

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1003**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general;  
2 to provide an appropriation to the department of human services; to amend and reenact  
3 sections 53-06.1-12 and 54-12-11 of the North Dakota Century Code, relating to the gaming tax  
4 allocation fund and the salary of the attorney general; to provide for a transfer; to provide an  
5 exemption; to provide for a statement of legislative intent; to provide for a report; to provide for a  
6 legislative management study; and to declare an emergency.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
9 as may be necessary, are appropriated out of any moneys in the general fund in the state  
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
11 other income, to the attorney general for the purpose of defraying the expenses of the attorney  
12 general, for the biennium beginning July 1, 2021, and ending June 30, 2023.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Salaries and wages	\$45,954,981	\$4,140,206	\$50,095,187
16	Operating expenses	15,588,646	801,822	16,390,468
17	Capital assets	804,380	934,841	1,739,221
18	Grants	4,418,440	(515,000)	3,903,440
19	Human trafficking victims grants	1,400,000	(298,121)	1,101,879
20	Forensic nurse examiners grants	250,000	691	250,691
21	Statewide litigation funding pool	0	4,000,000	4,000,000
22	Litigation fees	150,000	(22,500)	127,500
23	Intellectual property attorney	442,085	(442,085)	0
24	Medical examinations	660,000	0	660,000

Sixty-seventh  
Legislative Assembly

1	North Dakota lottery	5,191,454	63,390	5,254,844
2	Arrest and return of fugitives	10,000	(1,500)	8,500
3	Gaming commission	7,489	0	7,489
4	Criminal justice information sharing	3,631,121	443,847	4,074,968
5	Law enforcement	<u>2,982,284</u>	<u>66,643</u>	<u>3,048,927</u>
6	Total all funds	\$81,490,880	\$9,172,234	\$90,663,114
7	Less estimated income	<u>35,886,284</u>	<u>12,372,844</u>	<u>48,259,128</u>
8	Total general fund	\$45,604,596	(\$3,200,610)	\$42,403,986
9	Full-time equivalent positions	245.00	7.00	252.00

10       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
 11 **SIXTY-EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
 12 items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the  
 13 one-time funding items included in the appropriation in section 1 of this Act:

14	<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
15	Criminal history improvement system	\$400,000	\$400,000
16	Capital assets	1,851,956	1,111,706
17	Undercover vehicles	200,000	0
18	Automated biometric identification system	316,000	300,000
19	Charitable gaming technology system	400,000	475,000
20	Statewide litigation funding pool	0	4,000,000
21	Additional income	<u>250,000</u>	<u>0</u>
22	Total all funds	\$3,417,956	\$6,286,706
23	Total other funds	<u>3,217,956</u>	<u>6,286,706</u>
24	Total general fund	\$200,000	\$0

25       **SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the  
 26 amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from  
 27 federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the  
 28 attorney general for the purposes of defraying the expenses of the office, for the biennium  
 29 beginning July 1, 2021, and ending June 30, 2023. The attorney general shall notify the office of  
 30 management and budget and the legislative council of any funding made available pursuant to  
 31 this section.

1       **SECTION 4. APPROPRIATION - 2019-21 BIENNIUM - SEXUAL ASSAULT EVIDENCE**

2       **COLLECTION KIT TRACKING SYSTEM - DRUG ANALYZERS - EXEMPTION - ONE-TIME**

3       **FUNDING.** There is appropriated from federal funds, not otherwise appropriated, the sum of  
4       \$355,000, or so much as the sum as may be necessary, to the attorney general, of which  
5       \$255,000 is for the development and implementation of a sexual assault evidence collection kit  
6       tracking system and \$100,000 is for drug analyzers with federal funding received from the  
7       department of transportation, for the period beginning with the effective date of this Act, and  
8       ending June 30, 2021. The funding provided under this section is not subject to section  
9       54-44.1-11 and any unexpended funds may be continued and are available for the program  
10      during the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is  
11      considered a one-time funding item.

