spouse of such applicant, either individually or jointly, or of insurance on the life of the applicant shall not preclude the granting of medical assistance for the aged if the applicant is without funds for medical care.

In determining the need for medical assistance, the state agency shall disregard such income and resources as are necessary to meet the subsistence needs of the applicant for himself and his legal dependents.

The amount of income so disregarded shall not exceed twelve hundred dollars annually for an unmarried applicant or eighteen hundred dollars annually for a married applicant and spouse living together. Income shall not include the shelter value of a residence occupied by the applicant nor the value of gifts or services contributed in kind to the applicant. The amount of resources so disregarded shall not exceed twenty-five hundred dollars in net value of personal property of which not more than five hundred dollars shall be in cash or maturity value of stocks or bonds for an appli-

- cant who is unmarried or not living with the spouse nor more than one thousand dollars for a married applicant and spouse living together. The limit in net value of personal property shall not include household goods, wearing apparel, or personal effects; nor shall the resources in real property exceed the home for a married or unmarried applicant.
6. The applicant has not at any time before or after making application for medical assistance for the aged made an assignment or transfer of property for the purpose of rendering himself eligible for medical assistance for the aged.
 7. The applicant is not a patient in any medical institution as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in a medical institution, as a result of such diagnosis, for forty-two days.
 8. The applicant is not an inmate of a public institution (except as a patient in a public medical institution).
 9. The applicant is residing in the state of North Dakota; or is a legal resident of North Dakota, though he may be temporarily residing outside of the state of North Dakota.
 10. The applicant has no child or other relative of sufficient financial ability to support him, who is responsible under the law for his support, provided, however, that if such child or other relative refuses or neglects to provide necessary assistance, such refusal or neglect shall not make such applicant ineligible for medical assistance for the aged.
 11. No enrollment fee premium or similar charge will be imposed as a condition of any individual's eligibility for medical assistance for the aged.

§ 5. Application for Assistance.) An application for medical assistance for the aged under the provisions of this Act shall be made to the county agency of the county in which the applicant resides. It shall be in writing or reduced to writing in the manner and upon the form prescribed by the state agency and shall be verified by the oath of the applicant. The application shall contain:

1. A statement of the amount of property, both personal and real, which the applicant owns or in which he has an interest;
2. A statement of all the income which the applicant has at the time of the filing of the application; and
3. Such other information as may be prescribed by the state agency.

§ 6. Investigation of Applications.) Whenever a county agency receives an application for medical assistance for the aged, an investigation of the circumstances of the applicant shall be made to ascertain:

1. The facts supporting the application; and
2. Such other information as may be required by the state agency.

§ 7. Power of County and State Agency in Making Investigation.) In an investigation of an application for medical assistance for the aged the county agency and the state agency and the officers and employees thereof are authorized to make investigations under this Act may:

1. Conduct examinations;
2. Require the attendance of witnesses;
3. Require the production of books, records, and paper; and
4. Make application to the district court of the county to compel the attendance of witnesses and the production of such books, records, and papers.

The officers and employees designated by the county agency or the state agency also may administer oaths and affirmations.

§ 8. Findings of County Agency on Investigation of Application—Findings When Application Allowed.) The county agency, upon completion of the investigation of an application for medical assistance for the aged, shall determine whether the applicant is eligible for medical assistance for the aged and shall make a written finding to the effect that the application be allowed or rejected, as the case may be. A copy of the findings of the county agency forthwith shall be transmitted to the state agency.

§ 9. Rejection of Application—Notice of—Contents.) If the county agency, upon the investigation of an application for medical assistance for the aged, finds that the application should be rejected, it forthwith shall notify the applicant in writing of its decision. The notice to the applicant also shall state that he may appeal from the findings of the county agency to the state agency within thirty days from the receipt by the applicant of such written notice and that such appeal may be taken by filing a written notice of appeal with the county agency or state agency.

