

HOUSE BILL NO. 1296

Introduced by

Representatives Haas, Boe, Vigesaa, Wald

Senators Andrist, Warner

1 A BILL for an Act to create and enact chapter 23-40 of the North Dakota Century Code, relating
2 to distribution of insurance premiums tax collections to emergency medical services operations;
3 to amend and reenact sections 18-04-04 and 18-04-04.1 and subsection 1 of section
4 26.1-03-17 of the North Dakota Century Code, relating to the insurance premiums tax
5 collections; and to provide an appropriation.

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

7 **SECTION 1. AMENDMENT.** Section 18-04-04 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **18-04-04. Insurance companies to report fire, allied lines, homeowner's multiple**
10 **peril, farmowner's multiple peril, and commercial multiple peril insurance premium**
11 **collections - Form furnished by insurance commissioner.** The insurance commissioner,
12 when the commissioner forwards to an insurance company ~~which~~ that is issuing policies for fire,
13 allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple
14 peril insurance in this state the form to be used in submitting its annual statement, shall forward
15 a form containing the names of all cities and all rural fire protection districts or rural fire
16 departments entitled to benefits under the provisions of this chapter and the names of all
17 emergency medical services operations entitled to benefits under chapter 23-40. Every
18 insurance company issuing policies for fire, allied lines, homeowner's multiple peril, farmowner's
19 multiple peril, and commercial multiple peril insurance within this state shall complete such form
20 by showing thereon the amount of all premiums received by it upon such policies issued on
21 property within the corporate limits of each city shown on such form and on property within the
22 boundaries of each rural fire protection district shown on such form or property within the
23 boundaries of each rural fire department, and within each county that is covered by an
24 emergency medical services operation shown on such form as certified by the state fire marshal

1 and the state health officer during the year ending on the preceding thirty-first day of December
2 and shall file the same as a part of its annual statement.

3 **SECTION 2. AMENDMENT.** Section 18-04-04.1 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **18-04-04.1. Insurance tax distribution fund.** The insurance tax distribution fund is a
6 special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must
7 be deposited in the fund for disbursement as provided in this chapter and chapter 23-40,
8 subject to legislative appropriation.

9 **SECTION 3.** Chapter 23-40 of the North Dakota Century Code is created and enacted
10 as follows:

11 **23-40-01. Eligibility for participation in fund created from premium tax on fire**
12 **insurance companies.** To become eligible for the benefits provided under this chapter, an
13 emergency medical services operation shall maintain for a period of at least eight months
14 before the filing of the certificate required under section 23-40-02 a licensed emergency
15 medical services operation meets that meets the minimum requirements set by rule adopted by
16 the state health council.

17 **23-40-02. Emergency medical services operation to file certificate with state**
18 **department of health and insurance commissioner.** Before November first of each year, the
19 licenseholder of an emergency medical services operation licensed under chapter 23-27 shall
20 file with the state department of health and with the insurance commissioner the licenseholder's
21 certificate stating the existence of the emergency medical services operation, the date of the
22 operation's initial licensure, the number of emergency medical services vehicles operated by
23 the operation, and other facts as the state department of health or commissioner may require.

24 **23-40-03. Failure to file certificate deemed waiver - Exception.** If the certificate
25 required by section 23-40-02 is not filed with the state department of health and insurance
26 commissioner before November first, the emergency medical services operation failing to file
27 the certificate is deemed to have waived and relinquished the operation's right for such year to
28 the benefits of this chapter. However, if the emergency medical services operation has filed the
29 operation's certificate for three successive years and has drawn money thereunder for that
30 time, the certificate may be filed at any time before March second of the succeeding year
31 without waiving the right to the benefits provided under this chapter.

1 **23-40-04. Amount due emergency medical services operations - Payments by**
2 **insurance commissioner.** Before October second of each year, the state health officer shall
3 compute the amounts due to the emergency medical services operations entitled to benefits
4 under this chapter and shall report this information to the insurance commissioner. The
5 insurance commissioner shall allocate one-half of the biennial legislative appropriation for
6 distribution under this section to eligible emergency medical services operations and pay the
7 amount allocated in September of each year. The state health officer's calculation of the
8 allocation must take into account the amount of insurance company premiums received by
9 insurance companies, pursuant to section 26.1-03-17, for policies for fire, allied lines,
10 homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail
11 insurance on property within each county served by the emergency medical services
12 operations.

13 **23-40-05. Disbursement of fund by state health officer - Authorized uses -**
14 **Distribution of funds by emergency medical services operations.** The state health council
15 shall adopt rules regarding appropriate disbursement protocols and uses for moneys received
16 by emergency medical services operations under this chapter.

17 **SECTION 4. AMENDMENT.** Subsection 1 of section 26.1-03-17 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 1. Before issuing the annual certificate required by law, the commissioner shall collect
20 from every stock and mutual insurance company, nonprofit health service
21 corporation, health maintenance organization, and prepaid legal service
22 organization, except fraternal benefit and benevolent societies, doing business in
23 this state, a tax on the gross amount of premiums, assessments, membership fees,
24 subscriber fees, policy fees, service fees collected by any third-party administrator
25 providing administrative services to a group that is self-insured for health care
26 benefits, and finance and service charges received in this state during the
27 preceding calendar year, at the rate of two percent with respect to life insurance,
28 one and three-fourths percent with respect to accident and health insurance, and
29 one and three-fourths percent with respect to all other lines of insurance. This tax
30 does not apply to considerations for annuities. The total tax is payable on or
31 before March first following the year for which the tax is assessable. Collections

1 from this tax must be deposited in the insurance tax distribution fund under section
2 18-04-04.1 but not in an amount exceeding one-half of the biennial amount
3 appropriated for distribution under ~~section~~ sections 18-04-05 and 23-40-04 in any
4 fiscal year. Collections from this tax exceeding the amount deposited in the
5 insurance tax distribution fund each fiscal year must be deposited in the general
6 fund in the state treasury. If the due date falls on a Saturday or legal holiday, the
7 tax is payable on the next succeeding business day.

8 **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the
9 insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of
10 \$5,500,000, or so much of the sum as may be necessary, to the insurance commissioner for
11 the purpose of making payments of insurance premiums tax collections to emergency medical
12 services operations, for the biennium beginning July 1, 2007, and ending June 30, 2009.