

Sixty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1162

Introduced by

Representatives Toman, Rick C. Becker, Jones, K. Koppelman, Louser, Olson, Simons

Senator O. Larsen

1 A BILL for an Act to create and enact a new section to chapter 49-02 of the North Dakota
2 Century Code, relating to competition between the government and private industry and to
3 require a report to the legislative management.

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

5 **SECTION 1.** A new section to chapter 49-02 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Government - Private business - Competition - Report to legislative management.**

8 1. Upon petition by an individual directly affected by competition with a state agency or
9 institution, the public service commission shall determine whether the agency or
10 institution is in competition with private enterprise.

11 2. If the public service commission determines a state agency or institution is engaged in
12 competition with private enterprise after a hearing during which all impacted parties
13 had an opportunity to present evidence, the commission shall direct the state agency
14 or institution to terminate the activity unless:

15 a. Cessation of the activity will create an emergency;

16 b. The cost of providing the service through private enterprise will cost at least ten
17 percent more than the same service provided by a state agency institution;

18 c. Private enterprise cannot adequately provide the service; or

19 d. Cessation of the activity will cause irreparable harm or loss of substantial
20 invested funds.

21 3. The public service commission shall submit a written decision to the parties within
22 twenty days of the hearing.

- 1 4. A petitioner may file an appeal of a decision made by the public service commission
2 with the district court. If the appeal is unsuccessful, the petitioner shall pay the costs of
3 the hearing and appeal incurred by the state including reasonable attorney's fees.
- 4 5. Any activity or service provided by a state agency or institution before the effective
5 date of this section which is found to be in competition with private enterprise may
6 continue until the expiration of any contract that would be adversely affected by the
7 cessation of the activity.
- 8 6. Unless a state agency or institution demonstrates a compelling public interest for an
9 activity to be in competition with private enterprise, it must be the policy of the state to
10 contract with private enterprise. If a state agency institution is authorized to engage in
11 an activity in competition with private enterprise, the public service commission shall
12 set a fee for that activity to reflect the fair market value and the actual costs incurred.
- 13 7. The public service commission shall report to the legislative management by March
14 fifteenth of each even-numbered year on the status of petitions received under this
15 section.