

**Sixty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2023**

HOUSE BILL NO. 1365
(Representatives Fegley, Rohr, Tveit)
(Senator Lee)

AN ACT to create and enact a new section to chapter 11-28.3 and a new section to chapter 23-27 of the North Dakota Century Code, relating to the discharge of a rural ambulance service's financial obligations and required formation of rural ambulance service districts without a vote; to amend and reenact sections 11-28.3-05 and 11-28.3-06, subsection 8 of section 11-28.3-08, sections 11-28.3-09, 11-28.3-13, 11-28.3-16, 23-12-08, 23-27-04.2, 23-46-04, and 57-15-50 of the North Dakota Century Code, relating to rural ambulance service district formation, organization, board of director powers, levies, and dissolution and withdrawal procedures, ambulance operations areas, authorization and state financial assistance for emergency medical services, and county emergency medical service levies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11-28.3-05 of the North Dakota Century Code is amended and reenacted as follows:

11-28.3-05. Notice by county auditor of meeting to organize district.

If a rural ambulance service district is approved as provided in this chapter or as required by section 10 of this Act, the county auditor of the county in which the proposed district is located shall issue notice of a public meeting to organize the rural ambulance service district. The notice must be given by publication once a week for two consecutive weeks, the last notice appearing seven days before the date of the meeting in a newspaper of general circulation within the proposed district. The notice must be addressed to all qualified electors residing within the boundaries of the district, describe the boundaries of the district, and state the date, time, and place of the meeting. If the district is located within two or more counties, the county auditors of the counties shall confer and set the date, time, and place of the meeting and shall cause the publication of the meeting notice in each of said counties.

SECTION 2. AMENDMENT. Section 11-28.3-06 of the North Dakota Century Code is amended and reenacted as follows:

11-28.3-06. Organization - Board of directors.

At the time and place fixed by the county auditor for the public meeting as provided in section 11-28.3-05, the qualified electors present who reside within the boundaries of the district shall proceed to organize the district. Permanent organization must be effected by the election of a board of directors consisting of not less than five nor more than ten residents of the district. The board of directors shall meet as soon after the organizational meeting as possible to elect a president, a vice president, and a secretary-treasurer. All directors and officers must be elected for two years and hold office until their successors have been elected and qualified, except that at the first election the vice president must be elected as provided in this section for a one-year term, and one-half, or as close to one-half as possible depending upon the total number of directors, of the directors elected at the first election after July 1, 1977, must be selected by lot in the presence of a majority of such directors to serve one-year terms. A district may specify in its bylaws a specified number of directors within the limitations in this section, provided each township or group of townships receives equal representation on the board with respect to the regions. The bylaws also may allow for a combination of regional directors and at-large directors. If a vacancy occurs in a board position due to a resignation, a special meeting must be called and held within sixty days of the resignation for the purpose of electing a director to serve the remainder of the term. All officers and directors shall serve without pay, except the secretary-treasurer, who may be paid a salary determined by the board of directors. No more than two elected members of the board may be

members of the licensed ambulance service serving the district territory and those board members must meet the definition of volunteer in section 23-27-04.1.

SECTION 3. AMENDMENT. Subsection 8 of section 11-28.3-08 of the North Dakota Century Code is amended and reenacted as follows:

8. Organizelf emergency medical services are not provided by a licensed ambulance service under chapter 23-27, a district may organize, establish, equip, maintain, and supervise an emergency medical service company to serve the district.

SECTION 4. AMENDMENT. Section 11-28.3-09 of the North Dakota Century Code is amended and reenacted as follows:

11-28.3-09. Emergency medical service policy - Levy - Financial report.

1. The board of directors shall establish a general emergency medical service policy for the district and annually shall estimate the probable expense for carrying out that policy. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year. In the year for which the levy is sought, a board of directors of a rural ambulance service district seeking approval of a property tax levy under this chapter shall file with the county auditor of the counties within the rural ambulance service district, at a time and in a format prescribed by the county auditors, a financial report for the preceding calendar year showing the ending balances of each fund held by the rural ambulance service district during that year. The board or boards of county commissioners may levy a tax not to exceed the mill rate approved by the electors of the district under section 11-28.3-04. If the board wishes to levy a tax in excess of that approved by the electors, the board, upon its own motion, may place the question of increasing the maximum allowable mill levy for the electors to approve at a regular or special election. The amount levied under this section may not exceed a mill rate of fifteen mills upon the taxable property within the district for the maintenance of the rural ambulance service district for the fiscal year as provided by law. ~~A rural ambulance service district may be dissolved by approval of electors of the district as provided in section 11-28.3-13.~~
2. The tax levied for a rural ambulance service district must be:
 - a. Collected as other taxes are collected in the county.
 - b. Turned over to the secretary-treasurer of the rural ambulance service district, who must be bonded in the amount of at least five thousand dollars.
 - c. Deposited by the secretary-treasurer in a state or national bank in a district account.
 - d. Paid out upon warrants drawn upon the district account by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president.
3. The amount of the tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense, including the amount of principal and interest upon the indebtedness of the district for the ensuing year. The district may include in its operating budget no more than ten percent of its annual operating budget as a depreciation expense to be set aside in a dedicated emergency medical services sinking fund deposited with the treasurer for the replacement of equipment and ambulances. The ten percent emergency medical services sinking fund may be in addition to the actual annual operating budget, but the total of the annual operating budget and the annual ten percent emergency medical services sinking fund shall not exceed the amount of revenue that would be generated by application of the maximum mill levy approved by the electors.