12      **SECTION 5. TRANSFER - LAWSUIT SETTLEMENT PROCEEDS - OPIOID ADDICTION**

13      **PREVENTION AND TREATMENT PROGRAM - APPROPRIATION - DEPARTMENT OF**

14      **HUMAN SERVICES - ONE-TIME FUNDING - REPORT.** The office of management and budget  
15      shall transfer up to \$2,000,000 from opioid-related lawsuit settlement proceeds deposited in the  
16      attorney general refund fund to the department of human services which is appropriated to the  
17      department of human services for the purpose of defraying the expenses of an opioid addiction  
18      prevention and treatment program during the biennium beginning July 1, 2021, and ending  
19      June 30, 2023. The department of human services shall consult with the attorney general on the  
20      use of funding for the program. The attorney general shall notify the legislative council and  
21      office of management and budget of any lawsuit settlement proceeds that become available for  
22      transfer to the department of human services for this program. This funding is considered a  
23      one-time funding item.

24      **SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - TRANSFER -**

25      **LITIGATION POOL TO STATE AGENCIES - ONE-TIME FUNDING.** The statewide litigation

26      funding pool line item in section 1 of this Act includes \$4,000,000 from the strategic investment  
27      and improvements fund, which the attorney general shall transfer to eligible state agencies for  
28      litigation expenses during the biennium beginning July 1, 2021, and ending June 30, 2023. This  
29      funding is considered a one-time funding item. The attorney general may not use funding from  
30      the litigation pool to pay judgments under section 32-12-04.

1       **SECTION 7. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM -**

2 **GAMING TAX ALLOCATION FUND.** The estimated income line item in section 1 of this Act  
3 includes \$475,000 from the gaming tax allocation fund for defraying expenses related to the  
4 continued development and implementation of the charitable gaming technology system.

5       **SECTION 8. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS -**

6 **REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes  
7 \$1,101,879 from the general fund for the purpose of providing grants to organizations involved  
8 in providing prevention and treatment services related to human trafficking victims and related  
9 administrative costs for the biennium beginning July 1, 2021, and ending June 30, 2023. The  
10 attorney general may provide grants for the development and implementation of direct care  
11 emergency or long-term crisis services, residential care, training for law enforcement, support of  
12 advocacy services, and programs promoting positive outcomes for victims. Any organization  
13 that receives a grant under this section shall report to the attorney general and the  
14 appropriations committees of the sixty-eighth legislative assembly on the use of the funds  
15 received and the outcomes of its program. The attorney general shall report to the legislative  
16 management during the 2021-22 interim on the status and results of the grant program.

17       **SECTION 9. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.** The  
18 forensic nurse examiners grants line item in section 1 of this Act includes \$250,691 from the  
19 general fund for the purpose of providing forensic nurse examiner program grants for  
20 community-based or hospital-based sexual assault examiner programs and related  
21 administrative costs, for the biennium beginning July 1, 2021, and ending June 30, 2023. Any  
22 organization that receives a grant under this section shall report to the attorney general and the  
23 appropriations committees of the sixty-eighth legislative assembly on the use of the funds  
24 received and the outcomes of its programs. The attorney general shall report to the  
25 appropriations committees of the sixty-eighth legislative assembly on the number of nurses  
26 trained, the number and location of nurses providing services related to sexual assault nurse  
27 examiner programs, and documentation of collaborative efforts to assist victims which includes  
28 nurses, the hospital or clinic, law enforcement, and state's attorneys.

29       **SECTION 10. ESTIMATED INCOME - SALARY EQUITY INCREASES - ATTORNEY**  
30 **GENERAL REFUND FUND - REDUCED CIGARETTE IGNITION PROPENSITY AND**

31 **FIREFIGHTER PROTECTION ACT ENFORCEMENT FUND.** The estimated income line item in

1 section 1 of this Act includes \$1,374,989 for the purpose of providing salary equity increases to  
2 employees in the attorney general's office, of which \$1,249,083 is from the attorney general  
3 refund fund for bureau of criminal investigation positions and Medicaid fraud control unit  
4 positions and \$125,906 is from the Reduced Cigarette Ignition Propensity and Firefighter  
5 Protection Act enforcement fund for fire marshal office positions, for the biennium beginning  
6 July 1, 2021, and ending June 30, 2023.

