

Introduced by

(At the request of Job Service North Dakota)

1 A BILL for an Act to amend and reenact sections 52-09-07, 52-09-08, and subsection 9 of
2 section 52-09-20 of the North Dakota Century Code, relating to contributions to and primary
3 insurance benefits under the old-age and survivor insurance system; and to repeal sections
4 52-09-09, 52-09-10, 52-09-11, 52-09-12, and 52-09-13 of the North Dakota Century Code,
5 relating to old-age and survivor insurance taxes.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Section 52-09-07 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **52-09-07. Purposes for which fund may be used - Appropriation.** All moneys ~~which~~
10 that are paid or deposited into the old-age survivors' fund are hereby appropriated and made
11 available to the bureau to be used only for the purposes herein provided.

12 1. To be used by the bureau for the payment of claims for benefits under this chapter.
13 From and after the execution date of the agreement with the United States
14 pursuant to chapter 306 of the 1955 Session Laws extending social security
15 coverage to services covered by this chapter, no benefits may be paid under this
16 chapter except to:

17 a. Persons who are receiving benefit payments or are entitled to benefit
18 payments, under section 52-09-14, by virtue of death or retirement occurring
19 before ~~such~~ the agreement execution date, and to dependents and survivors
20 of ~~such~~ fully insured persons whenever entitled and eligible. After ~~such~~ the
21 agreement execution date, ~~no~~ quarters of coverage within the meaning of
22 subsection 7 of section 52-09-20 may not be accrued.

23 b. Persons not entitled to benefits from any other public retirement plan but who
24 would have been eligible under section 52-09-14 before 1960, and

1 dependents and survivors of such fully insured persons whenever entitled and
2 eligible.

3 c. Persons who had terminated covered employment, as defined in subsection 6
4 of section 52-09-20, before ~~such~~ the agreement execution date because of
5 physical disability and who are not entitled to benefits from any other public
6 retirement or disability plan but who would have been eligible under section
7 52-09-14, and dependents and survivors of such fully insured persons
8 whenever entitled and eligible. The insured, or ~~his~~ that person's survivors,
9 shall submit a medical diagnostic opinion establishing that ~~his~~ the insured's
10 employment was terminated because of physical disability and that ~~such~~ the
11 disability has prevented reemployment.

12 Notwithstanding subsection 1 ~~and subdivision a of subsection 1 of this section~~, the effective
13 date referred to for policeman's and ~~fireman's~~ firefighter's positions ~~shall be~~ is on and after the
14 day preceding the execution date of the agreement with the United States pursuant to chapter
15 306 of the 1955 Session Laws extending social security coverage to services covered by this
16 chapter.

17 2. a. To be used by the bureau to pay ~~refunds provided for in section 52-09-10,~~
18 ~~and to pay~~ a prior service refund to any person who is not receiving any other
19 payment under this chapter, who is employed on the date of the federal-state
20 agreement covering services performed under this chapter and executed
21 pursuant to chapter 306 of the 1955 Session Laws, or who was eligible to vote
22 in the public employees' referendum held on December 20, 1956, pursuant to
23 authorization of chapter 306, or to any employee or ~~his~~ the employee's
24 survivor who has nineteen or more quarters of coverage on the date of ~~such~~
25 the federal-state agreement in an amount equal to the employee's individual
26 contribution made between the dates July 1, 1947, and December 31, 1954,
27 after ~~such~~ that person makes written application therefor to the bureau.

28 b. ~~No~~ A refund ~~will~~ may not be paid if the application was received after 1959.
29 ~~No~~ A contribution ~~will~~ may not be refunded if the wages are used to determine
30 benefit eligibility. If ~~such~~ the wages were used for a benefit determination, the

1 person shall repay the amount of the refund or the bureau may deduct the
2 amount from any payment due to the person.

3 3. Contributions may be paid for employers and employees to the United States
4 pursuant to chapter 306 of the 1955 Session Laws, and pursuant to any
5 federal-state agreement executed thereunder, and to provide coverage under
6 federal social security retroactive to December 31, 1954, and up to July 1, 1957,
7 for employees subject to that agreement. ~~Such~~ The amounts are to be transferred
8 and paid into the social security contribution fund established by chapter 306 of the
9 1955 Session Laws.

