

Sixty-third
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1433

Introduced by

Representatives J. Nelson, Holman, Rohr, Rust

Senators Andrist, Bowman, O'Connell

1 A BILL for an Act to create and enact a new section to chapter 23-01 of the North Dakota
2 Century Code, relating to hospital bad debt relief grants; to amend and reenact sections
3 57-36-25 and 57-36-26, subsection 1 of section 57-36-31, and section 57-36-32 of the North
4 Dakota Century Code, relating to allocation of tobacco products taxes and the health care
5 delivery trust fund; and to provide an appropriation.

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

7 **SECTION 1.** A new section to chapter 23-01 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Hospital debt relief grants.**

- 10 1. The state department of health shall establish and administer a program to provide
11 grants to eligible hospitals to offset bad debt incurred by the hospitals.
- 12 2. In order to qualify for a grant under this program, a hospital shall submit to the state
13 department of health a complete application on a form established by the department.
14 The application must include the hospital's finalized cost report for the previous fiscal
15 year.
- 16 3. The state department of health shall establish a grant amount award formula that
17 takes into consideration that amount of the hospital's bad debt which exceeds two and
18 seven tenths percent of the hospital's gross revenues from inpatient, outpatient, and
19 clinic revenues. The amount of a grant awarded under this section may not result in
20 the hospital earning a profit.

21 **SECTION 2. AMENDMENT.** Section 57-36-25 of the North Dakota Century Code is
22 amended and reenacted as follows:

57-36-25. Cigars and pipe tobacco - Excise tax on wholesale purchase price - Other tobacco products - Excise tax on weight - Penalty - Reports - Collection -~~Allocation of~~ revenue.

1. There is hereby levied and assessed upon all cigars and pipe tobacco sold in this state an excise tax at the rate of twenty-eight percent of the wholesale purchase price at which such cigars and pipe tobacco are purchased by distributors. For the purposes of this section, the term "wholesale purchase price" shall mean the established price for which a manufacturer sells cigars or pipe tobacco to a distributor exclusive of any discount or other reduction.

2. There is levied and assessed upon all other tobacco products sold in this state an excise tax at the following rates:

a. Upon each can or package of snuff, sixty cents per ounce and a proportionate tax at the like rate on all fractional parts of an ounce.

b. On chewing tobacco, sixteen cents per ounce and a proportionate tax at the like rate on all fractional parts of an ounce.

For purposes of this subsection, the tax on other tobacco products is computed based on the net weight as listed by the manufacturer.

3. The proceeds of the taxes imposed under this section, together with such forms of return and in accordance with such rules and regulations as the tax commissioner may prescribe, shall be remitted to the tax commissioner by the distributor on a calendar quarterly basis on or before the fifteenth day of the month following the quarterly period for which paid. The tax commissioner shall, however, have authority to prescribe monthly returns upon the request of the licensee distributor and such returns accompanied with remittance shall be filed before the fifteenth day of the month following the month for which the returns are filed.

4. Any person failing to file any prescribed form or return or to pay any tax within the time required or permitted by this section is subject to a penalty of five percent of the amount of tax due or five dollars, whichever is greater, plus interest of one percent of the tax per month or fraction of a month of delay except the first month after the return or the tax became due. The tax commissioner, if satisfied that the delay was excusable, may waive all or any part of the penalty. The penalty must be paid to the

1 tax commissioner and disposed of in the same manner as are other receipts under this
2 chapter.

3 ~~5. All moneys received by the tax commissioner under the provisions of this section shall~~
4 ~~be transmitted to the state treasurer at the end of each month and deposited in the~~
5 ~~state treasury to the credit of the general fund.~~

6 **SECTION 3. AMENDMENT.** Section 57-36-26 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-36-26. Cigars, pipe tobacco, and other tobacco products - Excise tax payable by**
9 **dealers - Reports - Penalties - Collection -~~Allocation of revenue.~~**

- 10 1. There is levied and assessed, upon all cigars and pipe tobacco purchased in another
11 state and brought into this state by a dealer for the purpose of sale at retail, an excise
12 tax at the rate of twenty-eight percent of the wholesale purchase price and, upon all
13 other tobacco products purchased in another state and brought into this state by a
14 dealer for the purpose of sale at retail, an excise tax at the rates indicated in section
15 57-36-25, at the time the products were brought into this state. For the purposes of
16 this section, the term "wholesale purchase price" means the established price for
17 which a manufacturer sells cigars or pipe tobacco to a distributor exclusive of any
18 discount or other reduction. However, the dealer may elect to report and remit the tax
19 on the cost price of the products to the dealer rather than on the wholesale purchase
20 price. The proceeds of the tax, together with the forms of return and in accordance
21 with any rules and regulations the tax commissioner may prescribe, must be remitted
22 to the tax commissioner by the dealer on a monthly basis on or before the fifteenth day
23 of the month following the monthly period for which it is paid. The tax commissioner
24 shall have the authority to place any dealer on an annual remittance basis when in the
25 judgment of the tax commissioner the operations of the dealer merit that remittance
26 period. In addition, the tax commissioner shall have the authority to permit the
27 consolidation of the filing of a dealer's return when the dealer has more than one
28 location and thereby would be required to file more than one return.
- 29 2. If cigars, pipe tobacco, or other tobacco products have been subjected already to a tax
30 by any other state in respect to their sale in an amount less than the tax imposed by
31 this section, the provisions of this section apply, but at a rate measured by the