7 **SECTION 11. LEGISLATIVE INTENT - ATTORNEY GENERAL - SALARY EQUITY**  
8 **INCREASES - INVESTMENT OF LAWSUIT SETTLEMENT PROCEEDS - STATE**

9 **INVESTMENT BOARD.** The attorney general may invest up to \$2,577,624 of funding in the  
10 attorney general refund fund, of which \$1,160,896 is derived from January 2021 lawsuit  
11 settlement proceeds and \$1,416,728 is derived from March 2021 lawsuit settlement proceeds,  
12 and \$251,812 of funding in the Reduced Cigarette Ignition Propensity and Firefighter Protection  
13 Act enforcement fund, under the supervision of the state investment board for the period  
14 beginning July 1, 2021, and ending June 30, 2025. It is the intent of the sixty-seventh legislative  
15 assembly that \$2,577,624 in the attorney general refund fund and any investment earnings on  
16 the funding be retained in the attorney general refund fund and \$251,812 in the Reduced  
17 Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund and any  
18 investment earnings on the funding be retained in the Reduced Cigarette Ignition Propensity  
19 and Firefighter Protection Act enforcement fund, for the purpose of providing salary equity  
20 increases as provided for in section 10 of this Act and for the cost to continue the salary equity  
21 increases during the 2023-25 biennium, subject to legislative appropriations.

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

24 **53-06.1-12. Gaming tax - ~~Deposits and allocations~~Gaming tax allocation fund -**  
25 **Attorney general - State treasurer - Allocations - Transfer to the general fund.**

26 1. A gaming tax is imposed on the total gross proceeds received by a licensed  
27 organization in a quarter and it must be computed and paid to the attorney general on  
28 a quarterly basis on the tax return. This tax must be paid from adjusted gross  
29 proceeds and is not part of the allowable expenses. For a licensed organization with  
30 gross proceeds:

- 1           a. Not exceeding one million five hundred thousand dollars the tax is one percent of  
2           gross proceeds.
- 3           b. Exceeding one million five hundred thousand dollars the tax is fifteen thousand  
4           dollars plus two and twenty-five hundredths percent of gross proceeds exceeding  
5           one million five hundred thousand dollars.
- 6           2. The tax must be paid to the attorney general at the time tax returns are filed.
- 7           ~~3. Except as provided in subsection 4, the attorney general shall deposit gaming taxes,~~  
8           ~~monetary fines, and interest and penalties collected in the general fund in the state~~  
9           ~~treasury.~~
- 10          ~~4.3.~~ The attorney general shall deposit seven percent of the total all taxes, monetary fines,  
11          and interest and penalties, less refunds, collected under this section into a gaming tax  
12          allocation fund. Pursuant to legislative appropriation, the attorney general shall  
13          distribute up to seven percent of moneys deposited in the fund must be distributed-  
14          quarterly to cities and counties in proportion to the taxes collected under this section  
15          from licensed organizations conducting games within each city, for sites within city  
16          limits, or within each county, for sites outside city limits. If a city or county allocation  
17          under this subsection is less than two hundred dollars, that city or county is not entitled  
18          to receive a payment for the quarter and the undistributed amount must be included in  
19          the total amount to be distributed to other cities and counties for the quarter.
- 20          4. Pursuant to legislative appropriation, the attorney general shall use moneys available  
21          in the gaming tax allocation fund for the administration and operating costs associated  
22          with charitable gaming.
- 23          5. On or before June thirtieth of each odd-numbered year, the attorney general shall  
24          certify to the state treasurer the amount of accumulated funds in the gaming tax  
25          allocation fund which exceed fifty percent of the amount appropriated by the legislative  
26          assembly for administrative and operating costs associated with charitable gaming for  
27          the subsequent biennium. The state treasurer shall transfer the certified amount from  
28          the gaming tax allocation fund to the general fund before the end of each biennium.

29           **SECTION 13. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is  
30    amended and reenacted as follows:

1       **54-12-11. Salary of attorney general.**

2       The annual salary of the attorney general is one hundred ~~forty-nine~~sixty-five thousand  
3 ~~four~~eight hundred ~~ninety-five dollars through June 30, ~~2020~~2022, and one hundred  
4 ~~sixty-three~~sixty-nine thousand ~~three~~one hundred ~~ninety-four~~sixty-two dollars thereafter.~~

5       **SECTION 14. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any individual or entity  
6 requesting a criminal history record check from the bureau of criminal investigation, as a result  
7 of legislation enacted by the sixty-seventh legislative assembly, shall pay a reasonable fee  
8 established by the attorney general to the attorney general to be deposited in the state's general  
9 fund for the biennium beginning July 1, 2021, and ending June 30, 2023.

10       **SECTION 15. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding  
11 section 54-12-08.1, the attorney general may contract for legal services compensated by a  
12 contingent fee arrangement for ongoing multi-state technology litigation during the period  
13 beginning with the effective date of this Act and ending June 30, 2023.

