



Testimony
House Bill 1176
Senate Finance and Tax Committee
Monday, March 10, 2025
North Dakota Emergency Medical Services Association

Good morning, Chairman Weber and members of the committee. My name is Adam Parker. I am the co-chair of the North Dakota Emergency Medical Services Association Advocacy Committee. The Association must oppose HB 1176 as it jeopardizes the sustainability of rural ambulance services across North Dakota.

Last session, the legislature passed an important bill to require the organization of rural ambulance districts throughout North Dakota. N.D.C.C. 11-28.3 has been amended several times over the last four legislative sessions as Districts have been the predominate solution to address challenges faced by rural ambulance services. However, HB 1176 places significant restrictions on District's which, in turn, jeopardizes ambulance service sustainability.

First, it is important to understand how ambulance services are funded. There are essentially 3 funding streams: 1) Reimbursement, 2) REMSA Grant, 3) Local Subsidy (Property Taxes). The only mechanism an ambulance service has to increase revenue is to increase the local subsidy. It is also important to note that ambulance services have little ability to decrease services or costs in response to budget constraints.

The cost of delivering ambulance services has increased in North Dakota by 66% over the past 6 years. This is primarily due to ambulance services transitioning from volunteers to paid personnel. However, expense of equipment has doubled and tripled over the last several years which also contributes to this increased cost. Most ambulance services have to increase their local subsidy to account for this increase in cost, and this bill seeks to limit their ability to fund the ambulance operation.

We also have seen, and expect to see more, ambulance service closures in the coming years. When an ambulance service closes, the neighboring ambulance services must, by statute, take over response to the impacted area. A consequence to this statute is that cost increases to the ambulance services that must expand their geographical response area. In one recent ambulance closure, the neighboring ambulance service that took over a majority of the territory saw a 15% increase in operating costs directly attributable to taking over the new territory. It is unlikely that the tax revenue added from the annexed area would be sufficient to offset his increased cost. In the latest closure the added tax revenue did not offset the increased cost and the budget increase was over 3%. If HB 1176 were in existence at that time, it would have significantly impacted that ambulance services sustainability. This would not only impact the area of the closed ambulance, but also the area the ambulance service was always responsible for.



HB 1176 allows taxing districts to exceed the 3% cap if approved at a general election. The requirement for this to occur at a general election is concerning. The district boundaries do not follow geo-political boundaries which makes administering elections problematic. At least twice in recent years ambulance services have had to withdraw from a general or primary election because it was discovered, typically the day before an election, that there is an issue that significantly disenfranchised voters that would have called into question the validity of any election results. Now, if such an issue occurs ambulance services would not have the ability to hold a special election, as they have in the other situations. Rather, they would try again in 2 years.

We understand the legislature must address property tax issues. However, we are very concerned regarding this bill and its impact on the future of ambulance services. Districts are already restricted to 15 mills and make up a relatively small portion of the property taxes levied, but that relatively small amount is essential to the sustainability of ambulance services. Therefore, we would first propose to be excluded from any bill which limits an ambulance districts ability to levy or increase its property tax levy. Alternatively, allowing ambulance districts the ability to continue special elections for the purpose of increasing their levy or exceeding the cap would alleviate some of the concerns.

The EMS Association is committed to working with this committee to find an amenable solution that does not jeopardize our rural ambulance services.

Thank you for the opportunity to testify, I would be happy to answer any questions you may have.