

**Sixtieth Legislative Assembly of North Dakota
In Regular Session Commencing Wednesday, January 3, 2007**

HOUSE BILL NO. 1296
(Representatives Haas, Boe, Vigasaa, Wald)
(Senators Andrist, Warner)

AN ACT to create and enact chapter 23-40 of the North Dakota Century Code, relating to distribution of insurance premiums tax collections to emergency medical services operations; to amend and reenact section 18-04-04.1 and subsection 1 of section 26.1-03-17 of the North Dakota Century Code, relating to the insurance premiums tax collections; to provide for a report; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 18-04-04.1 of the North Dakota Century Code is amended and reenacted as follows:

18-04-04.1. Insurance tax distribution fund. The insurance tax distribution fund is a special fund in the state treasury. The portion of revenue provided in section 26.1-03-17 must be deposited in the fund for disbursement as provided in this chapter and chapter 23-40, subject to legislative appropriation.

SECTION 2. Chapter 23-40 of the North Dakota Century Code is created and enacted as follows:

23-40-01. Eligibility. To be eligible to apply for funds under this chapter, an applicant must be the licenseholder of an emergency medical services operation that has been licensed under chapter 23-27 for a period of at least twelve months before the filing of the application under section 23-40-02, must bill for services at a level at least equivalent to the medicare billing level, and must meet any additional requirements set by rule adopted by the state health council.

23-40-02. Application. Before November first of each year, the licenseholder of an emergency medical services operation shall file a complete application with the state department of health on a form provided by the department. The application must include an affirmation of the operation's billing levels, documentation of the availability of local matching funds, and other information as may be required by the department.

23-40-03. Strategic plan. The state department of health shall establish and update regularly a strategic plan for an integrated emergency medical services program in this state which includes a comprehensive statewide emergency medical services system. The strategic plan may include consideration of transportation distances to hospitals, the size of service areas, the distance between emergency medical services operations, the age of emergency medical services personnel, the use of and the willingness to use first responders, the feasibility of consolidation of emergency medical services operations, the types of calls received, and call volume.

23-40-04. Eligibility for distribution of funds. The state health officer shall make eligibility determinations, level of local matching funds determinations, and distribution amount determinations under this chapter in accordance with the department's strategic plan for providing emergency medical services in this state. The department shall establish a sliding percent formula for determining the percentage of an applicant's local matching fund obligation. The sliding percent formula must be based on the department's strategic plan and must include consideration of how the applicant fits into the strategic plan and consideration of the needs of emergency medical services operations in the applicant's neighboring service areas. Eligibility for funds under this chapter is not an entitlement. The state health officer may not distribute funds to an applicant unless the applicant has verified the

existence of local matching funds at the level determined by the state health officer, but which must be at least ten percent but not more than ninety percent of the proposed distribution amount.

23-40-05. Allocation for distribution of funds. During the first year of the biennium, the state health officer may not distribute more than one-half of the biennial legislative appropriation and during the second year of the biennium the state health officer may distribute the remainder of the biennial legislative appropriation.

23-40-06. Use of funds. A recipient of funds under this chapter shall use the funds in a manner consistent with rules adopted by the state health council. A recipient of funds may not use funds for capital expenses such as emergency vehicles and emergency medical services equipment.

SECTION 3. AMENDMENT. Subsection 1 of section 26.1-03-17 of the North Dakota Century Code is amended and reenacted as follows:

1. Before issuing the annual certificate required by law, the commissioner shall collect from every stock and mutual insurance company, nonprofit health service corporation, health maintenance organization, and prepaid legal service organization, except fraternal benefit and benevolent societies, doing business in this state, a tax on the gross amount of premiums, assessments, membership fees, subscriber fees, policy fees, service fees collected by any third-party administrator providing administrative services to a group that is self-insured for health care benefits, and finance and service charges received in this state during the preceding calendar year, at the rate of two percent with respect to life insurance, one and three-fourths percent with respect to accident and health insurance, and one and three-fourths percent with respect to all other lines of insurance. This tax does not apply to considerations for annuities. The total tax is payable on or before March first following the year for which the tax is assessable. Collections from this tax must be deposited in the insurance tax distribution fund under section 18-04-04.1 but not in an amount exceeding one-half of the biennial amount appropriated for distribution under ~~section~~ sections 18-04-05 and 23-40-05 in any fiscal year. Collections from this tax exceeding the amount deposited in the insurance tax distribution fund each fiscal year must be deposited in the general fund in the state treasury. If the due date falls on a Saturday or legal holiday, the tax is payable on the next succeeding business day.

SECTION 4. ASSESSMENT OF STATE'S EMERGENCY MEDICAL SERVICES SYSTEM - REPORT. The state department of health shall seek to contract with a third party for an assessment of the state's emergency medical services system to assist in developing an integrated emergency medical services program that includes a comprehensive statewide emergency medical services system. The assessment may address regulation and policy; resource management; human resources and training; transportation; facilities; communications; trauma systems; public information, education, and prevention; medical direction; and an evaluation. The department shall report the findings to the legislative council no later than July 1, 2008.

SECTION 5. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$1,250,000, or so much of the sum as may be necessary, to the state department of health for the purpose of making payments of insurance premiums tax collections to emergency medical services operations, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the state department of health for the purpose of funding an assessment of the state's emergency medical services system under section 4 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.