4. If an ambulance operations area identified by the department of health and human services under section 23-27-01 is situated, in whole or in part, within the boundaries of a rural ambulance service district formed under this chapter, and the district does not provide emergency medical services to the territory in the ambulance operations area, whether directly or through a contract under section 11-28.3-12, the property situated in the ambulance operations area which does not receive emergency medical services from the district is exempt from the district's tax levy under this section. Changes to the ambulance operations area will not impact the district under this section until the subsequent tax year. The excluded territory remains responsible and must discharge its proportionate share of outstanding obligations pursuant to the procedure under section 7 of this Act.

SECTION 5. AMENDMENT. Section 11-28.3-13 of the North Dakota Century Code is amended and reenacted as follows:

11-28.3-13. Boundaries of rural ambulance service district - Dissolution of the district.

The boundaries of any rural ambulance service district organized under this chapter may be changed in the manner prescribed by section 11-28.3-15 or 11-28.3-16, but a change in the boundary of a district does not impair or affect its organization or its right in or to property; nor does it impair, affect, or discharge any contract, obligation, lien, or charge for or upon which it might be liable had such change of boundaries not been made.

~~Dissolution of a rural ambulance service district may be accomplished in the manner prescribed by section 11-28.3-15 or 11-28.3-16. The petition and notice of election must state the purpose of the election is to dissolve the rural ambulance service district and must describe its boundaries. The ballot to dissolve a rural ambulance service district must be in substantially the following form:~~

~~Shall (name of taxing district or districts) cease to levy a tax for the purpose of maintaining a rural ambulance service district, and shall such district be dissolved?~~

~~Yes~~

~~No~~

~~If a majority of all votes cast on the question are in favor of dissolution, as provided in this section. If an ambulance service district in whole does not provide emergency medical services under section 23-27-01, whether directly or through a contract under section 11-28.3-12, the district board, upon its own motion and vote, may dissolve the district is dissolved thirty days after the canvass of the votes effective the subsequent tax year. After The territory remains subject to all debts and obligations of the dissolved district are paid, any remaining funds must be deposited in the general fund of the county in which the district was contained. If the dissolved district was located in more than one county, any pursuant to the procedure under section 7 of this Act. Any funds remaining after all debts and obligations are paid must be divided among those counties rural ambulance service districts or political subdivisions responsible for emergency medical service operations in the jurisdiction in the same proportion as the geographical area of the district in each county bears to the total geographical area of the dissolved district.~~

SECTION 6. AMENDMENT. Section 11-28.3-16 of the North Dakota Century Code is amended and reenacted as follows:

11-28.3-16. Withdrawal from ambulance service district - Restrictions.

1. Any elector who resides in an area subject to a mill levy under section 11-28.3-09 and wishes to withdraw from the ambulance service district may do so if the territory to be withdrawn from the district:
 - a. Borders on the outer boundary of the district; and

