

Sixtieth  
Legislative Assembly  
of North Dakota

## ENGROSSED 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 section 18-04-04.1 and subsection 1 of section 26.1-03-17 of the North  
4 Dakota Century Code, relating to the insurance premiums tax collections; to provide for a  
5 report; and to provide an appropriation.

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

7 **SECTION 1. AMENDMENT.** Section 18-04-04.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **18-04-04.1. Insurance tax distribution fund.** The insurance tax distribution fund is a  
10 special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must  
11 be deposited in the fund for disbursement as provided in this chapter and chapter 23-40,  
12 subject to legislative appropriation.

13 **SECTION 2.** Chapter 23-40 of the North Dakota Century Code is created and enacted  
14 as follows:

15 **23-40-01. Eligibility.** To be eligible to apply for funds under this chapter, an applicant  
16 must be the licenseholder of an emergency medical services operation that has been licensed  
17 under chapter 23-27 for a period of at least twelve months before the filing of the application  
18 under section 23-40-02, must bill for services at a level at least equivalent to the medicare  
19 billing level, and must meet any additional requirements set by rule adopted by the state health  
20 council.

21 **23-40-02. Application.** Before November first of each year, the licenseholder of an  
22 emergency medical services operation shall file a complete application with the state  
23 department of health on a form provided by the department. The application must include an

1 affirmation of the operation's billing levels, documentation of the availability of local matching  
2 funds, and other information as may be required by the department.

3 **23-40-03. Eligibility for distribution of funds.** The state health officer shall make  
4 eligibility determinations and distribution amount determinations under this chapter in  
5 accordance with the department's strategic plan for providing emergency medical services in  
6 this state. The department shall establish and continually update this strategic plan for an  
7 integrated emergency medical services program that includes a comprehensive statewide  
8 emergency medical services system. Eligibility for funds under this chapter is not an  
9 entitlement. The state health officer may not distribute funds to an applicant unless the  
10 applicant has verified the existence of local matching funds equal to twenty-five percent of the  
11 proposed distribution amount.

12 **23-40-04. Allocation for distribution of funds.** During the first year of the biennium,  
13 the state health officer may not distribute more than one-half of the biennial legislative  
14 appropriation and during the second year of the biennium the state health officer may distribute  
15 the remainder of the biennial legislative appropriation.

16 **23-40-05. Use of funds.** A recipient of funds under this chapter shall use the funds in  
17 a manner consistent with rules adopted by the state health council. A recipient of funds may  
18 not use funds for capital expenses such as emergency vehicles and emergency medical  
19 services equipment.

20 **SECTION 3. AMENDMENT.** Subsection 1 of section 26.1-03-17 of the North Dakota  
21 Century Code is amended and reenacted as follows:

22 1. Before issuing the annual certificate required by law, the commissioner shall  
23 collect from every stock and mutual insurance company, nonprofit health service  
24 corporation, health maintenance organization, and prepaid legal service  
25 organization, except fraternal benefit and benevolent societies, doing business in  
26 this state, a tax on the gross amount of premiums, assessments, membership  
27 fees, subscriber fees, policy fees, service fees collected by any third-party  
28 administrator providing administrative services to a group that is self-insured for  
29 health care benefits, and finance and service charges received in this state during  
30 the preceding calendar year, at the rate of two percent with respect to life  
31 insurance, one and three-fourths percent with respect to accident and health

1 insurance, and one and three-fourths percent with respect to all other lines of  
2 insurance. This tax does not apply to considerations for annuities. The total tax is  
3 payable on or before March first following the year for which the tax is assessable.  
4 Collections from this tax must be deposited in the insurance tax distribution fund  
5 under section 18-04-04.1 but not in an amount exceeding one-half of the biennial  
6 amount appropriated for distribution under ~~section~~ sections 18-04-05 and 23-40-04  
7 in any fiscal year. Collections from this tax exceeding the amount deposited in the  
8 insurance tax distribution fund each fiscal year must be deposited in the general  
9 fund in the state treasury. If the due date falls on a Saturday or legal holiday, the  
10 tax is payable on the next succeeding business day.

11 **SECTION 4. ASSESSMENT OF STATE'S EMERGENCY MEDICAL SERVICES**

12 **SYSTEM - REPORT.** The state department of health shall seek to contract with a third party  
13 for an assessment of the state's emergency medical services system to assist in developing an  
14 integrated emergency medical services program that includes a comprehensive statewide  
15 emergency medical services system. The assessment may address regulation and policy;  
16 resource management; human resources and training; transportation; facilities;  
17 communications; trauma systems; public information, education, and prevention; medical  
18 direction; and an evaluation. The department shall report the findings to the legislative council  
19 no later than July 1, 2008.

20 **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the  
21 insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of  
22 \$5,500,000, or so much of the sum as may be necessary, to the state department of health for  
23 the purpose of making payments of insurance premiums tax collections to emergency medical  
24 services operations, for the biennium beginning July 1, 2007, and ending June 30, 2009.

25 **SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the  
26 general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much  
27 of the sum as may be necessary, to the state department of health for the purpose of funding  
28 an assessment of the state's emergency medical services system under section 4 of this Act,  
29 for the biennium beginning July 1, 2007, and ending June 30, 2009.