§ 10. Power of State Agency to Change Determination of County Agency.) The state agency shall have the following powers in regard to the reconsideration of and change in the amount of medical assistance for the aged that has been granted under the provisions of this Act:

1. To approve, modify, or reverse the findings of the county agency;
2. To return the application for medical assistance for the aged to the county agency for such further action or proceedings as the state agency may direct;
3. To conduct a hearing or make or cause a further investigation to be made;
4. To make such final disposition of an application for medical assistance for the aged as in its judgment the ends of justice require;
5. On its own motion, to reconsider any or all medical assistance for the aged grants made;
6. To consider any application upon which a decision has not been made by the county agency within a reasonable time;
7. To grant medical assistance for the aged where it has been refused or to change the amount of medical assistance, if after further investigation it determines that the ends of justice so require; and
8. To withdraw medical assistance if it is found that the recipient's circumstances have altered sufficiently to warrant such action.

Whenever medical assistance is withdrawn, revoked, suspended, or in any way changed, the recipient shall be notified in writing and thereupon shall have the right of a fair hearing before the state agency in the same manner as a hearing is afforded upon an appeal from the decision of the county agency rejecting an application for assistance.

§ 11. Appeal to State Agency—When Taken.) An applicant for medical assistance for the aged under the provisions of this Act may appeal to the state agency if:

1. An application is not acted upon by the county agency within a reasonable time after it is filed;
2. The application is denied; or
3. The applicant deems the allowance insufficient.

The appeal shall be taken by filing a written notice with the county agency or state agency.

§ 12. Appeal—How Heard.) Where an appeal is taken under the provisions of section 11 hereof, the state agency shall give the applicant an opportunity for a fair hearing. The state agency may designate some person to act as referee and take and certify evidence to the state agency. When an appeal is heard before a member or members of the state agency, or a referee designated by such agency, such person or persons shall make findings in writing and shall state the reason why

the application should not be granted or rejected or changed in amount, as the case may be, and report such findings to the state agency, together with all the evidence upon which the same is based. The state agency may accept and approve such findings or reverse or modify the same or hear the matter anew or make such disposition of the appeal as the facts and the law warrant. If the action of the board results in a denial of assistance or in a denial of the claim of the applicant in whole or in part, such appellant upon written demand shall be afforded a fair hearing before the state agency. The decision of the state agency shall be final, and binding upon the county agency.

§ 13. County Share of Medical Assistance for the Aged.)

Each county in this state shall reimburse the state agency for ten percent of the amount expended for medical assistance for the aged in such county in excess of the amount provided by the federal government for medical assistance for the aged payments.

§ 14. How County's Share Paid.)

The state agency shall keep records and accounts in relation to the expenditures for medical assistance for the aged in each county in North Dakota. Claims for reimbursements under the provisions of section 14 hereof shall be presented by the state agency to the board of county commissioners at the end of each calendar month. The executive director of the state agency shall certify to each county the total amount paid for medical assistance for the aged to or on behalf of persons in that county, and the county's share of such payments. The amount so certified shall be paid to the treasurer of the state agency from the county treasury upon the audit and approval of the county auditor and the chairman of the board of county commissioners.

§ 15. County Appropriation.)

The board of county commissioners in each county in this state shall appropriate annually such sum as, in its judgment, may be needed to carry out the provisions of this Act, including expenses of administration based upon a budget prepared by the county welfare board, after taking into account state aid, and shall include in the tax levy for such county the sum or sums appropriated for that purpose. Should the sum so appropriated, however, be expended or exhausted during the year and for the purpose for which it was appropriated, additional sums shall be appropriated by the board of county commissioners.

§ 16. County's Share of Fund Furnished by State When.)

If the financial condition of any county is such that it cannot make an appropriation or levy a tax for medical assistance for the aged, or cannot legally issue warrants in an amount

sufficient to provide the necessary funds to comply with the provisions of this Act, the board of county commissioners shall report such fact to the state agency. The state agency shall make, or cause to be made, a complete investigation of the financial condition of such county. If such investigation shows that the county cannot appropriate funds or legally issue warrants or levy a tax in an amount sufficient to provide the county's share of funds needed for medical assistance for the aged in that county, the state agency may provide either as a grant or as a loan that county's share of funds for medical assistance for the aged, or so much thereof as may be necessary, from state funds appropriated to the state agency for medical assistance for the aged.