1 difference only between the rate fixed in this section and the rate by which the
2 previous tax upon the sale was computed. If the tax imposed in the other state is
3 twenty percent of the wholesale purchase price or more, then no tax is due on the
4 article. The provisions of this subsection apply only if the other state allows a tax credit
5 with respect to the excise tax on cigars, pipe tobacco, or other tobacco products
6 imposed by this state which is substantially similar in effect to the credit allowed by this
7 subsection.

8 3. Any person failing to file any prescribed forms of return or to pay any tax within the
9 time required by this section is subject to a penalty of five dollars or a sum equal to
10 five percent of the tax due, whichever is greater, plus one percent of the tax for each
11 month of delay or fraction thereof excepting the month within which the return was
12 required to be filed or the tax became due. The tax commissioner, if satisfied that the
13 delay was excusable, may waive all or any part of the penalty. The penalty must be
14 paid to the tax commissioner and disposed of in the same manner as are other
15 receipts under this chapter.

16 4. ~~All moneys received by the tax commissioner under the provisions of this section must~~
17 ~~be transmitted to the state treasurer at the end of each month and deposited in the~~
18 ~~state treasury to the credit of the general fund.~~

19 **SECTION 4. AMENDMENT.** Subsection 1 of section 57-36-31 of the North Dakota Century
20 Code is amended and reenacted as follows:

21 1. All moneys received by the tax commissioner under the provisions of this chapter must
22 be transmitted to the state treasurer at the end of each month and deposited in the
23 state treasury to the credit of the general health care delivery trust fund, except as
24 hereinafter provided. The health care delivery trust fund is established as a special
25 fund in the state treasury. Investment income earned on moneys in the fund must be
26 deposited in the fund.

27 **SECTION 5. AMENDMENT.** Section 57-36-32 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **57-36-32. Separate and additional tax on the sale of cigarettes - Collection -**
2 **~~Allocation of revenue~~ - Tax avoidance prohibited.**

3 There is hereby levied and assessed and there shall be collected by the state tax
4 commissioner and paid to the state treasurer, upon all cigarettes sold in this state, an additional
5 tax, separate and apart from all other taxes, of seventeen mills on each cigarette, to be
6 collected as existing taxes on cigarettes sold are, or hereafter may be, collected by use of
7 appropriate stamps and under similar accounting procedures. No person, firm, corporation, or
8 limited liability company shall transport or bring or cause to be shipped into the state of North
9 Dakota any cigarettes as provided herein, other than for delivery to wholesalers in this state,
10 without first paying the tax thereon to the state tax commissioner. ~~All of the moneys collected by-~~
11 ~~the state treasurer under this section shall be credited to the state general fund.~~

12 **SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the health care
13 delivery trust fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, or
14 so much of the sum as may be necessary, to the state department of health for the purpose of
15 providing hospital debt relief grants, for the biennium beginning July 1, 2013, and ending
16 June 30, 2015.

17 **SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the health care
18 delivery trust fund in the state treasury, not otherwise appropriated, the sum of \$576,788, or so
19 much of the sum as may be necessary, to the state department of health for the purpose of
20 defraying expenses of the medical loan repayment program, for the biennium beginning July 1,
21 2013, and ending June 30, 2015.

22 **SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the health care
23 delivery trust fund in the state treasury, not otherwise appropriated, the sum of \$475,000, or so
24 much of the sum as may be necessary, to the state department of health for the purpose of
25 defraying expenses of the stroke registry and prevention program, for the biennium beginning
26 July 1, 2013, and ending June 30, 2015.

27 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the health care
28 delivery trust fund in the state treasury, not otherwise appropriated, the sum of \$276,600, or so
29 much of the sum as may be necessary, to the state department of health for the purpose of
30 defraying expenses of the community paramedic pilot project, for the biennium beginning July 1,

1 2013, and ending June 30, 2015. The department is authorized one full-time equivalent position
2 for this purpose.

3 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the health
4 care delivery trust fund in the state treasury, not otherwise appropriated, the sum of \$602,600,
5 or so much of the sum as may be necessary, to the state department of health for the purpose
6 of defraying expenses relating to colorectal cancer screening, for the biennium beginning July 1,
7 2013, and ending June 30, 2015.

8 **SECTION 11. APPROPRIATION.** There is appropriated out of any moneys in the health
9 care delivery trust fund in the state treasury, not otherwise appropriated, the sum of \$400,500,
10 or so much of the sum as may be necessary, to the department of human services for the
11 purpose of defraying expenses relating to breast and cervical cancer assistance, for the
12 biennium beginning July 1, 2013, and ending June 30, 2015.