14       **SECTION 16. EXEMPTION - GAMING TAX REVENUE GRANTS.** Notwithstanding section  
15 53-06.1-12, the attorney general may distribute gaming tax revenue grants to cities and  
16 counties relating to the seventh and eighth quarters of the 2019-21 biennium through  
17 October 31, 2021.

18       **SECTION 17. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding  
19 section 54-12-18, the attorney general may retain the balance in the attorney general refund  
20 fund which would otherwise be transferred to the general fund on June 30, 2021.

21       **SECTION 18. EXEMPTION - REDUCED CIGARETTE IGNITION PROPENSITY AND**  
22 **FIREFIGHTER PROTECTION ACT ENFORCEMENT FUND.** Notwithstanding subsection 6 of  
23 section 18-13-03, the attorney general may invest \$125,906 from the Reduced Cigarette  
24 Ignition Propensity and Firefighter Protection Act enforcement fund, for the purpose of providing  
25 salary equity increases to fire marshal office positions during the biennium beginning July 1,  
26 2021, and ending June 30, 2023.

27       **SECTION 19. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount  
28 appropriated to the attorney general from the general fund for a concealed weapon rewrite  
29 project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the  
30 2017-19 and 2019-21 bienniums, is not subject to the provisions of section 54-44.1-11. Any  
31 unexpended funds from this appropriation are available to the attorney general for the

1 concealed weapon rewrite project, during the biennium beginning July 1, 2021, and ending  
2 June 30, 2023.

3 **SECTION 20. EXEMPTION - STATEWIDE AUTOMATED VICTIM INFORMATION AND**  
4 **NOTIFICATION PROGRAM.** The amount appropriated to the attorney general from other funds  
5 for the statewide automated victim information and notification system as contained in  
6 sections 1 and 8 of chapter 3 of the 2017 Session Laws and continued into the 2019-21  
7 biennium, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this  
8 appropriation are available to the attorney general for the legal case management system  
9 during the biennium beginning July 1, 2021, and ending June 30, 2023.

10 **SECTION 21. EXEMPTION - INFORMATION TECHNOLOGY EQUIPMENT.** The amount  
11 appropriated to the attorney general from the general fund for the purchase of information  
12 technology equipment as contained in section 1 of chapter 28 of the 2019 Session Laws, is not  
13 subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation  
14 are available to the attorney general for the purchase of information technology equipment,  
15 during the biennium beginning July 1, 2021, and ending June 30, 2023.

16 **SECTION 22. LEGISLATIVE INTENT - GAMING DIVISION.** It is the intent of the  
17 sixty-seventh legislative assembly that the expenses of the attorney general's gaming division  
18 be paid from gaming tax revenues.

19 **SECTION 23. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENT**  
20 **ATTORNEYS.** During the 2021-22 interim, the legislative management shall consider studying  
21 the feasibility and desirability of consolidating attorney and legal-related positions in state  
22 government. The study must include an analysis of the number of attorney and legal-related  
23 positions in state government, the agency to which the positions are assigned, the type of work  
24 performed by the positions, and any efficiencies that may be gained through the consolidation of  
25 these positions into the attorney general's office. The study must include consultation with the  
26 attorney general and any agency with attorney and legal-related positions in state government  
27 for the 2021-23 biennium. The legislative management shall report its findings and  
28 recommendations, together with any legislation required to implement the recommendations, to  
29 the sixty-eighth legislative assembly.

30 **SECTION 24. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENT**  
31 **LITIGATION FUNDING.** During the 2021-22 interim, the legislative management shall consider



1 studying the feasibility and desirability of consolidating litigation-related funding in state  
2 government. The study must include an analysis of litigation-related funding in state government  
3 agency budgets, including the purpose and source of funding for the litigation and any  
4 efficiencies that may be gained through the consolidation of the litigation funding into the  
5 attorney general's office. The study must include consultation with the attorney general and any  
6 agency with litigation-related funding appropriated for the 2021-23 biennium. The legislative  
7 management shall report its findings and recommendations, together with any legislation  
8 required to implement the recommendations, to the sixty-eighth legislative assembly.

9 **SECTION 25. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS.**

10 During the 2021-22 interim, the legislative management shall consider studying laws regarding  
11 the state's charitable gaming taxation and use of net proceeds for eligible organizations. The  
12 legislative management shall report its findings and recommendations, together with any  
13 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

14 **SECTION 26. EMERGENCY.** Sections 4 and 15 of this Act are declared to be an  
15 emergency measure.