

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 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>
17 <del>Salaries and wages</del>	<del>\$62,805,918</del>	<del>\$1,610,189</del>	<del>\$64,416,107</del>
18 <del>Operating expenses</del>	<del>40,598,335</del>	<del>(2,203,877)</del>	<del>38,394,458</del>
19 <del>Capital assets</del>	<del>2,895,232</del>	<del>551,508</del>	<del>3,446,740</del>
20 <del>Grants</del>	<del>57,096,760</del>	<del>(961,090)</del>	<del>56,135,670</del>
21 <del>Tobacco prevention</del>	<del>6,910,177</del>	<del>5,237,564</del>	<del>12,147,741</del>
22 <del>Women, infants, and children food</del>	<del>20,200,000</del>	<del>0</del>	<del>20,200,000</del>
23 <del>—payments</del>			
24 <del>Medical marijuana</del>	<del>0</del>	<del>6,236,376</del>	<del>6,236,376</del>

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1	<del>Total all funds</del>	<del>\$190,506,422</del>	<del>\$10,470,670</del>	<del>\$200,977,092</del>
2	<del>Less estimated income</del>	<del>141,970,854</del>	<del>13,917,350</del>	<del>155,888,204</del>
3	<del>Total general fund</del>	<del>\$48,535,568</del>	<del>(\$3,446,680)</del>	<del>\$45,088,888</del>
4	<del>Full-time equivalent positions</del>	<del>365.00</del>	<del>12.00</del>	<del>377.00</del>
5	Salaries and wages	\$62,805,918	\$443,903	\$63,249,821
6	Operating expenses	40,598,335	(2,959,050)	37,639,285
7	Capital assets	2,895,232	551,508	3,446,740
8	Grants	57,096,760	2,787,181	59,883,941
9	Tobacco prevention	6,910,177	6,736,527	13,646,704
10	Women, infants, and children food	20,200,000	0	20,200,000
11	payments			
12	Medical marijuana	0	1,560,770	1,560,770
13	Total all funds	\$190,506,422	\$9,120,839	\$199,627,261
14	Less estimated income	141,970,854	14,373,200	156,344,054
15	Total general fund	\$48,535,568	(\$5,252,361)	\$43,283,207
16	Full-time equivalent positions	365.00	(3.00)	362.00

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

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

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

1	<del>Total general fund</del>	<del>\$336,000</del>	<del>\$0</del>
2	Medical marijuana	0	95,066
3	Total all funds	\$2,536,110	\$1,834,286
4	Less estimated income	2,200,110	1,834,286
5	Total general fund	\$336,000	\$0

6 The 2017-19 one-time funding amounts are not a part of the entity's base budget for the  
7 2019-21 biennium. The state department of health shall report to the appropriations committees  
8 of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium  
9 beginning July 1, 2017, and ending June 30, 2019.

10 **SECTION 4. ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated  
11 income line item included in section 1 of this Act includes \$250,000, or so much of the sum as  
12 may be necessary, to be made available to the state department of health from the environment  
13 and rangeland protection fund, for the biennium beginning July 1, 2017, and ending June 30,  
14 2019. This amount includes \$50,000 for a grant to the North Dakota stockmen's association  
15 environmental services program.

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

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

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

26 **SECTION 8. TOBACCO PREVENTION AND CONTROL TRUST FUND.** The estimated  
27 income line item in section 1 of this Act includes ~~\$11,078,195~~ \$12,878,195 from the tobacco  
28 prevention and control trust fund for tobacco prevention and related health programs.

29 **SECTION 9. STATEMENT OF LEGISLATIVE INTENT - MEDICAL MARIJUANA.** It is the  
30 intent of the sixty-fifth legislative assembly that chapter 19-24.1 of the North Dakota Century  
31 Code, as created in Senate Bill No. 2344, be treated as an amendment to initiated measure

1 No. 5 as adopted at the general election in 2016, and therefore an amendment to or repeal of  
2 chapter 19-24.1 before December 8, 2023, is subject to the requirements of section 8 of  
3 article III of the Constitution of North Dakota.

