

## OTHER DUTIES OF THE GOVERNMENT FINANCE COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibilities assigned to the Government Finance Committee for the 2019-21 interim, the committee has also been assigned to:

- Receive state budget information, including monitoring the status of revenues and appropriations; and
- Receive a report before June 30, 2020, from the Department of Environmental Quality (DEQ) regarding DEQ's plan for boiler inspection fees to meet program expenses, pursuant to Section 32 of House Bill No. 1024 (2019).

### MONITORING THE STATUS OF THE STATE BUDGET

Beginning with the 1975-76 interim, a Legislative Management interim committee has been assigned the responsibility to review state budget information, including the monitoring of state revenues and the status of major state agency and institution appropriations. The Government Finance Committee has been assigned this responsibility for the 2019-20 interim.

As in previous bienniums, the committee's review could place emphasis on expenditures of major state agencies and other appropriations the committee might select. Budget areas the committee may wish to review include:

- Status of expenditures of major agency programs;
- Status of the issuance of bonds for major building projects;
- Potential one-time funding items to be considered by the Legislative Assembly in 2021;
- Federal funding received and anticipated to be received by state agencies;
- Projected revenues, expenditures, and fund balances of major state funds;
- Revised 2019-21 biennium revenue forecasts and preliminary 2021-23 biennium revenue forecasts; and
- Other key budget issues for the 2021 legislative session.

Also completed and presented each interim since 1987-88 is a report on the status of agency compliance with legislative intent. This report includes the status of state agencies' and institutions' implementation of budget/programmatic changes and legislative directives contained in appropriation bills and other legislation and the identification of agency budget issues. These reports are also provided to members of the Budget Section for their information.

The type of reporting outlined above will provide the committee with early information on problem areas needing legislative consideration and action or may be the basis for legislation to be introduced to the Legislative Assembly in 2021.

### REPORT FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY REGARDING THE DEPARTMENT'S PLAN FOR BOILER INSPECTION FEES TO MEET PROGRAM EXPENSES

Section 32 of House Bill No. 1024 (2019) ([appendix](#)) requires DEQ to evaluate the boiler inspection program during the 2019-21 interim, to develop a plan for program fees to meet program expenses, and to report to Legislative Management regarding the plan before June 30, 2020. The following program fees were established in North Dakota Administrative Code Section 45-12-03-01 when the program was administered by the Industrial Commissioner:

<b>Boiler Inspection Fees</b>	
<b>High-pressure boilers</b>	
Internal inspections	
<ul style="list-style-type: none"> <li>• 50 square feet or less of heating surface</li> <li>• Over 50 square feet and not over 500 square feet</li> <li>• Over 500 square feet and not over 4,000 square feet</li> <li>• Over 4,000 square feet of heating surface</li> </ul>	<ul style="list-style-type: none"> <li>\$80.00</li> <li>\$100.00</li> <li>\$120.00</li> <li>\$150.00</li> </ul>

External inspections	
<ul style="list-style-type: none"> <li>• 50 square feet of heating surface or less; 100 kilowatts or less</li> <li>• Over 50 square feet of heating surface; over 100 kilowatts</li> <li>• Portable oilfield boilers. Internal and external inspections of portable oilfield boilers must be charged inspection fees of \$75 per hour, including travel time, plus expenses for meals, mileage, and lodging at current state rates.</li> </ul>	<p>\$60.00</p> <p>\$80.00</p>
<b>Low-pressure boilers</b>	
Internal inspections	
<ul style="list-style-type: none"> <li>• Without manway</li> <li>• With manway</li> </ul>	<p>\$75.00</p> <p>\$85.00</p>
External inspection	
<ul style="list-style-type: none"> <li>• Hot water heat and low pressure steam</li> <li>• Hot water supply</li> </ul>	<p>\$50.00</p> <p>\$35.00</p>
<b>Steam traction engines</b>	
<ul style="list-style-type: none"> <li>• Internal</li> <li>• External</li> <li>• Hydrostatic test</li> <li>• Ultrasonic survey, per hour</li> </ul>	<p>\$60.00</p> <p>\$55.00</p> <p>\$70.00</p> <p>\$60.00</p>
Certificate fee, per certificate as required by North Dakota Century Code (NDCC) Section 26.1-22.1-10	\$20.00 per year of certificate issued

**2019 Legislative Action**

The Legislative Assembly transferred the boiler inspection program, including 4 full-time equivalent positions and related funding of \$882,249 from the fire and tornado fund, from the Insurance Commissioner to DEQ. Section 29 of House Bill No. 1024 created NDCC Chapter 23.1-16 to establish the boiler inspection program in DEQ. Section 30 amended NDCC Section 23.1-16-13, created in Section 29 of the bill, to provide, effective July 1, 2020, fees related to the boiler inspection program be deposited in the DEQ operating fund instead of the state fire and tornado fund. Section 31 repeals the boiler inspection program of the Insurance Commissioner under NDCC Chapter 26.1-22.1. Section 32 provides legislative intent requiring DEQ to review the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the Legislative Management regarding the plan before June 30, 2020.

The boiler inspection program had been administered by the Insurance Commissioner since 1993 when the Legislative Assembly transferred the program from the North Dakota Workers Compensation Bureau, which had been administering the program since 1953.

ATTACH:1