§ 17. Medical Assistance for the Aged Funds.) All moneys received by the state agency for medical assistance for the aged purposes from the state of North Dakota, from any of the counties within the state, from the United States under the provisions of the Social Security Act, or from any other source, shall be placed in the old age assistance fund provided for by section 50-07-27 of the North Dakota Century Code. The treasurer of the state agency shall receive all such moneys as the same may be paid to him and shall deposit the same in such fund. The treasurer shall issue in triplicate receipts for all moneys received by him for the fund. Such receipts shall show the dates upon and the sources from which the moneys were received and there shall be delivered forthwith to the person, officer, or agency making the payment, a receipt to the executive director of the state agency, and the other receipt shall be retained by the treasurer.

§ 18. Person Handling Money to Furnish Bond.) The treasurer of the state agency and all persons having any control over or who handle any of the moneys for the medical assistance for the aged shall be bonded in such sum as the state agency by resolution shall require.

§ 19. Disbursement for Medical Assistance for the Aged.) Disbursements for medical assistance for the aged shall be made only for the purposes of this Act, which shall include:

1. Medical assistance for the aged payments;
2. Expenses of administration of the medical assistance for the aged plan in this state;

All disbursements shall be made only by checks or warrants drawn on the old age assistance fund. Such checks or warrants shall be drawn only by persons who are duly authorized so to do by resolution of the state agency.

§ 20. Recovery of Medical Assistance for the Aged from Person Liable for Support.) If, at any time during the continuance of any allowance granted under the provisions of

this Act, it is ascertained that anyone who is liable for support and care of a recipient of medical assistance for the aged is able to afford the necessary medical assistance for the aged of such recipient but fails and refuses to do so, there shall exist a cause of action for such assistance against such person. The action shall be brought by the state's attorney of the county in the name of the county in which such assistance was granted and against the person liable for the medical assistance for the aged of the recipient of the assistance. The action shall be brought for the recovery of the amount of money with interest thereon paid to such recipient, together with the costs and disbursements of the action.

§ 21. Recovery of Medical Assistance for the Aged from Person Liable for Support—How Divided.) The money recovered by any county under the provisions of section 20 of this Act from the person liable for the medical assistance of the recipient of assistance, shall be divided as provided by section 50-07-35 of the North Dakota Century Code.

§ 22. Recipient to Notify State Agency of Receipt of Property or Income—Assistance Altered or Canceled—Penalty.) If, at any time during the continuation of medical assistance for the aged under the provisions of this Act, the recipient becomes the owner of any property or income in excess of the amount stated in the application provided in section 5 of this Act, he immediately shall notify the county agency of the receipt of possession of such property or income and the state agency, after investigation, either may cancel the medical assistance or alter the amount thereof in accordance with the circumstances. Any assistance paid after the recipient has come into possession of such property or income, and in excess of his needs, shall be recoverable by the state from the estate of the recipient.

§ 23. Recovery from the Estate of Recipient of Medical Assistance for the Aged.) On the death of any recipient of medical assistance for the aged under the provisions of this Act the total amount of medical assistance paid under this Act shall be allowed as a preferred claim against the estate of such person in favor of the state, after funeral expenses for the recipient and his or her spouse, not to exceed in each individual case two hundred and fifty dollars, and such expenses of the last illness of recipient and spouse as are authorized or paid by the county agency, have been paid, and after the expenses of administering the estate, including the attorney's fees approved by the court, have been paid. No claim shall be enforced against the following:

1. Real estate of a recipient for the support, maintenance or comfort of the surviving spouse or a dependent;

2. Personal property necessary for the support, maintenance, or comfort of the surviving spouse or a dependent;
3. Personal effects, ornaments, or keepsakes of the deceased, not exceeding in value two hundred dollars.

