

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

**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 provide an appropriation for defraying the expenses of the racing commission; to  
3 provide an exemption; to provide for racing commission expenses; to provide a statement of  
4 legislative intent; to provide for duties of the attorney general; to provide for a salary equity  
5 review and recommendation; to amend and reenact subsection 1 of section 53-06.2-02 and  
6 section 54-12-11 of the North Dakota Century Code, relating to the membership of the racing  
7 commission and the salary of the attorney general; and to declare an emergency.

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

9 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this  
10 section represent the base level funding component appropriated to the attorney general in  
11 section 3 of this Act as follows:

12 Salaries and wages	\$18,461,301
13 Operating expenses	7,995,471
14 Capital assets	1,830,250
15 Grants	5,891,560
16 Litigation fees	50,000
17 State school finance lawsuit	240,000
18 Arrest and return of fugitives	10,000
19 Gaming commission	<u>5,109</u>
20 Total all funds - Base level	\$34,483,691
21 Less estimated income - Base level	<u>17,429,474</u>
22 Total general fund - Base level	\$17,054,217

23 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The  
24 amounts identified in this section represent the funding adjustments or enhancements to the

Fifty-ninth  
Legislative Assembly

1 base funding level for the attorney general which are included in the appropriation in section 3  
2 of this Act as follows:

3	Salaries and wages	\$926,395
4	Operating expenses	488,324
5	Capital assets	(44,200)
6	Grants	52,496
7	Gaming commission	<u>(70)</u>
8	Total all funds - Adjustments/enhancements	\$1,422,945
9	Less estimated income - Adjustments/enhancements	<u>(515,729)</u>
10	Total general fund - Adjustments/enhancements	\$1,938,674

11 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
12 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
13 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
14 other income, to the attorney general for the purpose of defraying the expenses of the attorney  
15 general, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

16	Salaries and wages	\$19,387,696
17	Operating expenses	8,483,795
18	Capital assets	1,786,050
19	Grants	5,944,056
20	Litigation fees	50,000
21	State school finance lawsuit	240,000
22	Arrest and return of fugitives	10,000
23	Gaming commission	<u>5,039</u>
24	Total all funds	\$35,906,636
25	Less estimated income	<u>16,913,745</u>
26	Total general fund appropriation	\$18,992,891

27 **SECTION 4. APPROPRIATION - RACING COMMISSION.** The funds provided in this  
28 section, or so much of the funds as may be necessary, are appropriated out of any moneys in  
29 the general fund in the state treasury, not otherwise appropriated, to the racing commission for  
30 the purpose of defraying the expenses of the racing commission, for the biennium beginning  
31 July 1, 2005, and ending June 30, 2007, as follows:

1	Racing commission	<u>\$367,145</u>
2	Total all funds	\$367,145
3	Less estimated income	<u>249,666</u>
4	Total general fund appropriation	\$117,479

5           **SECTION 5. SCHOOL FINANCE LAWSUIT.** The state school finance lawsuit line  
6 item in section 3 of this Act is for the purpose of defraying the expenses of defending the state's  
7 school finance system for the biennium beginning July 1, 2005, and ending June 30, 2007.

8           **SECTION 6. ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION**  
9 **FUND - LOCAL GAMING ENFORCEMENT GRANTS.** The grants line item in section 3 of this  
10 Act includes \$617,000 for local gaming enforcement grants.

11           **SECTION 7. FIRE AND TORNADO FUND - FEES.** The attorney general shall charge  
12 and collect fees for services provided by the state fire marshal program to entities covered by  
13 the fire and tornado fund under chapter 26.1-22. Fees under this section may be collected in  
14 amounts of up to a total of \$310,000 for the biennium beginning July 1, 2005, and ending  
15 June 30, 2007. All fees collected under this section must be deposited in the attorney general's  
16 operating fund.

17           **SECTION 8. PETROLEUM RELEASE COMPENSATION FUND - FEES.** The attorney  
18 general shall charge and collect fees for services provided by the state fire marshal program to  
19 entities covered by the petroleum release compensation fund under chapter 23-37. Fees under  
20 this section may be collected in amounts of up to a total of \$35,000 for the biennium beginning  
21 July 1, 2005, and ending June 30, 2007. All fees collected under this section must be  
22 deposited in the attorney general's operating fund.

23           **SECTION 9. ESTIMATED INCOME - RACING PROMOTION, PURSE, AND**  
24 **BREEDERS' FUNDS.** Notwithstanding section 53-06.2-11, the estimated income line item in  
25 section 4 of this Act includes \$73,889 from the racing promotion fund, \$73,889 from the purse  
26 fund, and \$73,888 from the breeders' fund for the purpose of defraying the administrative and  
27 operating costs of the racing commission for the biennium beginning July 1, 2005, and ending  
28 June 30, 2007.

