

**1999 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1069**


1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1069

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1-22-1999

Tape Number	Side A	Side B	Meter #
1	X		0.2 - 3.4
Committee Clerk Signature 			

Minutes: Some of the individuals testifying submit written testimony. When noted please refer to it for more detailed information.

Representative Klein, Chairman of the GVA Committee opened the hearing on January 22, 1999.

Summary of the Bill: Relating to employer payment of employee contributions under the public employees retirement system.

Testimony in Favor:

Terry Traynor, ND Association of Counties submitted written testimony which he read in it's entirety (**please refer to his testimony**). Accomplish what we thought we accomplished last session.

Testimony in Opposition: None.

Representative Klein, Closed the hearing on HB 1069


1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1069

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1-28-1999

Tape Number	Side A	Side B	Meter #
3	X		55.5 - 60.7
Committee Clerk Signature 			

Minutes: Representative Klein instructed the committee to take a look at HB 1069. This is that employee contributions one under the public employees retirement system.

Committee Action:

Representative Metcalf, Made a motion for a Do Pass.

Representative Thoreson, Seconded the motion.

Motion Passes: Do Pass **14-0-1.**

Representative Metcalf, Is the carrier for the bill.

Date: 1-28-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1069

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By METCALF Seconded By THORESON

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH	✓	
VICE-CHAIR KLINISKE	✓				
REP. BREKKE					
REP. CLEARY	✓				
REP. DEVLIN	✓				
REP. FAIRFIELD	✓				
REP. GORDER	✓				
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER	✓				
REP. METCALF	✓				
REP. THORESON	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment METCALF

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
January 28, 1999 5:31 p.m.

Module No: HR-18-1417  
Carrier: Metcalf  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1069: Government and Veterans Affairs Committee (Rep. Klein, Chairman)**  
recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
HB 1069 was placed on the Eleventh order on the calendar.

**1999 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1069**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1069

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date March 11, 1998

Tape Number	Side A	Side B	Meter #
1	X		0-676
Committee Clerk Signature <i>James A. Rail</i>			

Minutes: CHAIRMAN KREBSBACH called the committee to order. The clerk was instructed to call the roll. At this time the hearing on HB 1069 was opened. This bill relates to employer payment of employee contributions under the public employees retirement system. Appearing before the committee to testify in support of HB 1069 was TERRY TRAYNOR, North Dakota Association of Counties, Assistant Director. A copy of his written testimony is attached. A copy of a memo from BARRY HASTI, State Supervisor of Assessments is also attached.

CHAIRMAN KREBSBACH asked MR. TRAYNOR to reiterate to the committee just what is this bill would be changing. MR. TRAYNOR indicated that in subsection 3 of 54-52-05, the section that is dealt with within the bill, this directly relates to the PERS program and only the PERS program. It says that if you are a member of PERS and accounting to contribute both the employers share and the employees share that that employees share is supposed to come out of the levy that their salary comes out of and that's what we changed the last time that we thought

we had accomplished. This would make that change and would allow us to basically pay the full 9% or 9.12% out of the OASIS levy. SENATOR WARDNER indicated that would mean to the PERS program, from the OASIS to the PERS program, that's what this line means. MR. TRAYNOR indicated that was correct. SENATOR KILZER, so this is the, relates to the employees part, the 4.00. MR. TRAYNOR indicated that was correct. There were no further questions from the committee. No further testimony was offered in support of HB 1069. No one appeared in neutral position or opposition on the bill. The hearing was closed at this time. SENATOR WARDNER made a motion for a DO PASS on HB 1069, seconded by SENATOR W. STENEHJEM. SENATOR DEMERS indicated she wondered if this piece of legislation needed to be rereferred to the Appropriations Committee. It was indicated that it was not on the list of bills requiring rereferral. ROLL CALL vote indicated 7 YEAS, 0 NAYS, 0 ABSENT OR NOT VOTING. SENATOR WARDNER will carry the bill. SENATOR THANE made a comment indicating that he believed one thing that should be or needs to be more clearly defined and he's not sure whose responsibility it is, is just exactly what the rules should be for sending a bill to appropriations. There seems to be kind of a gray area there that leaves many of us chairman or whatever we may be in doubt as to whether those bills should or should not go down there. I think legislative management or the leadership or someone ought to clarify it before the next session. We sit there wondering if we should be sending bills down there and sometimes we think they shouldn't go down there. They aren't going to do anything with it. They just rubber stamp them and send them up to the floor and it's just a delay in the procedure. So, I think it would be a good thing for someone to take a hard look at. CHAIRMAN KREBSBACH



Page 3  
Senate Government and Veterans Affairs Committee  
Bill/Resolution Number HB 1069 Minutes  
Hearing Date March 11, 1999

indicated she thinks it would be in line to have someone analyze them prior to and indicate which ones would have to go. There were no further comments.