§ 24. Authority to Compromise and Settle.) The state agency shall have the authority to enter the appearance of the state in any proceeding affecting property upon which the state may have a claim for medical assistance for the aged, to prosecute and defend in any such proceedings, to institute probate proceedings as a creditor to deceased persons, and either in the course of or in the absence of and apart from any action or proceeding enter into any stipulation, compromise, settlement or other agreement or arrangement in respect to such claim as may seem wise.

§ 25. How Money Collected from Recipient or Estate of Recipient Divided.) Any amounts received from any recipient of medical assistance for the aged or collected from his estate for medical assistance for the aged paid under the provisions of this Act shall be deposited promptly in the North Dakota old age assistance fund and credited respectively to the federal government, the state, and the county in proportion to the amounts in which the assistance payments represented funds contributed by the federal government, state, and county.

§ 26. Certification.) Medical services shall be rendered upon certification by the attending licensed doctor that medical service is required. Services of a medical institution shall be rendered only after referral by a licensed physician and certification by him that the services of the medical institution are required for the medical treatment of the individual except that referral shall not be necessary in case of an emergency.

§ 27. Choice of Services.) The applicant shall be entitled to free choice of those physicians, hospitals, nursing homes, and other licensed dispensers of medical services.

§ 28. Payment for Services.) The public welfare board is authorized to negotiate to pay dispensers of medical services according to the usual and customary fees being charged in the local community for services rendered to persons of comparable economic status. Should the board contract with private agencies or carriers for all or part of such medical services, it is authorized to make payment direct to such agencies or carriers.

§ 29. Confidential Character of Medical Assistance for the Aged.) All applications, information, and records concerning any applicant or recipient of medical assistance for the aged

under the provisions of this Act shall be confidential, and shall not be disclosed or used for any purpose not directly connected with the administration of medical assistance for the aged.

§ 30. Fraudulent Acts — Penalty.) Whoever knowingly obtains, or attempts to obtain, or aids or abets another, by means of a willfully false statement or representation, or by impersonation, or by other fraudulent device, medical assistance to which he is not entitled, or assistance greater than that to which he is justly entitled, is guilty of a misdemeanor and shall be punished by a fine of not more than five hundred dollars, or by imprisonment in the county jail for not more than twelve months, or by both such fine and imprisonment. In assessing the penalty, the court shall take into consideration, along with other factors, the amount of money fraudulently received.

§ 31. Limitations of Act.) All medical assistance for the aged granted under this Act shall be deemed to be granted and to be held subject to the provisions of any amending or repealing Act that hereafter may be passed. No recipient shall have any claim for compensation or otherwise because his medical assistance for the aged is affected in any way by any amending or repealing Act.

§ 32. Suspension of Act.) In the event that any provision or provisions of this Act shall be in conflict with title VI—Medical Services for the Aged, being amendments of title 1 of the Social Security Act, being Public Law 86-778, 86th Congress, H. R. 12580, dated September 13, 1960, providing a state plan for medical assistance for the aged; under which, if this Act were not in conflict, the state would be entitled to receive contributions from the United States for medical aid to the aged, such provision or provisions of this Act so in conflict with such law of the United States shall be considered as suspended and noneffective until fifty days after convening of the legislative assembly in the year 1963 so as to enable the state to qualify and participate in such contributions for medical assistance to the aged from the United States.

Approved March 16, 1961.

CHAPTER 303

S. B. No. 246

(Gefreh)

PUBLIC WELFARE BOARD

AN ACT

To amend and reenact subsection 2 of section 50-06-06 of the North Dakota Century Code, relating to the powers and duties of the public welfare board.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Subsection 2 of section 50-06-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. To administer, allocate, and distribute any state and federal funds that may be made available for the following purposes:
 - a. The relief of destitute or necessitous persons;
 - b. Mother's aid;
 - c. Old age assistance;
 - d. Aid to dependent children;
 - e. Maternal and child health;
 - f. Care of crippled children;
 - g. Aid to child welfare service; and
 - h. Public health service, physical and mental;

Approved March 11, 1961.

