

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1003

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the attorney
2 general; to require the state fire marshal to inspect buildings as requested by a political
3 subdivision; to provide statements of legislative intent; to amend and reenact sections
4 53-06.1-12 and 54-12-11 of the North Dakota Century Code, relating to gaming and excise tax
5 collections and the salary of the attorney general; and to declare an emergency.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
8 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from special funds derived from federal funds and
10 other income, to the attorney general for the purpose of defraying the expenses of the attorney
11 general, for the biennium beginning July 1, 2001, and ending June 30, 2003, as follows:

12 Salaries and wages	\$14,841,235
13 Operating expenses	5,882,969
14 Equipment	399,876
15 Grants	5,734,398
16 Litigation fees	50,000
17 Racing commission	297,112
18 National criminal history improvement project	2,358,720
19 Arrest and return of fugitives	10,000
20 Gaming commission	5,109
21 Law enforcement programs	631,056
22 High-intensity drug trafficking area	<u>1,931,648</u>
23 Total all funds	\$32,142,123

1	Less estimated income	<u>17,751,371</u>
2	Total general fund appropriation	\$14,390,752

3 **SECTION 2. FIRE AND TORNADO FUND.** The estimated income line item in
4 section 1 of this Act includes the sum of \$385,143, or so much of the sum as may be necessary
5 from the state fire and tornado fund, for the purpose of defraying the expenses related to the
6 state fire marshal program.

7 **SECTION 3. LEGISLATIVE INTENT - STATE FIRE MARSHAL PROGRAM.** It is the
8 intent of the legislative assembly that the attorney general charge and collect a fee for services
9 provided by the state fire marshal program to entities insured by the fire and tornado fund. For
10 services provided to entities not insured by the fire and tornado fund, the attorney general is to
11 prepare and submit a memorandum billing to the entity receiving the service. For the purpose
12 of this section, a memorandum billing means a document detailing services and cost of
13 services provided. The memorandum billing does not require a remittance of funds.

14 **SECTION 4. ASSET FORFEITURE FUND.** The sum of \$62,504 is available from the
15 asset forfeiture fund to the attorney general as included in estimated income of section 1 of this
16 Act.

17 **SECTION 5. ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION**
18 **FUND - LOCAL GAMING ENFORCEMENT GRANTS.** The line item entitled grants in
19 section 1 of this Act includes \$629,000 for local gaming enforcement grants.

20 **SECTION 6. PETROLEUM RELEASE COMPENSATION FUND - FEES.** The attorney
21 general shall charge and collect fees for services provided by the state fire marshal program to
22 entities covered by the petroleum release compensation fund under chapter 23-37 of up to a
23 total of \$35,000 for the biennium beginning July 1, 2001, and ending June 30, 2003. All fees
24 collected under this section must be deposited in the attorney general's operating fund.

25 **SECTION 7. STATE FIRE MARSHAL - BUILDING INSPECTIONS AS REQUESTED**
26 **BY POLITICAL SUBDIVISIONS - FEES.** The state fire marshal shall conduct, upon request of
27 a political subdivision, an inspection of a publicly or privately owned building and shall charge a
28 fee for the cost of providing this service for the biennium beginning July 1, 2001, and ending
29 June 30, 2003.

30 **SECTION 8. ATTORNEY GENERAL REFUND FUND - EXCEPTION - ESTIMATED**
31 **INCOME.** Notwithstanding section 54-12-18, the attorney general may retain \$100,000 in the

1 attorney general refund fund that would otherwise be transferred to the general fund on
2 June 30, 2001. The estimated income line item in section 1 of this Act includes \$100,000 from
3 the attorney general refund fund for the purpose of defraying the expenses of the consumer
4 protection division for the biennium beginning July 1, 2001, and ending June 30, 2003.

5 **SECTION 9. ESTIMATED INCOME - RACING PROMOTION, PURSE, AND**
6 **BREEDERS' FUNDS.** Notwithstanding section 53-06.2-11, the estimated income line item in
7 section 1 of this Act includes \$297,112 from the racing promotion fund, purse fund, and
8 breeders' fund for the purpose of defraying the administrative and operating costs of the racing
9 commission for the biennium beginning July 1, 2001, and ending June 30, 2003. The racing
10 commission shall determine the allocation from each fund based on the proportion of the
11 resources available in each fund.

