North Dakota Legislative Council
Prepared for the Government Finance Committee
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PROPOSED AGENCY FEE REPORT TEMPLATE

OVERVIEW

This memorandum provides information on items to include in a proposed agency fee report template. House Bill No. 1031 (2021) requires the Legislative Management to assign one or more interim committees the responsibility to study state agency fees. As codified in North Dakota Century Code Section 54-35-27, state agencies with 40 or fewer fees are required to submit a report to the Office of Management and Budget (OMB) by July 1, 2022, regarding details on each of the fees. By September 2022, OMB is required to compile the agency fee reports and submit a comprehensive report to the Legislative Management. State agencies with 40 or more fees are required to submit a report to the Legislative Management by July 1, 2024, regarding details on each of the fees. The report from each state agency must provide an analysis of each fee, including a comparison of the revenue generated by the fee, costs associated with the fee, and the appropriateness of the fee.

PROPOSED TEMPLATE

The following is a proposal for items to include in an agency fee report template for the committee's consideration. As a part of the proposed agency fee report template, each state agency would identify the following for each fee:

1. The constitutional or statutory reference for the fee.
2. The date the fee was established.
3. The current amount of the fee.
4. The reason the fee is set at the specific dollar amount.
5. The fund in which the fee is deposited.
6. The total revenue collected from the fee in the most recently completed biennium.
7. The restrictions, if any, on the expenditure of the fee revenue from the fund.
8. The significance of the expenditure of the fee revenue for the agency's budget.

The proposed agency fee report template would also require each state agency to provide an analysis of each fee, including:

1. A comparison of the fee revenue to the cost incurred to provide the services associated with the fee.
2. A history of the fee from its establishment, including any changes to the amount or purpose of the fee and the date of the changes.
3. Comments on the appropriateness of the fee amount and the affordability of the fee to the public.
4. Comments on the appropriateness of using other government revenues to pay a portion of the services associated with the fee and the effect of the use of other revenues.