CHAPTER 304

H. B. No. 636

(Haugland, Fitch, Saugstad, Einarson,
(Miller of Walsh, Burk, Sorlie,
(Anderson of McHenry)

BLIND ASSISTANCE

AN ACT

To amend and reenact subsection 5 of section 50-08-03 of the North Dakota Century Code, relating to eligibility of assistance.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Subsection 5 of section 50-08-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

5. Has not sufficient income or other resources to provide a reasonable subsistence compatible with health and well-being, providing that the state agency shall, in determining need, disregard the first eighty-five dollars per month of earned income, plus one-half of earned income in excess of eighty-five dollars per month;

Approved February 25, 1961.

CHAPTER 305

S. B. No. 306

(Committee on Delayed Bills)

(Erickson)

CHILD PLACEMENT AGENCIES

AN ACT

To amend and reenact section 50-12-09 of the North Dakota Century Code, relating to child placement agencies.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 50-12-09 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

50-12-09. Compensation Not Charged for Placing Child nor for Care of Child if Returned from Foster Home.) A child-placing agency shall not charge or receive any compensation from a person adopting any child through the agency except for a share of the expense incurred in making the investigation of the home and the supervision of the child in the home until legal adoption is completed. Such amount shall not exceed three hundred dollars. No couple shall be deprived of receiving a child on the basis of inability to pay any portion of such expense. Persons taking a child shall not receive from the agency compensation for the care, clothing, or medical attendance of the child if it is returned to the agency.

Approved March 11, 1961.

CHAPTER 306

S. B. No. 127

(Van Horn, Longmire)

LOANS TO NURSING HOMES AND HOMES FOR AGED,
APPROPRIATION

AN ACT

To amend and reenact section 50-21-03 of the North Dakota Century Code, relating to terms and conditions for state loans made to nursing homes and homes for the aged, making an appropriation, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 50-21-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

50-21-03. Amount of Loan—Terms and Conditions.) Loans in an amount not exceeding one-half of the cost of construction or reconstruction including the cost or value of real estate upon which the facility is located and in no event exceeding one hundred and fifty thousand dollars to any one applicant shall be made by the Bank of North Dakota to nonprofit corporations to be used in the construction or reconstruction in this state of nursing homes, homes for the aged and infirm, or combination nursing homes and homes for the aged and infirm. Such loans shall bear interest at the rate of three percent per annum and shall be repayable in the manner prescribed by the manager of the Bank of North Dakota within a period of not more than twenty-five years. In addition, in consideration of the granting of the loans, each nonprofit corporation shall execute a contract with the state to operate such home for a period of not less than twenty years, and to operate and maintain the home in accordance with the standards prescribed for the licensing of such home by the state health department or public welfare board, as the case may be. Such contract shall also require the nonprofit corporation to maintain facilities for not less than five persons referred to such home by any county welfare board. Such contract shall also provide that if the use of such home is discontinued or if it shall be diverted to other purposes, the full amount of the loan provided under this chapter shall immediately become due and payable. Loans shall be made only to an applicant who is not receiving other loans or grants of funds from this state for such construction or reconstruction. Payments of interest

and principal upon such loans shall be made to the Bank of North Dakota and credited to the revolving fund.

§ 2. **Appropriation.**) There is hereby appropriated out of any moneys in the public welfare fund in the state treasury, not otherwise appropriated, the sum of three hundred thousand dollars to be transferred to the revolving loan fund for the purpose of constructing nursing homes and homes for the aged in accordance with the provisions of chapter 50-21 of the North Dakota Century Code.

§ 3. **Emergency.**) This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 15, 1961.

