

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

SENATE BILL NO. 2077
(Industry, Business and Labor Committee)
(At the request of the Insurance Commissioner)

AN ACT to amend and reenact section 26.1-02.1-05 of the North Dakota Century Code, relating to the penalties and restitution for insurance fraud; to provide a penalty; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 26.1-02.1-05 of the North Dakota Century Code is amended and reenacted as follows:

26.1-02.1-05. Penalties - Restitution.

1. a. A violation of section 26.1-02.1-02.1 is:
 - (1) A class A felony if the value of any property or services retained exceeds fifty thousand dollars;
 - (2) A class B felony if the value of ~~any property or services attempted to be obtained~~the act associated with the fraud or directly related to the fraud exceeds fifty thousand dollars;
 - (3) A class B felony if the value of any property or services retained exceeds ten thousand dollars but does not exceed fifty thousand dollars;
 - (4) A class C felony if the value of ~~any property or services attempted to be obtained~~the act associated with the fraud or directly related to the fraud exceeds ten thousand dollars but does not exceed fifty thousand dollars;
 - (5) A class C felony if the value of any property or services retained exceeds one thousand dollars but does not exceed ten thousand dollars; and
 - (6) A class A misdemeanor in all other cases.
- b. For purposes of this section, the value of any property and services must be determined in accordance with section 12.1-23-05.
2. ~~In the event that~~If a practitioner is adjudicated guilty of a violation of section 26.1-02.1-02.1, the court shall notify the appropriate licensing authority of this state of the adjudication. The appropriate licensing authority shall hold an administrative hearing to consider the imposition of administrative sanctions as provided by law against the practitioner.
3. In addition to any other punishment, a person ~~whothat~~ violates section 26.1-02.1-02.1 must be ordered to make restitution to the insurer or to any other person for any financial loss sustained as a result of the violation of section 26.1-02.1-02.1. The court shall determine the extent and method of restitution.
4. A prosecution for any felony offense under chapter 26.1-02.1 must be commenced within three years after the date of discovery of the fraud.
5. A prosecution for any misdemeanor or infraction offense under chapter 26.1-02.1 must be commenced within two years after the date of discovery of the fraud.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2077.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 91 Nays 0 Absent 3

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2019.

Approved at _____ M. on _____, 2019.

Governor

Filed in this office this _____ day of _____, 2019,

at _____ o'clock _____ M.

Secretary of State