

HOUSE BILL NO. 1031

Introduced by

Legislative Management

(Government Finance Committee)

1 A BILL for an Act to create and enact a new section to chapter 54-35 of the North Dakota
2 Century Code, relating to legislative management studies of state agency fees; to provide for a
3 legislative management study relating to establishing new state agency fees; and to declare an
4 emergency.

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

6 **SECTION 1.** A new section to chapter 54-35 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Legislative interim committee review of state agency fees.**

9 1. ~~During each interim, the~~ The legislative management shall assign to one or more
10 interim committees a study of selected state agency fees as provided in this section.
11 ~~The legislative management shall assign the studies in a manner that provides for the~~
12 ~~review of each state agency fee at least once every ten years~~

13 a. By July 1, 2022, each state agency that is authorized to impose forty fees or
14 fewer shall submit a report to the office of management and budget including:

- 15 (1) The amount of each fee;
16 (2) When the fee was implemented;
17 (3) Why the fee is set at the specific dollar amount;
18 (4) Where the fee is deposited; and
19 (5) Whether the fee is critical for the budget of the agency.

20 b. By July 1, 2024, each state agency that is authorized to impose more than forty
21 fees shall submit a report to the legislative management including:

- 22 (1) The amount of each fee;
23 (2) When the fee was implemented;
24 (3) Why the fee is set at the specific dollar amount;

1 (4) Where the fee is deposited; and

2 (5) Whether the fee is critical for the budget of the agency.

3 c. By September first in the year the reports are received, the office of management
4 and budget shall compile all of the reports into a single report and provide the
5 report to the legislative management.

6 ~~2. a. An interim committee assigned a fee study shall request the appropriate state~~
7 ~~agency to prepare an analysis of and provide a recommendation for each~~
8 ~~selected state agency fee.~~

9 b. In addition to the report required under subsection 1, each state agency shall
10 provide an analysis of each fee. The analysis must include:

11 ~~(1)a. A comparison of revenue generated by the fee to the cost incurred to~~
12 ~~provide the services associated with the fee;~~

13 ~~(2)b. The history of the fee, including when it was created and any subsequent~~
14 ~~changes;~~

15 ~~(3)c. The appropriateness of the fee amount and the affordability of the fee to~~
16 ~~the public; and~~

17 ~~(4)d. The appropriateness of using other government revenues to pay a portion~~
18 ~~of services associated with the fee and the effect of the use of other revenues.~~

19 ~~c. The recommendation must identify whether the fee should remain unchanged or~~
20 ~~be eliminated, increased, decreased, or otherwise modified, and the rationale for~~
21 ~~the recommendation.~~

22 3. An interim committee assigned a fee study shall:

23 a. Consider, as part of the study:

24 ~~(1) Whether revenue from the fee should cover the entire cost of the services~~
25 ~~associated with the fee or whether the cost of the services should be~~
26 ~~subsidized by another revenue source;~~

27 ~~(2) The appropriateness of the fee amount; and~~

28 ~~(3) The appropriateness of the use of the fee revenue.~~

29 b. Make a recommendation regarding the fee which identifies whether the fee
30 should remain unchanged or be eliminated, increased, decreased, or otherwise
31 modified and the rationale for the recommendation.

- 1 e.b. Report its findings and recommendations to the legislative management. As part
2 of its recommendations, the committee shall identify potential state agency fees
3 to be reviewed during the subsequent interim.
- 4 4. Any state agency authorized by the legislative assembly to impose a fee shall provide
5 data, analysis, and other information as requested by the interim committee
6 conducting a study under this section.
- 7 5. Fees to be examined under this section include those deposited in the general fund or
8 the agency operating budget. Fees to be examined do not include fees for service.
- 9 6. If a state agency is unable to meet the deadline imposed under subsection 1, the state
10 agency may appeal to the legislative management for an extension.
- 11 7. Notwithstanding any other provision of law, state agencies may not establish any new
12 fees under chapter 28-32 unless the fee was approved by the legislative assembly, the
13 budget section, or the emergency commission.
- 14 8. By July first of each even-numbered year, each agency that has fees shall provide a
15 report to the legislative management indicating whether any fees were added, deleted,
16 or changed during the course of the biennium.

17 **SECTION 2. LEGISLATIVE MANAGEMENT STUDY.** During the 2021-22 interim, the
18 legislative management shall consider studying the creation of a general fee policy relating to
19 how state agencies' fees should be established for new programs and a continued review of
20 existing fees. The legislative management shall report its findings and recommendations,
21 together with any legislation required to implement the recommendations to the sixty-eighth
22 legislative assembly.

23 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.