CHAPTER 307

S. B. No. 146

(Nesvig, Longmire, Saumur, Solberg,)

(Kamrath, Gefreh, Wartner, Murphy)

SOLICITATION OF FUNDS

AN ACT

To create and enact chapter 50-22 of the North Dakota Century Code, relating to licensing and regulation of charitable organizations which solicit funds, and to repeal chapter 50-15 of the North Dakota Century Code, relating to solicitations for benevolent associations, and providing a penalty.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1.) Chapter 50-22 of the North Dakota Century Code is hereby created and enacted to read as follows:

50-22-01. Definitions.) As used in this chapter, unless the context otherwise requires, the term:

1. "Person" means any individual, organization, group, association, partnership, corporation, or any combination of them;
2. "Charitable organization" means any benevolent, philanthropic, patriotic, or eleemosynary organization or one purporting to be such, except Boy and Girl Scouts of America organizations and organizations soliciting funds for institutions of higher learning, and organizations soliciting funds for churches operating and having a place of worship within the state; and

3. "Contribution" means the promise or grant of any money or property of any kind or value.

50-22-02. License to Solicit—Term—Revocation.) No charitable organization shall solicit contributions from persons in this state by any means whatsoever without first having obtained a license from the secretary of state. The secretary of state shall investigate the financial responsibility, experience, character, and general fitness of the applicant, and if such investigation warrants the belief that the solicitations are for a worthy charitable purpose and that the applicant will conduct solicitations in accordance with the law, a license shall be issued to such applicant, giving him the right to solicit within the state for a period of one year. If the secretary of state shall find the applicant is not qualified to be issued a license, he shall deny the application, forthwith notify the applicant of the denial, but the license fee shall be retained. All fees collected under the provisions of this chapter shall be credited to the general fund of the state. The fee for such license shall be ten dollars and may be renewed from year to year, but shall be subject to revocation by the secretary of state at any time for just cause. This Act shall not apply to solicitations conducted by or on behalf of any religious corporation.

50-22-03. Application for License—Contents.) The application for a license shall contain the information concerning such solicitation, as required by this Act, submitted on forms provided by the secretary of state. This information shall be filed with the secretary of state and shall be available to the public as a matter of public record. The forms containing such information shall be sworn to and shall include the following:

1. The name of the charitable organization for whom the solicitation is to be conducted;
2. The address thereof;
3. The purpose or purposes for which the contributions solicited are to be used;
4. The individual or officer who will have custody of the contributions;
5. The individuals responsible for the distribution thereof;
6. The period of time during which such solicitation is to be conducted;
7. A description of the method or methods of solicitation in such detail as may from time to time be determined by the secretary of state;

8. Whether such solicitation is to be conducted by voluntary unpaid solicitors, by paid solicitors, or both, and if in whole or in part by paid solicitors, the name and address of each professional fund raiser supplying such solicitors, the basis of payment and the nature of the arrangement; and
9. Such additional information as may be deemed necessary by the secretary of state for the proper administration of this Act.

50-22-04. Information Required To Be Filed Annually.)

Within sixty days after the close of the calendar year or the fiscal year, as the case may be, every charitable organization subject to the provisions of this Act which has received contributions during the previous calendar or fiscal year shall file the following information in the manner hereinbefore provided and on forms to be provided by the secretary of state:

1. The gross amount of the contributions pledged or collected;
2. The amount thereof given or to be given to the charitable purpose represented;
3. The aggregate amount paid and to be paid for the expenses of such solicitation; and
4. The aggregate amount paid to and to be paid to professional fund raisers and solicitors.

In addition, the secretary of state may make a detailed examination of the accounts of any charitable organization conducting a solicitation for funds within this state. Upon request the attorney general shall assist the secretary of state in carrying out the provisions of this Act and, for this purpose, shall have all powers herein granted to the secretary of state. Every charitable organization subject to the provisions of this Act shall keep a full and true record in such form as will enable such charitable organization to accurately provide the information required by this Act.

50-22-05. Penalty.) Any person conducting a solicitation in violation of the provisions of this Act or filing false information hereunder shall be punished by a fine not to exceed one thousand dollars or by imprisonment for not more than six months in jail, or both, and each officer or agent of a charitable organization who knowingly authorizes or conducts such solicitation in violation of this Act, shall be subject to the penalty provided in this section.

§ 2. Repeal.) Chapter 50-15 of the North Dakota Century Code is hereby repealed.

Approved March 15, 1961.