Date: 3/11/99  
Roll Call Vote #:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1069

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Sen. Wardner Seconded By Sen. Stenehjem

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM	✓				
SENATOR THANE	✓				
SENATOR DEMERS	✓				
SENATOR MUTZENBERGER	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Wardner

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)  
March 11, 1999 1:11 p.m.

Module No: SR-44-4538  
Carrier: Wardner  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1069: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1069  
was placed on the Fourteenth order on the calendar.

**1999 TESTIMONY**  
**HB 1069**

**TESTIMONY TO THE  
HOUSE GOVERNMENT & VETERANS AFFAIRS COMMITTEE  
Prepared January 22, 1999 by the  
North Dakota Association of Counties  
Terry Traynor, NDACo Assistant Director**

**Concerning House Bill No. 1069**

Thank you Chairman Klein and members of the Committee for the opportunity to present a few very brief remarks concerning our Association's support for House Bill 1069.

This Committee dealt with a piece of legislation last session that was drafted to allow counties to use their Old Age and Survivors Insurance System (OASIS) levy for the costs of the county programs that have effectively replaced this discontinued retirement program for governmental employees.

Job Service representatives explained to the Interim Committee that the number of persons receiving OASIS benefits is now only about a dozen statewide, and the OASIS fund contains adequate reserves for the few remaining beneficiaries. Counties however, have a continued and growing responsibility for the employer's share of social security, as well as for PERS contributions and other formally established retirement programs. Unlike the cities, until last session, counties had no dedicated levy authority for these costs.

Passage of SB2195 in 1997 did not change the OASIS levy or its limitation, but simply allowed its use for the retirement programs that have replaced OASIS. That bill was passed by the 1997 Legislature with almost unanimous support, but as we soon learned it didn't accomplish all that was intended.

The attached State Tax Department memo pointed out that another section of State law required that the source of funds for the "employee's share" of a PERS contribution, if paid by the employer, must come from the same source of funds as their compensation. The effect of this memo was that, in many counties, the OASIS levy was available for only part of the PERS contribution. We believe, and the Tax Department in the interim testified to their belief, that HB1069 will correct the problem.

County government would greatly appreciate your support of this legislation.



STATE OF NORTH DAKOTA  
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\* Clayburgh  
 COMMISSIONER

# MEMO

COPY

**To:** County Auditors  
**From:** Barry Hasti, State Supervisor of Assessments  
**Subject:** SB 2195, OASIS levy for employee retirement  
**Date:** July 7, 1997

In the memo dated June 26, 1997, I came to the conclusion that the 30 mill OASIS levy could be used as a source of funds for employee share of the retirement program provided that the governing body established full retirement contribution as a part of the total compensation package.

North Dakota Century Code § 54-52-05(3), governing Public Employees Retirement System (PERS), was not considered in arriving at that conclusion. N.D.C.C. § 54-52-05(3) states, in relevant part, "Each employer, at its option, may pay the employee contributions ... The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee."

Because of this provision, the conclusion to question 2 of that memo must be amended as follows to allow using the OASIS levy for employer paid employee contributions only for retirement programs that are separate from PERS.

It is my conclusion that the 30 mill OASIS levy may be used for the "employee's share" of the retirement program for programs that are separate from PERS, provided that the governing body established full retirement contribution as a part of the total compensation package. Political subdivision payment of the employee contributions to a PERS retirement program must be funded from the same source as the salary or wages are paid.

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REPORT OF THE LEGISLATIVE COUNCIL'S  
EMPLOYEE BENEFITS PROGRAMS COMMITTEE  
HOUSE BILL NO. 1069

**Sponsor:** Representative Francis J. Wald

**Affected Retirement Program:** Old-Age and Survivor Insurance System (OASIS)

**Proposal:** Allows employers to pay Public Employees Retirement System employee contributions from the old-age and survivor insurance levy authorized by NDCC Section 57-15-28.1(5).

**Actuarial Analysis:** The proposal has no actuarial cost impact on the Public Employees Retirement System.

**Committee Report:** Favorable recommendation.

**TESTIMONY TO THE  
SENATE GOVERNMENT & VETERANS AFFAIRS COMMITTEE  
Prepared March 8, 1999 by the  
North Dakota Association of Counties  
Terry Traynor, NDACo Assistant Director**

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★ Clayburgh  
COMMISSIONER

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