

January 7, 2021

Chairman Kasper & House Government and Veterans Affairs Committee

House Bill 1031

Government Finance Interim Committee was charged with studying the multiple fees that are charged by our agencies. The Auditor's office was charged with gathering information on fees and presenting to the committee. We received that information in Feb. 2020.

The study found that there are approximately 1200 fees charged by state agencies. This does not include fees charged by North Dakota University System.

Included are some fee examples that have a significant gap between when established and the last time modified.

Public Service Commission's grain storage license fees were established in 1895 and the last time they were modified was in 2005.

Secretary of State has tree mandated fees established in 1901 that had only been changed in the early 1990's.

A large number of the state agency fees were established in the early 1900's for which the fee amount is determined by the agency. The language authorizing these the agency to charge those fees has not been changed since establishment.

There are several license plates fees that have not changed since they were established in the late 1950's to early 1960's.

Some examples and fee numbers: Secretary of State 315 fees, Information Tech. 125 fees. NDSU Extension 59 fees.

We wanted it to be determined whether the fee covers the cost of administering this fee. That proved very difficult because some employees do multiple tasks and do not track their time for each task. Many of the fees are deposited in common funds which contribute to the difficulty of determining costs.

House Bill 1031 is an effort to start addressing some of these issues, such as are these fees appropriate, if they are appropriate, and should changes be made, including eliminating them.

It requires all fees are studied every 10 years and establishes a procedure for the studies and what they need to be to address. Legislative Management will establish which fees are studied and what committee will study them.

Sen. Ronald Sorvaag

District 45