12 **SECTION 10. LEGISLATIVE INTENT - CLANDESTINE LABORATORY CLEANUP -**
13 **EMERGENCY COMMISSION REQUEST.** It is the intent of the legislative assembly that the
14 attorney general request emergency commission approval for funding from the state
15 contingencies appropriation if additional funding is needed for defraying the cleanup costs of
16 clandestine laboratories and if federal funds are not available for this purpose for the biennium
17 beginning July 1, 2001, and ending June 30, 2003.

18 **SECTION 11. APPROPRIATION.** There is appropriated out of any moneys in the
19 general fund in the state treasury, not otherwise appropriated, the sum of \$197,714, or so much
20 of the sum as may be necessary, to the attorney general for the purpose of providing local
21 gaming enforcement grants, for the period beginning with the effective date of this section, and
22 ending June 30, 2001.

23 **SECTION 12. LEGISLATIVE INTENT - LITIGATION FEES.** It is the intent of the
24 legislative assembly that the attorney general submit a request to the emergency commission
25 for an additional appropriation for litigation fees, from the contingency fund, if the \$50,000
26 appropriated in the litigation fees line item in section 1 of this Act is exhausted.

27 **SECTION 13. COLLECTIONS.** Section 1 of this Act includes the appropriation of up to
28 \$18,000 in revenues collected from fees charged for gaming law and administrative rules
29 manuals and recordkeeping booklets published by the attorney general for the period beginning
30 July 1, 2001, and ending June 30, 2003.

1 **SECTION 14. AMENDMENT.** Section 53-06.1-12 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **53-06.1-12. Gaming and excise taxes - Deposits and allocations.**

4 1. A gaming tax is imposed on the total adjusted gross proceeds earned by a
5 licensed organization in a quarter and it must be computed and paid to the
6 attorney general on a quarterly basis on the tax return. This tax must be paid from
7 adjusted gross proceeds and is not part of the allowable expenses. The tax rates
8 are:

- 9 a. On adjusted gross proceeds not exceeding two hundred thousand dollars, a
10 tax of five percent.
- 11 b. On adjusted gross proceeds exceeding two hundred thousand dollars but not
12 exceeding four hundred thousand dollars, a tax of ten percent.
- 13 c. On adjusted gross proceeds exceeding four hundred thousand dollars but not
14 exceeding six hundred thousand dollars, a tax of fifteen percent.
- 15 d. On adjusted gross proceeds exceeding six hundred thousand dollars, a tax of
16 twenty percent.

17 2. In addition to any other tax provided by law and in place of sales or use taxes,
18 there is imposed an excise tax of four and one-half percent on the gross proceeds
19 from the sale at retail of pull tabs to a final user. This includes pull tabs provided to
20 a player in exchange for redeemed winning pull tabs. The tax must be paid to the
21 attorney general when tax returns are filed.

22 3. ~~The~~ Except as provided in subsection 4, the state treasurer shall deposit gaming
23 and excise taxes, monetary fines, and interest and penalties collected in the
24 general fund in the state treasury.

25 4. The state treasurer shall deposit three percent of the total taxes collected under
26 this section into a gaming and excise tax allocation fund. Pursuant to legislative
27 appropriation, moneys in the fund must be distributed quarterly to cities and
28 counties in proportion to the taxes collected under this section from licensed
29 organizations conducting games of chance within each city, for sites within city
30 limits, or within each county, for sites outside city limits. If a city or county
31 allocation under this subsection is less than two hundred dollars, that city or county

1 is not entitled to receive a payment for the quarter and the undistributed amount
2 must be included in the total amount to be distributed to other cities and counties
3 for the quarter.

4 **SECTION 15. AMENDMENT.** Section 54-12-11 of the 1999 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **54-12-11. Salary of attorney general.** The annual salary of the attorney general is
7 ~~sixty-five~~ seventy-one thousand seven hundred fifty-three ~~seventy-two~~ dollars through ~~June 30,~~
8 ~~2000~~ December 31, 2001, ~~sixty-seven~~ seventy-three thousand six hundred four
9 dollars through ~~December 31, 2000~~ June 30, 2002, and ~~sixty-nine~~ seventy-four thousand two
10 six hundred sixty-eight dollars thereafter.

11 **SECTION 16. EMERGENCY.** Sections 8 and 11 of this Act are declared to be an
12 emergency measure.