29           **SECTION 10. FEDERAL FUNDS - REDUCTION IN GENERAL FUND**  
30 **EXPENDITURES.** If the attorney general receives federal funds that may be used to replace  
31 the reduction in federal Byrne grant funds for drug enforcement activities during the 2005-07

1 biennium, the attorney general may seek emergency commission approval to receive and  
2 spend the federal funds but may not spend moneys from the general fund added by the  
3 legislative assembly to the extent of the federal funds received for this purpose for the biennium  
4 beginning July 1, 2005, and ending June 30, 2007.

5 **SECTION 11. ATTORNEY GENERAL REFUND FUND TRANSFER TO THE**  
6 **GENERAL FUND - EXCEPTION.** Notwithstanding section 54-12-18, the attorney general may  
7 retain the balance in the attorney general refund fund that would otherwise be transferred to the  
8 general fund on June 30, 2005.

9 **SECTION 12. LEGISLATIVE INTENT - FUNDING PRIORITY.** It is the intent of the  
10 fifty-ninth legislative assembly that the attorney general prioritize the attorney general's funding  
11 appropriated by the legislative assembly for the biennium beginning July 1, 2005, and ending  
12 June 30, 2007, to continue, to the extent possible, the drug enforcement activities that were  
13 previously paid for from federal Byrne grant funds.

14 **SECTION 13. MEDICARE AND MEDICAID FRAUD ABUSE.** The attorney general  
15 shall consider, in consultation with the United States department of justice, the feasibility of  
16 naming the state of North Dakota as a plaintiff in medicare and medicaid fraud abuse cases  
17 being considered by the United States department of justice for the biennium beginning July 1,  
18 2005, and ending June 30, 2007.

19 **SECTION 14. SALARY REVIEW AND RECOMMENDATION.** During the 2005-06  
20 interim, the director of the office of management and budget shall conduct an equity review of  
21 the salaries of all attorneys and paralegals employed as full-time employees with all branches  
22 of government within the state of North Dakota, including attorneys and paralegals employed  
23 by the state board of higher education and workforce safety and insurance. The director shall  
24 provide to the governor for inclusion in the 2007-09 biennial executive budget recommendation  
25 the funding necessary to adjust the salaries of attorneys and paralegals in a manner that  
26 makes attorney and paralegal salaries comparable and equitable throughout state government.  
27 In determining comparable positions based upon years of experience and importance of  
28 position, the director shall consult with the attorney general.

29 **SECTION 15. AMENDMENT.** Subsection 1 of section 53-06.2-02 of the North Dakota  
30 Century Code is amended and reenacted as follows:

1           1. A North Dakota racing commission is established in the office of the attorney  
2           general. The commission is subject to the supervision and direction of the attorney  
3           general, except with regard to the commission's authority to spend the funds  
4           described in subsection 6 of section 53-06.2-11. The attorney general may require  
5           payment for any services rendered to the racing commission. Payment for such  
6           services must be deposited into the attorney general's operating fund. The  
7           commission consists of the chairman and four other members appointed by the  
8           governor. Of the members appointed by the governor, one must be appointed  
9           from a list of four nominees, one of whom is nominated by the state chapter or  
10          affiliate of the American quarter horse racing association, one of whom is  
11          nominated by the state chapter or affiliate of the United States trotting association,  
12          one of whom is nominated by the state chapter or affiliate of the international  
13          Arabian horse association, and one of whom is nominated by the state chapter or  
14          affiliate of the North Dakota thoroughbred association. The members serve  
15          five-year terms and until a successor is appointed and qualified. A member  
16          appointed to fill a vacancy arising from other than the natural expiration of a term  
17          serves ~~only~~ for the unexpired portion of the term and may be reappointed. The  
18          terms of the commissioners must be staggered so that one term expires each July  
19          first. At the expiration of the five-year term of each incumbent member of the  
20          commission, the governor shall appoint a new member to the commission.

21           **SECTION 16. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is  
22          amended and reenacted as follows:

23           **54-12-11. Salary of attorney general.** The annual salary of the attorney general is  
24          ~~seventy one thousand seventy two dollars through December 31, 2001, seventy three~~  
25          seventy-six thousand ~~two~~ nine hundred ~~four~~ eight dollars through June 30, ~~2002~~ 2006, and  
26          ~~seventy four~~ seventy-nine thousand ~~six~~ nine hundred ~~sixty-eight~~ eighty-four dollars thereafter.

27           **SECTION 17. EMERGENCY.** Section 11 of this Act is declared to be an emergency  
28          measure.