- b. Has a written agreement with an adjacent emergency medical services operation licensed by the department of health and human services to provide coverage to the territory if the territory is withdrawn successfully.
2. The district shall discharge its financial obligations pursuant to the procedure under section 7 of this Act.
3. Notwithstanding section 57-40.6-10, the district is not obligated to maintain the withdrawn district within the primary response area of the district.
- ~~3.~~ The territory to be withdrawn from the district under this section remains subject to and chargeable for the payment and discharge of the proportion of obligations outstanding at the time of the filing of the petition for the withdrawal of the territory. The taxable valuation of property in the territory to be withdrawn bears to the taxable valuation of all property within the district before the withdrawal.
4. Mill levies imposed under section 11-28.3-09 remain in effect until the proportionate share of outstanding obligations are paid.
5. The proceedings for withdrawal must be initiated by the filing of a petition with the appropriate county auditor or signed by fifty electors, or if there are not fifty electors residing in the area, fifty percent of the qualified electors in the territory sought to be withdrawn and the petition must contain a description of the boundaries of the territory sought to be withdrawn and a map or plat illustrating the area.
- ~~6-5.~~ The county auditor shall determine whether the petition complies with the requirements of subsection 5. If the petition is accepted, the county auditor promptly shall designate a time and place for an election upon the petition and shall give notice of the election in the manner prescribed by section 11-28.3-03. At the election, any qualified elector residing within the boundaries of the territory to be withdrawn may cast a vote. If the majority cast a vote in favor of the question of withdrawal, the territory is considered withdrawn from the district.
- ~~7-6.~~ The county auditor shall determine and certify the respective percentage proportions of the taxable valuation of the territory petitioned to be withdrawn to the taxable valuation of all property in the district before withdrawal to the board of directors of the district withdrawn.
- ~~8-7.~~ Within thirty days after receipt of the petition, verification, and computation of respective percentage proportions, the board of directors of the district withdrawn shall attach to the petition a statement of outstanding obligations of the district and shall forward the petition to the appropriate board or boards of county commissioners.
9. ~~The board or boards of county commissioners, at a regular meeting, shall compute the indebtedness proportionately assignable to the territory sought to be withdrawn, and shall describe, by written order, the boundaries of the territory withdrawn and the indebtedness of the district assigned to the territory and subject to continued levy under section 11-28.3-09. The order and computation must be filed in the office of the county auditor.~~
10. ~~The annual estimate required under section 11-28.3-09 must reflect the annual expense of retiring principal and interest upon the proportionate share of district indebtedness assigned to the withdrawn territory.~~

SECTION 7. A new section to chapter 11-28.3 of the North Dakota Century Code is created and enacted as follows:

Discharge of financial obligations.

1. The territory to be withdrawn, exempted, or dissolved from the district under this chapter remains subject to and chargeable for the payment and discharge of the proportion of

obligations outstanding at the time of the withdrawal, exemption, or dissolution. The taxable valuation of property in the territory to be withdrawn, exempt, or dissolved bears to the taxable valuation of all property within the district before the withdrawal, exemption, or dissolution.

2. Mill levies imposed under section 11-28.3-09 remain in effect until the proportionate share of outstanding obligations are paid.
3. The board or boards of county commissioners, at a regular meeting, shall compute the indebtedness proportionately assignable to the territory sought to be withdrawn, exempted, or dissolved, and shall describe, by written order, the boundaries of the territory withdrawn, exempted, or dissolved and the indebtedness of the district assigned to the territory and subject to continued levy under section 11-28.3-09. The order and computation must be filed in the office of the county auditor.
4. The annual estimate required under section 11-28.3-09 must reflect the annual expense of retiring principal and interest upon the proportionate share of district indebtedness assigned to the withdrawn, exempted, or dissolved territory.

SECTION 8. AMENDMENT. Section 23-12-08 of the North Dakota Century Code is amended and reenacted as follows:

23-12-08. Emergency medical service authorized.

Anylf emergency medical services are not provided by a licensed ambulance service under chapter 23-27, any county or municipality of the state of North Dakota, by itself, or in combination with any other county or municipality of the state of North Dakota, may, acting through its governing body, establish, maintain, contract for, or otherwise provide emergency medical service for such county or municipality; and for this purpose, out of any funds of such county or municipality not otherwise committed, may buy, rent, lease, or otherwise contract for all such vehicles, equipment, or other facilities or services which may be necessary to effectuate such purpose.

SECTION 9. AMENDMENT. Section 23-27-04.2 of the North Dakota Century Code is amended and reenacted as follows:

23-27-04.2. Emergency medical services - State assistance.

The department of health and human services shall assist in the training of emergency medical services personnel of certain emergency medical services operations as determined by the department and financially shall assist certain emergency medical services operations as determined by the department ~~in obtaining equipment~~. Assistance provided under this section must be within the limits of legislative appropriation. The department shall adopt criteria for eligibility for assistance in the training of emergency medical services personnel of various types of emergency medical services operations. ~~To qualify for financial assistance for equipment an emergency medical services operation shall certify, in the manner required by the department, that the operation has fifty percent of the amount of funds necessary for identified equipment acquisitions. The department shall adopt a schedule of eligibility for financial assistance for equipment. The schedule must provide for a direct relationship between the amount of funds certified and the number of responses during the preceding calendar year for the purpose of rendering medical care, transportation, or both, to individuals who were sick or incapacitated. The schedule must require that as the number of responses increases, a greater amount of funds certified is required. The schedule must classify responses and the financial assistance available for various classifications. The department may establish minimum and maximum amounts of financial assistance to be provided to an emergency medical services operation under this section. If applications for financial assistance exceed the amount of allocated and available funds, the department may prorate the funds among the applicants in accordance with criteria adopted by the department. No more than one-half of the funds appropriated by the legislative assembly each biennium and allocated for training assistance may be distributed in the first year of the biennium. For emergency medical service operations subject to section 10 of this Act, after June 30, 2025, financial assistance provided by this section must be distributed to the political subdivision having ownership of~~

