

**Sixty-fifth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 3, 2017**

SENATE BILL NO. 2004  
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact sections 43-28.1-01 and 43-28.1-03 and subsection 1 of section 54-27-25 of the North Dakota Century Code, relating to the dentists loan repayment program, criteria to be used in selecting qualified dentists, and the tobacco settlement trust fund; to repeal chapter 23-38 of the North Dakota Century Code, relating to the community health grant program; to authorize transfers; to provide statements of legislative intent; to provide for a report to the legislative management; and to declare an emergency.

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$62,805,918	\$716,060	\$63,521,978
Operating expenses	40,598,335	(2,784,050)	37,814,285
Capital assets	2,895,232	551,508	3,446,740
Grants	57,096,760	2,787,181	59,883,941
Tobacco prevention	6,910,177	6,736,527	13,646,704
Women, infants, and children food payments	20,200,000	0	20,200,000
Medical marijuana	0	1,560,770	1,560,770
Total all funds	\$190,506,422	\$9,567,996	\$200,074,418
Less estimated income	<u>141,970,854</u>	<u>14,629,104</u>	<u>156,599,958</u>
Total general fund	<u>\$48,535,568</u>	<u>(\$5,061,108)</u>	<u>\$43,474,460</u>
Full-time equivalent positions	365.00	(1.00)	364.00

**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 \$1,007,440, of which \$525,796 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:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
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
Medical marijuana	0	<u>95,066</u>
Total all funds	\$2,536,110	\$1,834,286
Less estimated income	<u>2,200,110</u>	<u>1,834,286</u>
Total general fund	<u>\$336,000</u>	<u>\$0</u>

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

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

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

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

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

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

**SECTION 9. STATEMENT OF LEGISLATIVE INTENT - MEDICAL MARIJUANA.** It is the intent of the sixty-fifth legislative assembly that chapter 19-24.1 of the North Dakota Century Code, as created in Senate Bill No. 2344, be treated as an amendment to initiated measure No. 5 as adopted at the general election in 2016, and therefore an amendment to or repeal of chapter 19-24.1 before December 8, 2023, is subject to the requirements of section 8 of article III of the Constitution of North Dakota.

**SECTION 10. STATEMENT OF LEGISLATIVE INTENT - NEWBORN SCREENING - CARDIAC SYSTEM OF CARE TASK FORCE.** It is the intent of the sixty-fifth legislative assembly that the state department of health's newborn screening program collaborate with the cardiac system of care task force to identify and provide critical congenital heart defect educational materials and algorithms for health care facilities and resources for parents and to explore options for data collection and analysis for the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 11. AMENDMENT.** Section 43-28.1-01 of the North Dakota Century Code is amended and reenacted as follows:

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

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

**SECTION 12. AMENDMENT.** Section 43-28.1-03 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The health council shall establish criteria to be used in selecting qualified dentists and in identifying cities or surrounding areas, or both, that have a defined need for dental services. The criteria must include consideration of:
  - a. The number of dentists already providing dental services in the city or surrounding areas, or both;
  - b. Access to dental services in the city and the surrounding areas;
  - c. How the dentist will provide dental services to individuals on medical assistance or in a public health clinic, a practice with a focus on an underserved population, or a nonprofit dental clinic; and
  - d. The dentist's training in general dentistry or in a dental specialty and the extent to which such services are needed in the identified city or surrounding areas, or both.
2. As a term of receipt of funds under this chapter, a dentist shall accept medical assistance patients and assignments or provide dental services in a public health clinic, a practice with a focus on an underserved population, or a nonprofit dental clinic. For purposes of a dentist selected for loan payment under this chapter who practices within fifteen miles [24.14 kilometers] of the city limits of one of the three largest cities in the state, to qualify to receive a yearly disbursement under this chapter during that year of obligated service, the dentist must have:
  - a. Received dental medical payments of at least twenty thousand dollars in the form of medical assistance reimbursement; or
  - b. Practiced at least two full workdays per week at a public health clinic or at a nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental clinic's patients.
3. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on the criteria.

**SECTION 13. AMENDMENT.** Subsection 1 of section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:
  - a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ten percent of total annual transfers from the tobacco

~~settlement trust fund of which a minimum of eighty percent must be used for tobacco prevention and control.~~

- b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.
- c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

**SECTION 14. REPEAL.** Chapter 23-38 of the North Dakota Century Code is repealed.

**SECTION 15. COMPREHENSIVE TOBACCO CONTROL ADVISORY COMMITTEE RECORDS TRANSFER.** As of July 1, 2017, all business-related records belonging to the comprehensive tobacco control advisory committee must be transferred to the state department of health. The comprehensive tobacco control advisory committee shall allow the state department of health to have access to the business-related records of the committee before July 1, 2017, as necessary, for the purpose of transitioning operations to the state department of health.

**SECTION 16. STATEWIDE TOBACCO PREVENTION AND CONTROL PLAN - IMPLEMENTATION - EVALUATION - REPORT TO THE LEGISLATIVE MANAGEMENT.** By July 31, 2017, the state department of health shall develop a statewide tobacco prevention and control plan that is consistent with the five components of the centers for disease control and prevention best practices for comprehensive tobacco control programs. At least once during the 2017-19 biennium, the state department of health shall provide for an independent review of the tobacco prevention and control plan to evaluate the effectiveness of the plan and its implementation. Any costs related to the independent review are provided in the tobacco prevention line item in section 1 of this Act and may be paid from the tobacco prevention and control trust fund. The department shall report the results of the independent review to the legislative management.

**SECTION 17. EMERGENCY.** The funding included in the medical marijuana line item in section 1 and section 15 of this Act are declared to be an emergency measure.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2004 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote:        Yeas 47                      Nays 0                      Absent 0

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote:        Yeas 74                      Nays 17                      Absent 3

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2017.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2017.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2017,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State