

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2004**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state department
2 of health; to amend and reenact sections 43-28.1-01 and 43-28.1-03 and subsection 1 of
3 section 54-27-25 of the North Dakota Century Code, relating to the dentists loan repayment
4 program, criteria to be used in selecting qualified dentists, and the tobacco settlement trust
5 fund; to repeal chapter 23-38 of the North Dakota Century Code, relating to the community
6 health grant program; to provide a statement of legislative intent; to provide for a report to the
7 legislative management; and to declare an emergency.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
10 as may be necessary, are appropriated out of any moneys in the general fund in the state
11 treasury, not otherwise appropriated, and from special funds derived from federal funds and
12 other income, to the state department of health for the purpose of defraying the expenses of the
13 state department of health, for the biennium beginning July 1, 2017, and ending June 30, 2019,
14 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
15				
16				
17	Salaries and wages	\$62,805,918	\$443,903	\$63,249,821
18	Operating expenses	40,598,335	(2,959,050)	37,639,285
19	Capital assets	2,895,232	551,508	3,446,740
20	Grants	57,096,760	2,787,181	59,883,941
21	Tobacco prevention	6,910,177	6,736,527	13,646,704
22	Women, infants, and children food	20,200,000	0	20,200,000
23	payments			
24	Medical marijuana	0	1,560,770	1,560,770

Sixty-fifth
Legislative Assembly

1	Total all funds	\$190,506,422	\$9,120,839	\$199,627,261
2	Less estimated income	<u>141,970,854</u>	<u>14,373,200</u>	<u>156,344,054</u>
3	Total general fund	\$48,535,568	(\$5,252,361)	\$43,283,207
4	Full-time equivalent positions	365.00	(3.00)	362.00

5 **SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item, tobacco
6 prevention line item, and medical marijuana line item in section 1 of this Act include the sum of
7 \$1,002,131, of which \$529,839 is from the general fund, for increases in employee health
8 insurance premiums from \$1,130 to \$1,241 per month.

9 **SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-**
10 **SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items
11 approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the
12 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

13	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
14	Environmental equipment	\$780,000	\$0
15	Forensic examiner digital x-ray equipment	44,000	0
16	Women, infants, and children system upgrade	1,712,110	1,739,220
17	Medical marijuana	<u>0</u>	<u>95,066</u>
18	Total all funds	\$2,536,110	\$1,834,286
19	Less estimated income	<u>2,200,110</u>	<u>1,834,286</u>
20	Total general fund	\$336,000	\$0

21 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the
22 2019-21 biennium. The state department of health shall report to the appropriations committees
23 of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium
24 beginning July 1, 2017, and ending June 30, 2019.

25 **SECTION 4. ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated
26 income line item included in section 1 of this Act includes \$250,000, or so much of the sum as
27 may be necessary, to be made available to the state department of health from the environment
28 and rangeland protection fund, for the biennium beginning July 1, 2017, and ending June 30,
29 2019. This amount includes \$50,000 for a grant to the North Dakota stockmen's association
30 environmental services program.

1 **SECTION 5. INSURANCE TAX DISTRIBUTION FUND.** The estimated income line item
2 included in section 1 of this Act includes \$1,250,000 from the insurance tax distribution fund for
3 rural emergency medical services grants.

4 **SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated
5 income line item included in section 1 of this Act includes \$500,000 from the strategic
6 investment and improvements fund for legal fees related to an environmental protection agency
7 lawsuit.

8 **SECTION 7. STUDENT LOAN TRUST FUND.** The estimated income line item in section 1
9 of this Act includes \$360,000 from the student loan trust fund for dental loan repayment
10 program grants.

11 **SECTION 8. TOBACCO PREVENTION AND CONTROL TRUST FUND.** The estimated
12 income line item in section 1 of this Act includes \$12,878,195 from the tobacco prevention and
13 control trust fund for tobacco prevention and related health programs.

14 **SECTION 9. STATEMENT OF LEGISLATIVE INTENT - MEDICAL MARIJUANA.** It is the
15 intent of the sixty-fifth legislative assembly that chapter 19-24.1 of the North Dakota Century
16 Code, as created in Senate Bill No. 2344, be treated as an amendment to initiated measure
17 No. 5 as adopted at the general election in 2016, and therefore an amendment to or repeal of
18 chapter 19-24.1 before December 8, 2023, is subject to the requirements of section 8 of
19 article III of the Constitution of North Dakota.

20 **SECTION 10. AMENDMENT.** Section 43-28.1-01 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **43-28.1-01. Loan repayment program - Dentists - Defined need - Maximum amount of**
23 **funds.**

24 ~~Each year~~Annually, the state health council shall select, from a pool of applicants, dentists
25 who ~~shall~~will provide dental services in cities or surrounding areas, or both, in this state which
26 the state health council identifies as having a defined need for dental services. The dentists
27 selected from this pool of applicants ~~may include dentists who will~~shall agree to accept medical
28 assistance patients and assignments or provide dental services in a public health clinic, a
29 practice with a focus on an underserved population, or a nonprofit dental clinic. ~~The dentists-~~
30 ~~are~~A selected dentist who agrees to the terms of this program is eligible to receive funds for the
31 repayment of ~~their~~the dentist's education loans. The funds, which are payable over a five-year

1 period, may not exceed one hundred thousand dollars per applicant. If the state health council
2 accepts any gifts, grants, or donations under this chapter, the council may select additional
3 dentists for participation in the loan repayment program under this chapter.

