

PROPOSED AMENDMENTS TO SENATE BILL NO. 2004

Page 1, line 2, after "health" insert "; to amend and reenact subsection 1 of section 19-02.1-24, section 19-08-04, subsections 5 and 8 of section 23-09-01, and sections 23-09-16, 23-09-24, 23-09.1-02.2, and 23-10-03 of the North Dakota Century Code, relating to licensure of food vending machines, beverage sales, food and lodging establishments, assisted living facilities, pushcarts, mobile food units, salvaged food distributors, bed and breakfasts, mobile home parks, trailer parks, and campgrounds; to repeal sections 19-08-05, 23-09-17, 23-09.1-03, and 23-10-05 of the North Dakota Century Code, relating to license fee amounts for beverage sales, food and lodging establishments, mobile food units, pushcarts, bed and breakfasts, mobile home parks, trailer parks, and campgrounds; and to provide for a legislative council study"

Page 1, line 21, replace "2,843,552" with "2,712,149"

Page 1, line 22, replace "1,171,383" with "1,288,653"

Page 1, line 24, replace "5,776,038" with "5,901,038"

Page 2, line 1, replace "905,965" with "903,645"

Page 2, line 4, replace "6,976,570" with "7,085,117"

Page 2, line 5, replace "5,638,554" with "6,826,931"

Page 2, line 6, replace "1,338,016" with "258,186"

Page 2, line 12, replace "32,816,481" with "32,685,078"

Page 2, line 13, replace "25,322,640" with "25,439,910"

Page 2, line 15, replace "42,466,666" with "42,591,666"

Page 2, line 16, replace "8,689,062" with "8,686,742"

Page 2, line 18, replace "126,559,318" with "126,667,865"

Page 2, line 19, replace "112,120,210" with "113,308,587"

Page 2, line 20, replace "14,439,108" with "13,359,278"

Page 2, line 30, after the period insert "This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program."

Page 3, after line 20, insert:

**"SECTION 11. AMENDMENT.** Subsection 1 of section 19-02.1-24 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~No~~ An establishment may not sell any type of prepackaged food from a food vending machine without first obtaining a license from the department. ~~A license may be issued upon payment of a fee of fifteen dollars annually.~~ The license expires on June thirtieth of each year. The department may adopt rules establishing the amount and the procedures for the collection of license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 12. AMENDMENT.** Section 19-08-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-08-04. License required.** The department may, ~~in its discretion,~~ require manufacturers, importers, jobbers, or other retailers to furnish suitable samples to the department for inspection and chemical analysis. If any beverage does not meet all requirements of law, the department shall refuse to license ~~it~~ the beverage and shall prevent ~~its~~ sale of the beverage. The license fee must be paid annually during the month of December or ~~prior to~~ before placing the beverage on the market. The license expires December thirty-first next following its issuance. If the manufacturer or jobber secures a license for a product, subsequent sellers, including retailers and dispensers, need not again secure a license for the same product, and no dispenser may be required to secure a license for a product prepared for the dispenser's own use from a product already licensed. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 13. AMENDMENT.** Subsections 5 and 8 of section 23-09-01 of the North Dakota Century Code are amended and reenacted as follows:

5. "Food establishment" means any fixed restaurant, limited restaurant, coffee shop, cafeteria, short-order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, catering kitchen, delicatessen, bakery, grocery store, meat market, food processing plant, school, child care, or similar place in which food or drink is prepared for sale or service to the public on the premises or elsewhere with or without charge.
8. "Lodging establishment" includes every building or structure, or any part thereof, which is kept, used, maintained, or held out to the public as a place where sleeping accommodations are furnished for pay to ~~four or more~~ transient guests. The term does not include a facility providing personal care services directly or through contract services as defined in section 23-09.3-01 or 50-32-01.

**SECTION 14. AMENDMENT.** Section 23-09-16 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-16. License - Application.** Before any food establishment, lodging establishment, pushcart, mobile food unit, or assisted living facility may be operated in this state, it must be licensed by the department. The department shall waive the license requirement for any food establishment, lodging establishment, or assisted living facility licensed by a city or district health unit if the local health unit's sanitation, safety, and inspection rules are approved by the department. Application for license must be made to the department during December of every year, or before the operating of the food establishment, lodging establishment, pushcart, mobile food unit, or assisted living facility, as the case may be. The application must be in writing on forms furnished by the department and must be accompanied by the required fee. An additional amount of fifty percent of the license fee must be imposed upon renewal if the license was not

renewed before February first following the expiration date. A reduced license fee in the amount of one-half the applicable license fee must be charged for a new food establishment, lodging establishment, pushcart, mobile food unit, or assisted living facility beginning operations after July first of each year and for changes in ownership and location of such existing establishments after July first of each year. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees. The fees must be based on the cost of reviewing construction plans, conducting routine and complaint inspections, and necessary enforcement action. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 15. AMENDMENT.** Section 23-09-24 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-24. Salvaged food - License required.** It is unlawful for a person to claim to be a salvaged food distributor or to engage in the activity of selling, distributing, or otherwise trafficking in distressed or salvaged food, or both, at wholesale, without a license issued under ~~section 23-09-17~~ this chapter authorizing that person to operate as a salvaged food distributor. A salvaged food distributor license may not be issued absent compliance with this section and any rules adopted to implement this section. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees under this section. License fees collected under this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 16. AMENDMENT.** Section 23-09.1-02.2 of the North Dakota Century Code is amended and reenacted as follows:

**23-09.1-02.2. License required - Application - Issuance.** Before any bed and breakfast facility may operate in this state ~~it~~, the facility must be licensed by the department. Licenses expire on December thirty-first following the date of issuance unless canceled by failure to comply with this chapter or with any of the rules adopted under to implement this chapter. Renewal application for license must be made to the department during December of every year. A license must be issued upon compliance by the applicant with provisions of this chapter and any rules adopted under to implement this chapter. The application must be in writing on forms furnished by the department and must be accompanied by the required fee. Licenses issued by the department are not transferable nor applicable to any premises other than those for which the license was issued. The department may adopt rules establishing the amount of and the procedures for the collection of annual license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 17. AMENDMENT.** Section 23-10-03 of the North Dakota Century Code is amended and reenacted as follows:

**23-10-03. License required - Application.** ~~No~~ A person may not establish, maintain, or enlarge a mobile home park, trailer park, or campground in this state without first obtaining a license from the department. The application for the license must be made in writing to the department and must state the location and type of the mobile home park, trailer park, or campground, the proposed water supply, the proposed method of sewerage and garbage disposal, and such other information as may be required by the department. Application forms must be prepared by the department and distributed upon request. The department shall waive the license fee for any mobile home park, trailer park, or campground owned by the state, a municipality, or a nonprofit organization. The department shall waive all or a portion of the license fee for any mobile home park, trailer park, or campground that is subject to local sanitation, safety, and inspection requirements accepted by the department under

section 23-10-02.1. A prorated annual license fee may be charged for new mobile home parks, trailer parks, and campgrounds. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 18. REPEAL.** Sections 19-08-05, 23-09-17, 23-09.1-03, and 23-10-05 of the North Dakota Century Code are repealed.

**SECTION 19. LEGISLATIVE COUNCIL STUDY - HEALTHY NORTH DAKOTA PROGRAM.** The legislative council shall consider studying, during the 2005-06 interim, the costs and benefits of adopting a comprehensive healthy North Dakota and workplace wellness program funded by grants, fees, and increases in tobacco taxes in collaboration with the state department of health, health insurers and other third-party payers, workforce safety and insurance, interested nonprofit health-related agencies, and others who have an interest in establishing accident and disease prevention programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Department of Health - Senate Action**

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$32,816,481	(\$131,403)	\$32,685,078
Operating expenses	25,322,640	117,270	25,439,910
Capital assets	1,514,469		1,514,469
Grants	42,466,666	125,000	42,591,666
Tobacco prevention and control	8,689,062	(2,320)	8,686,742
WIC food payments	15,750,000		15,750,000
Total all funds	\$126,559,318	\$108,547	\$126,667,865
Less estimated income	112,120,210	1,188,377	113,308,587
General fund	\$14,439,108	(\$1,079,830)	\$13,359,278
FTE	317.00	0.00	317.00

**Dept. 301 - State Department of Health - Detail of Senate Changes**

	CHANGES FUNDING SOURCE FOR FOOD AND LODGING INSPECTIONS 1	RESTORES OPERATIONS FOR FOOD AND LODGING INSPECTIONS 2	ADDS FUNDING FOR THE PHYSICIAN LOAN REPAYMENT PROGRAM 3	CHANGES FUNDING FOR HEALTHY NORTH DAKOTA 4	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL SENATE CHANGES
Salaries and wages					(\$131,403)	(\$131,403)
Operating expenses		\$117,270				117,270
Capital assets						
Grants			\$125,000			125,000
Tobacco prevention and control					(2,320)	(2,320)
WIC food payments						
Total all funds	\$0	\$117,270	\$125,000	\$0	(\$133,723)	\$108,547
Less estimated income	639,958	117,270		517,766	(86,617)	1,188,377
General fund	(\$639,958)	\$0	\$125,000	(\$517,766)	(\$47,106)	(\$1,079,830)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

1 This amendment changes the funding source for food and lodging inspections from the general fund to special funds from license fees.

2 This amendment restores \$117,270 for operating expenses for food and lodging expenses that were removed in the executive budget recommendation.

3 This amendment adds \$125,000 from the general fund for the state-community matching physician loan repayment program established in North Dakota Century Code Chapter 43-17.2 and the state-community matching loan repayment program for nurse practitioners, physician assistants, and certified nurse midwives established by Chapter 43-12.2.

4 This amendment changes the funding source for the Healthy North Dakota program from the general fund to other federal or special funds.

Sections 11 through 18 of the amendment relate to making the food and lodging inspection function within the State Department of Health self-supporting from annual license fees and provides that the related license fees are determined by department rules rather than provided for in the North Dakota Century Code. The executive recommendation included \$332,880 of general fund revenues from food and lodging license fees and this amendment will deposit those fees in a special fund.

Section 19 provides for a Legislative Council study of the costs and benefits of adopting a comprehensive Healthy North Dakota program.