

HOUSE BILL NO. 1268

Introduced by

Representatives Devlin, Nicholas, Wald

Senators Nichols, Thane, Wardner

1 A BILL for an Act to amend and reenact section 50-24.4-15 of the North Dakota Century Code,
2 relating to nursing home rates for property-related costs for reimbursements.

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

4 **SECTION 1. AMENDMENT.** Section 50-24.4-15 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **50-24.4-15. Property-related costs.**

7 1. The department shall include in the ratesetting system for nursing homes a
8 payment mechanism for the use of real and personal property which provides for
9 depreciation and related interest costs. The property cost payment mechanism
10 must:

11 ~~4.~~ a. Recognize ~~to the extent allowed by federal rules~~ the valuation basis of assets
12 acquired in a bona fide transaction as an ongoing operation after July 1, 1985,
13 limited to the lowest of:

14 ~~a.~~ (1) Purchase price paid by the purchaser;

15 ~~b.~~ (2) Fair market value at the time of sale;

16 ~~c.~~ (3) Seller's cost basis, increased by one-half of the increase in the
17 consumer price index for all urban consumers (United States city
18 average) from the date of acquisition by the seller to the date of
19 acquisition by the buyer, less accumulated depreciation; ~~or~~

20 ~~d.~~ Seller's cost basis, increased by one-half of the increase in the Dodge
21 construction index from the date of acquisition by the seller to the date of
22 acquisition by the buyer, less accumulated depreciation.