4 **SECTION 11. AMENDMENT.** Section 43-28.1-03 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **43-28.1-03. Criteria.**

7 1. The health council shall establish criteria to be used in selecting qualified dentists and
8 in identifying cities or surrounding areas, or both, that have a defined need for dental
9 services. The criteria must include consideration of:

- 10 a. The number of dentists already providing dental services in the city or
11 surrounding areas, or both;
- 12 b. Access to dental services in the city and the surrounding areas;
- 13 c. How the dentist will provide dental services to individuals on medical assistance
14 or in a public health clinic, a practice with a focus on an underserved population,
15 or a nonprofit dental clinic; and
- 16 d. The dentist's training in general dentistry or in a dental specialty and the extent to
17 which such services are needed in the identified city or surrounding areas, or
18 both.

19 2. As a term of receipt of funds under this chapter, a dentist shall accept medical
20 assistance patients and assignments or provide dental services in a public health
21 clinic, a practice with a focus on an underserved population, or a nonprofit dental
22 clinic. For purposes of a dentist selected for loan payment under this chapter who
23 practices within fifteen miles [24.14 kilometers] of the city limits of one of the three
24 largest cities in the state, to qualify to receive a yearly disbursement under this chapter
25 during that year of obligated service, the dentist must have:

- 26 a. Received dental medical payments of at least twenty thousand dollars in the form
27 of medical assistance reimbursement; or
- 28 b. Practiced at least two full workdays per week at a public health clinic or at a
29 nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental
30 clinic's patients.

- 1 3. The health council may consult with public and private sector entities in establishing
2 criteria and evaluating needs based on the criteria.

3 **SECTION 12. AMENDMENT.** Subsection 1 of section 54-27-25 of the North Dakota Century
4 Code is amended and reenacted as follows:

- 5 1. There is created in the state treasury a tobacco settlement trust fund. The fund
6 consists of the tobacco settlement dollars obtained by the state under subsection IX(c)
7 (1) of the master settlement agreement and consent agreement adopted by the east
8 central judicial district court in its judgment entered December 28, 1998 [Civil
9 No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc.
10 Except as provided in subsection 2, moneys received by the state under
11 subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be
12 credited to the fund and deposited in the fund. The principal and interest of the fund
13 may be appropriated to the attorney general for the purpose of enforcing the master
14 settlement agreement and any disputes with the agreement. All remaining principal
15 and interest of the fund must be allocated as follows:

- 16 a. Transfers to a community health trust fund to be administered by the state
17 department of health. The state department of health may use funds as
18 appropriated for community-based public health programs and other public health
19 programs, including programs with emphasis on preventing or reducing tobacco
20 usage in this state. Transfers under this subsection must equal ten percent of
21 total annual transfers from the tobacco settlement trust fund ~~of which a minimum~~
22 ~~of eighty percent must be used for tobacco prevention and control.~~
23 b. Transfers to the common schools trust fund to become a part of the principal of
24 that fund. Transfers under this subsection must equal forty-five percent of total
25 annual transfers from the tobacco settlement trust fund.
26 c. Transfers to the water development trust fund to be used to address the
27 long-term water development and management needs of the state. Transfers
28 under this subsection must equal forty-five percent of the total annual transfers
29 from the tobacco settlement trust fund.

30 **SECTION 13. REPEAL.** Chapter 23-38 of the North Dakota Century Code is repealed.

1 **SECTION 14. COMPREHENSIVE TOBACCO CONTROL ADVISORY COMMITTEE**

2 **RECORDS TRANSFER.** As of July 1, 2017, all business-related records belonging to the
3 comprehensive tobacco control advisory committee must be transferred to the state department
4 of health. The comprehensive tobacco control advisory committee shall allow the state
5 department of health to have access to the business-related records of the committee before
6 July 1, 2017, as necessary, for the purpose of transitioning operations to the state department
7 of health.

8 **SECTION 15. STATEWIDE TOBACCO PREVENTION AND CONTROL PLAN -**

9 **IMPLEMENTATION - EVALUATION - REPORT TO LEGISLATIVE MANAGEMENT.** By July 31,
10 2017, the state department of health shall develop a statewide tobacco prevention and control
11 plan that is consistent with the five components of the centers for disease control and
12 prevention best practices for comprehensive tobacco control programs. At least once during the
13 2017-19 biennium, the state department of health shall provide for an independent review of the
14 tobacco prevention and control plan to evaluate the effectiveness of the plan and its
15 implementation. Any costs related to the independent review are provided in the tobacco
16 prevention line item in section 1 of this Act and may be paid from the tobacco prevention and
17 control trust fund. The department shall report the results of the independent review to the
18 legislative management.

19 **SECTION 16. EMERGENCY.** The funding included in the medical marijuana line item in
20 section 1 and section 14 of this Act are declared to be an emergency measure.