the licensed ambulance service or the political subdivision responsible for the emergency medical service program for the service area.

SECTION 10. A new section to chapter 23-27 of the North Dakota Century Code is created and enacted as follows:

Required formation of rural ambulance service district - Organizational meeting - Exemption - Eligibility for relicensure.

1. Emergency medical service operations licensed under this chapter as a basic life support or advanced life support ambulance service for which a territory has been assigned pursuant to this chapter does not include a city with a population greater than six thousand five hundred according to the 2020 census data published by the United States census bureau, and is not otherwise exempted, must conduct a rural ambulance service district organizational meeting pursuant to the procedure in 11-28.3-06 prior to June 30, 2025. After such organizational meeting the district shall be deemed organized and operating under the provisions of chapter 11-28.3.
2. The following licensed ambulance services are exempt from this section:
 - a. Licensed ambulance services that are county owned.
 - b. Licensed ambulance services that are city owned.
 - c. Licensed ambulance services that are part of a joint powers agreement with a city or county-owned ambulance.
 - d. Licensed ambulance services owned by tribal or federal government.
 - e. Existing rural ambulance service districts organized pursuant to chapter 11-28.3.
3. Ambulance services not in compliance with this section may not be eligible for relicensure under this chapter.

SECTION 11. AMENDMENT. Section 23-46-04 of the North Dakota Century Code is amended and reenacted as follows:

23-46-04. State financial assistance for emergency medical services - Confidential information - Annual allocation.

Emergency medical services operations that request financial assistance from the state must provide requested fiscal information to the department of health and human services for use in financial assistance determinations. All information provided to the department under this section is confidential. The department of health and human services shall determine annually the allocation amount of state financial assistance for each emergency medical services funding area based on the department's determination of the minimum annual funding necessary to operate the emergency medical services operation or service designated to operate in the ambulance funding area, based on the financial needs unique to each emergency medical services funding area. For emergency medical service operations subject to section 10 of this Act, after June 30, 2025, financial assistance provided by this section must be distributed to the political subdivision having ownership of the licensed ambulance service or the political subdivision responsible for the emergency medical service program for the service area.

SECTION 12. AMENDMENT. Section 57-15-50 of the North Dakota Century Code is amended and reenacted as follows:

57-15-50. County emergency medical service levy.

Upon petition of ten percent of the number of qualified electors of the county voting in the last election for governor or upon its own motion, the board of county commissioners of each county shall

levy annually a tax not exceeding the limitation in subsection 10 of section 57-15-06.7, for the purpose of subsidizing county emergency medical services; provided, that this tax must be approved by a majority of the qualified electors of the county voting on the question at a regular or special countywide election. The county may budget, in addition to its annual operating budget for subsidizing emergency medical service, no more than ten percent of its annual operating budget as a depreciation expense to be set aside in a dedicated emergency medical services sinking fund deposited with the treasurer for the replacement of equipment and ambulances. The ten percent emergency medical services sinking fund must be in addition to the annual operating budget for subsidization, but the total of the annual operating budget and the annual ten percent emergency medical services sinking fund may not exceed the approved mill levy. If the county contains a rural ambulance service district or rural fire protection district that levies for and provides emergency medical service, the property within that district is exempt from the county tax levy under this section upon notice from the governing body of the district to the board of county commissioners of the existence of the district. After December 31, 2025, if a political subdivision having ownership of the licensed ambulance service or a political subdivision responsible for the emergency medical service program for the service area exists, special taxes levied under this section and distributed pursuant to section 23-27-04.7 must be distributed to the political subdivision.

SECTION 13. EFFECTIVE DATE. Section 4 of this Act is effective for taxable years beginning after December 31, 2024.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1365.

House Vote: Yeas 87 Nays 4 Absent 3

Senate Vote: Yeas 47 Nays 0 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2023.

Approved at _____ M. on _____, 2023.

Governor

Filed in this office this _____ day of _____, 2023,

at _____ o'clock _____ M.

Secretary of State