Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1277
(Representatives Fehr, Hofstad, B. Koppelman, Lefor)
(Senators Cook, Rust)

AN ACT to amend and reenact section 50-24.4-07 of the North Dakota Century Code, relating to the exclusion of sales tax revenue as an offset to costs in setting nursing home rates.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 50-24.4-07 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-07. Nonallowable costs.

1. The following costs may not be recognized as allowable: political contributions; salaries or expenses of a lobbyist, as defined in section 54-05.1-02, for lobbying activities; advertising designed to encourage potential residents to select a particular nursing home; fines and penalties; legal and related expenses for unsuccessful challenges to decisions by governmental agencies; memberships in sports, health, or similar social clubs or organizations; and costs incurred for activities directly related to influencing employees with respect to unionization. The department by rule shall exclude the costs of other items or services not directly related to the provision of resident care.

2. Nonallowable costs include the education expense unless:

   a. The education was provided by an accredited academic or technical educational facility;

   b. The education expense was for materials, books, or tuition;

   c. The facility claims the education expense, annually, in an amount not to exceed three thousand seven hundred fifty dollars for each individual; and

   d. The amount of education expense claimed for an individual does not exceed fifteen thousand dollars in the aggregate.

3. The education expense may be claimed the year in which it is expended.

4. For any individual who receives education assistance, the facility shall enter a contract with the individual which stipulates a minimum commitment to work for the facility as well as a repayment plan if the individual does not fulfill the contract obligations.

5. An individual who receives education assistance shall commit to a minimum of one thousand six hundred sixty-four hours of employment after completion of the educational program for each year education assistance was provided by the facility.

6. The facility shall report the education expense separately on the facility's cost report. The expense is allowed as a passthrough and is limited only by the fifteen thousand dollar maximum per individual.

7. If an individual defaults on a contract and education expenses for the individual have previously been claimed in any report year, the facility shall report the amount of repayment on the facility's cost report in the report year in which the default occurs.

8. The department shall exclude sales tax revenue received from a political subdivision or local taxing authority as an offset to costs for facilities located in communities with a population below twelve thousand five hundred people.

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-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1277.

House Vote:	Yeas 92	Nays 0	Absent 2
Senate Vote:	Yeas 47	Nays 0	Absent 0

Chief Clerk of the House

Received by the Governor at 9:13 A.M. on March 24, 2015.

Approved at 2:20 P.M. on March 25, 2015.

Governor

Filed in this office this 25th day of March, 2015,

at 3:45 o'clock P M.

Secretary of State