

Sixty-fifth  
Legislative Assembly  
of North Dakota

## 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 subsection 1 of section 54-27-25 of the North Dakota Century  
3 Code, relating to the tobacco settlement trust fund; to repeal chapter 23-38 of the North Dakota  
4 Century Code, relating to the community health grant program; to provide for a legislative  
5 management report; and to declare an emergency.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
13			
14			
15	Salaries and wages	\$1,610,189	\$64,416,107
16	Operating expenses	(2,203,877)	38,394,458
17	Capital assets	551,508	3,446,740
18	Grants	(961,090)	56,135,670
19	Tobacco prevention	5,237,564	12,147,741
20	Women, infants, and children food	0	20,200,000
21	payments		
22	Medical marijuana	<u>0</u>	<u>6,236,376</u>
23	Total all funds	\$10,470,670	\$200,977,092
24	Less estimated income	<u>141,970,854</u>	<u>155,888,204</u>

1	Total general fund	\$48,535,568	(\$3,446,680)	\$45,088,888
2	Full-time equivalent positions	365.00	12.00	377.00

3       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-**

4 **SIXTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items  
5 approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium and the  
6 2017-19 one-time funding items included in the appropriation in section 1 of this Act:

7	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
8	Environmental equipment	\$780,000	\$0
9	Forensic examiner digital x-ray equipment	44,000	0
10	Women, infants, and children system upgrade	1,712,110	1,739,220
11	Medical marijuana	0	<u>1,197,903</u>
12	Total all funds	\$2,536,110	\$2,937,123
13	Less estimated income	<u>2,200,110</u>	<u>2,937,123</u>
14	Total general fund	\$336,000	\$0

15 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the  
16 2019-21 biennium. The state department of health shall report to the appropriations committees  
17 of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium  
18 beginning July 1, 2017, and ending June 30, 2019.

19       **SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated  
20 income line item included in section 1 of this Act includes \$250,000, or so much of the sum as  
21 may be necessary, to be made available to the state department of health from the environment  
22 and rangeland protection fund, for the biennium beginning July 1, 2017, and ending June 30,  
23 2019. This amount includes \$50,000 for a grant to the North Dakota stockmen's association  
24 environmental services program.

25       **SECTION 4. INSURANCE TAX DISTRIBUTION FUND.** The estimated income line item  
26 included in section 1 of this Act includes \$1,250,000 from the insurance tax distribution fund for  
27 rural emergency medical services grants.

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

1       **SECTION 6. STUDENT LOAN TRUST FUND.** The estimated income line item in section 1  
2 of this Act includes \$360,000 from the student loan trust fund for dental loan repayment  
3 program grants.

4       **SECTION 7. TOBACCO PREVENTION AND CONTROL TRUST FUND.** The estimated  
5 income line item in section 1 of this Act includes \$11,078,195 from the tobacco prevention and  
6 control trust fund for tobacco prevention and related health programs.

7       **SECTION 8. AMENDMENT.** Subsection 1 of section 54-27-25 of the North Dakota Century  
8 Code is amended and reenacted as follows:

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

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

1                   under this subsection must equal forty-five percent of the total annual transfers  
2                   from the tobacco settlement trust fund.

3                   **SECTION 9. REPEAL.** Chapter 23-38 of the North Dakota Century Code is repealed.

4                   **SECTION 10. TOBACCO PROGRAM - INDEPENDENT REVIEW AND REPORT TO**  
5 **LEGISLATIVE MANAGEMENT.** By July 31, 2017, the state department of health shall develop  
6 a statewide tobacco prevention and control plan that is consistent with the five components of  
7 centers of disease control and prevention best practices for comprehensive tobacco control  
8 programs. At least once during the biennium, the state department of health shall provide for an  
9 independent review to evaluate the effectiveness of the plan and its implementation and shall  
10 report the results of the review to the legislative management.

11                   **SECTION 11. EMERGENCY.** The funding included in the medical marijuana line item in  
12 section 1 of this Act is declared to be an emergency measure.