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

6 **43-28.1-01. Loan repayment program - Dentists - Defined need - Maximum amount of**  
7 **funds.**

8 ~~Each year~~Annually, the state health council shall select, from a pool of applicants, dentists  
9 who ~~shall~~will provide dental services in cities or surrounding areas, or both, in this state which  
10 the state health council identifies as having a defined need for dental services. The dentists  
11 selected from this pool of applicants ~~may include dentists who will~~shall agree to accept medical  
12 assistance patients and assignments or provide dental services in a public health clinic, a  
13 practice with a focus on an underserved population, or a nonprofit dental clinic. ~~The dentists-~~  
14 ~~are~~A selected dentist who agrees to the terms of this program is eligible to receive funds for the  
15 repayment of ~~their~~the dentist's education loans. The funds, which are payable over a five-year  
16 period, may not exceed one hundred thousand dollars per applicant. If the state health council  
17 accepts any gifts, grants, or donations under this chapter, the council may select additional  
18 dentists for participation in the loan repayment program under this chapter.

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

21 **43-28.1-03. Criteria.**

- 22 1. The health council shall establish criteria to be used in selecting qualified dentists and  
23 in identifying cities or surrounding areas, or both, that have a defined need for dental  
24 services. The criteria must include consideration of:
  - 25 a. The number of dentists already providing dental services in the city or  
26 surrounding areas, or both;
  - 27 b. Access to dental services in the city and the surrounding areas;
  - 28 c. How the dentist will provide dental services to individuals on medical assistance  
29 or in a public health clinic, a practice with a focus on an underserved population,  
30 or a nonprofit dental clinic; and

- 1 d. The dentist's training in general dentistry or in a dental specialty and the extent to  
2 which such services are needed in the identified city or surrounding areas, or  
3 both.
- 4 2. As a term of receipt of funds under this chapter, a dentist shall accept medical  
5 assistance patients and assignments or provide dental services in a public health  
6 clinic, a practice with a focus on an underserved population, or a nonprofit dental  
7 clinic. For purposes of a dentist selected for loan payment under this chapter who  
8 practices within fifteen miles [24.14 kilometers] of the city limits of one of the three  
9 largest cities in the state, to qualify to receive a yearly disbursement under this chapter  
10 during that year of obligated service, the dentist must have:
- 11 a. Received dental medical payments of at least twenty thousand dollars in the form  
12 of medical assistance reimbursement; or
- 13 b. Practiced at least two full workdays per week at a public health clinic or at a  
14 nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental  
15 clinic's patients.
- 16 3. The health council may consult with public and private sector entities in establishing  
17 criteria and evaluating needs based on the criteria.

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

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

- 1           a.   Transfers to a community health trust fund to be administered by the state  
2           department of health. The state department of health may use funds as  
3           appropriated for community-based public health programs and other public health  
4           programs, including programs with emphasis on preventing or reducing tobacco  
5           usage in this state. Transfers under this subsection must equal ten percent of  
6           total annual transfers from the tobacco settlement trust fund ~~of which a minimum  
7           of eighty percent must be used for tobacco prevention and control.~~
- 8           b.   Transfers to the common schools trust fund to become a part of the principal of  
9           that fund. Transfers under this subsection must equal forty-five percent of total  
10          annual transfers from the tobacco settlement trust fund.
- 11          c.   Transfers to the water development trust fund to be used to address the  
12          long-term water development and management needs of the state. Transfers  
13          under this subsection must equal forty-five percent of the total annual transfers  
14          from the tobacco settlement trust fund.

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

16           **SECTION 14. COMPREHENSIVE TOBACCO CONTROL ADVISORY COMMITTEE**  
17 **RECORDS TRANSFER.** As of July 1, 2017, all business-related records belonging to the  
18 comprehensive tobacco control advisory committee must be transferred to the state department  
19 of health. The comprehensive tobacco control advisory committee shall allow the state  
20 department of health to have access to the business-related records of the committee before  
21 July 1, 2017, as necessary, for the purpose of transitioning operations to the state department  
22 of health.

23           **SECTION 15. STATEWIDE TOBACCO PREVENTION AND CONTROL PLAN -**  
24 **IMPLEMENTATION - EVALUATION - REPORT TO LEGISLATIVE MANAGEMENT.** By July 31,  
25 2017, the state department of health shall develop a statewide tobacco prevention and control  
26 plan that is consistent with the five components of the centers for disease control and  
27 prevention best practices for comprehensive tobacco control programs. At least once during the  
28 2017-19 biennium, the state department of health shall provide for an independent review of the  
29 tobacco prevention and control plan to evaluate the effectiveness of the plan and its  
30 implementation. Any costs related to the independent review are provided in the tobacco  
31 prevention line item in section 1 of this Act and may be paid from the tobacco prevention and

1 control trust fund. The department shall report the results of the independent review to the  
2 legislative management.

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