

**SECOND ENGROSSMENT  
with Conference Committee Amendments****REENGROSSED 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. Strategic plan.** The state department of health shall establish and update  
4 regularly a strategic plan for an integrated emergency medical services program in this state  
5 which includes a comprehensive statewide emergency medical services system. The strategic  
6 plan may include consideration of transportation distances to hospitals, the size of service  
7 areas, the distance between emergency medical services operations, the age of emergency  
8 medical services personnel, the use of and the willingness to use first responders, the feasibility  
9 of consolidation of emergency medical services operations, the types of calls received, and call  
10 volume.

11 **23-40-04. Eligibility for distribution of funds.** The state health officer shall make  
12 eligibility determinations, level of local matching funds determinations, and distribution amount  
13 determinations under this chapter in accordance with the department's strategic plan for  
14 providing emergency medical services in this state. The department shall establish a sliding  
15 percent formula for determining the percentage of an applicant's local matching fund obligation.  
16 The sliding percent formula must be based on the department's strategic plan and must include  
17 consideration of how the applicant fits into the strategic plan and consideration of the needs of  
18 emergency medical services operations in the applicant's neighboring service areas. Eligibility  
19 for funds under this chapter is not an entitlement. The state health officer may not distribute  
20 funds to an applicant unless the applicant has verified the existence of local matching funds at  
21 the level determined by the state health officer, but which must be at least ten percent but not  
22 more than ninety percent of the proposed distribution amount.

23 **23-40-05. Allocation for distribution of funds.** During the first year of the biennium,  
24 the state health officer may not distribute more than one-half of the biennial legislative  
25 appropriation and during the second year of the biennium the state health officer may distribute  
26 the remainder of the biennial legislative appropriation.

27 **23-40-06. Use of funds.** A recipient of funds under this chapter shall use the funds in  
28 a manner consistent with rules adopted by the state health council. A recipient of funds may  
29 not use funds for capital expenses such as emergency vehicles and emergency medical  
30 services equipment.

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

3           1. Before issuing the annual certificate required by law, the commissioner shall  
4 collect from every stock and mutual insurance company, nonprofit health service  
5 corporation, health maintenance organization, and prepaid legal service  
6 organization, except fraternal benefit and benevolent societies, doing business in  
7 this state, a tax on the gross amount of premiums, assessments, membership  
8 fees, subscriber fees, policy fees, service fees collected by any third-party  
9 administrator providing administrative services to a group that is self-insured for  
10 health care benefits, and finance and service charges received in this state during  
11 the preceding calendar year, at the rate of two percent with respect to life  
12 insurance, one and three-fourths percent with respect to accident and health  
13 insurance, and one and three-fourths percent with respect to all other lines of  
14 insurance. This tax does not apply to considerations for annuities. The total tax is  
15 payable on or before March first following the year for which the tax is assessable.  
16 Collections from this tax must be deposited in the insurance tax distribution fund  
17 under section 18-04-04.1 but not in an amount exceeding one-half of the biennial  
18 amount appropriated for distribution under ~~section~~ sections 18-04-05 and 23-40-05  
19 in any fiscal year. Collections from this tax exceeding the amount deposited in the  
20 insurance tax distribution fund each fiscal year must be deposited in the general  
21 fund in the state treasury. If the due date falls on a Saturday or legal holiday, the  
22 tax is payable on the next succeeding business day.

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

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

1           **SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the  
2 insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of  
3 \$1,250,000, or so much of the sum as may be necessary, to the state department of health for  
4 the purpose of making payments of insurance premiums tax collections to emergency medical  
5 services operations, for the biennium beginning July 1, 2007, and ending June 30, 2009.

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