10 4. ~~For the purposes of making payments under this section, if the balance in the~~
11 ~~old-age survivors' fund becomes insufficient to pay current obligations, the bureau~~
12 ~~is authorized to borrow necessary amounts from the Bank of North Dakota and to~~
13 ~~repay such loans from the employer tax set forth in section 52-09-09.~~

14 5. The legislative assembly may appropriate moneys from this fund to be used by the
15 bureau for the purposes of administration of this chapter and chapter 52-10. The
16 bureau ~~will~~ shall maintain complete and accurate records of all appropriations
17 under this subsection, and expenditures made from those appropriations. All
18 disbursements for administrative expenses from the fund must be paid by
19 warrant-checks prepared by the bureau.

20 **SECTION 2. AMENDMENT.** Section 52-09-08 of the 1997 Supplement to the North
21 Dakota Century Code is amended and reenacted as follows:

22 **52-09-08. Default in taxes - Interest - Action to collect - Levy of tax by political**
23 **subdivisions.** Taxes unpaid on the date on which they are due and payable, as prescribed by
24 the bureau, must bear interest at the rate of one-half of one per centum per month from and
25 after ~~such~~ that date until payment plus accrued interest is received by the bureau; provided,
26 that the bureau may prescribe fair and reasonable regulations pursuant to which ~~such~~ interest
27 ~~shall~~ does not accrue with respect to taxes required. ~~In no case may the~~ The amount of
28 interest imposed ~~hereby~~ may not be less than five dollars. Interest collected pursuant to this
29 section must be paid into the old-age and survivors' fund.

30 4. ~~If within thirty days after due notice, the employer defaults in payment of taxes or~~
31 ~~interest thereon, the amount due must be collected by civil action in the name of~~

1 ~~the bureau and the employer adjudged in default shall pay the costs of such action.~~
2 ~~Civil actions brought under this section to collect taxes or interest thereon must be~~
3 ~~heard by the court at the earliest possible date and are entitled to preference upon~~
4 ~~the calendar of the court over all other civil actions.~~

5 2. ~~The employer shall pay its tax or contribution from funds available and is directed~~
6 ~~to pay same from tax money or from any other income of the political subdivision.~~

7 3. ~~The~~ A political subdivision, except a school district, a multidistrict special education
8 board, or a center board of an area vocational and technology center, shall levy a
9 tax sufficient to meet its obligations under this chapter, up to a maximum levy not
10 exceeding the limitation in section 57-15-28.1. Within the levy limitations set out in
11 subsection 6 of section 57-15-28.1, the governing body of a county may levy a tax
12 for comprehensive health care insurance employee benefit programs duly
13 established by the governing body. Any obligations under this chapter over and
14 above the amount raised by the maximum levy permitted in this section must be
15 paid out of the general fund of the political subdivision. All payments by a school
16 district for obligations incurred under this chapter must be made out of the school
17 district's general fund established pursuant to section 57-15-14.2.

18 **SECTION 3. AMENDMENT.** Subsection 9 of section 52-09-20 of the 1997 Supplement
19 to the North Dakota Century Code is amended and reenacted as follows:

20 9. "Primary insurance benefit" means the sum of the following:

- 21 a. (1) Fifty percent of the amount of an individual's average monthly wage if
22 the average monthly wage does not exceed seventy-five dollars; or
23 (2) If the average monthly wage exceeds seventy-five dollars, thirty-seven
24 dollars and fifty cents, plus fifteen percent of the amount by which the
25 average monthly wage exceeds seventy-five dollars and does not
26 exceed two hundred fifty dollars;
- 27 b. One percent of the amount computed under subdivision a, multiplied by the
28 number of years in which two hundred dollars or more of wages were paid to
29 the individual; and
- 30 c. (1) Effective August 1, ~~1997~~ 1999, ~~five~~ seven hundred thirty-three dollars
31 and ~~thirty-three~~ thirty-two cents; or

