

**1999 HOUSE INDUSTRY, BUSINESS AND LABOR**

**HB 1090**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1090

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 01/06/99

Tape Number	Side A	Side B	Meter #
1		x	10.0 - 19.0
Committee Clerk Signature <i>Lisa Warner</i>			

Minutes: Jennifer Gladden, Executive Director of Job Service, introduced bill 1090 relating to assignment of unemployment compensation benefits. See written Testimony.

Rep. Keiser: I would like an example.

Jennifer Gladden: I didn't pay my income tax and I owe the IRS. I then become unemployed and apply for benefits. 15% of my benefits can be withheld to pay what I owe the IRS.

Chairman Berg: If we didn't pass this and there was someone receiving unemployment benefits who did have an IRS obligation, the IRS could come to you and say you have to levy the 15%.

The IRS supersedes the state law.

Jennifer Gladden: Yes, this will prevent any law suits.

Rep. Brekke: I presume this 15% is something new. Prior to this the government could assess any amount that they wanted to against a payment or was this limited to 15%.

Jennifer Gladden: No levy can be placed on any unemployment agency.

Page 2

House Industry, Business and Labor Committee

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Rep. Thorpe: Would this keep an individual out of litigation by passing this.

Jennifer Gladden: Not necessarily. It would make it more clear for attorneys who are searching

Century Codes.

Chairman Berg: Closed the hearing.

Rep. Keiser: Moved for a Do Pass.

Rep. Martinson: Second motion.

Motion for a Do Pass, 14 yes, 0 no, 1 absent.

Date: 1-6-99  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1090

House Industry, Business and Labor Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken Do Pass

Motion Made By Keiser Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe	/	
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	.				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Klein

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

**REPORT OF STANDING COMMITTEE**

**HB 1090: Industry, Business and Labor Committee (Rep. Berg, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1090 was placed on the Eleventh order on the calendar.

**1999 SENATE INDUSTRY, BUSINESS AND LABOR**

**HB 1090**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1090

Senate Industry, Business and Labor

Conference Committee

Hearing Date February 8,1999

Tape Number	Side A	Side B	Meter #
1	x		0 to 439
Committee Clerk Signature			

Minutes: GARBLED FIRST PART OF TAPE

SENATOR MUTCH: open hearing on HB1090

RAY GUDAJTES: job service of ND, support of this bill, testimony included

SENATOR KREBSBACH: only entity to levy taxes on unemployment is the Internal Revenue Service

RAY GUDAJTES: no it does not, IRS still has the right to levy taxes

SENATOR MUTCH: have there been any situations were you have received levy requests, no matter whether we pass this bill or not

RAY GUDAJTES: there have been none

SENATOR KREBSBACH: effective date that this issue has been into effect

SENATOR MUTCH: any further questions or testimony

SENATOR HEITKAMP moves the do pass

Date: 2/8/99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
~~HOUSE~~ BILL/RESOLUTION NO. 1090

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken DO PASS

Motion Made By HEITKAMP Seconded By KREBSBACH

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson					

Total (Yes) 6 No 0

Absent 1

Floor Assignment HEITKAMP



REPORT OF STANDING COMMITTEE (410)  
February 8, 1999 2:06 p.m.

Module No: SR-25-2193  
Carrier: Heitkamp  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1090: Industry, Business and Labor Committee (Sen. Mutch, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1090 was placed on the Fourteenth order on the calendar.

**1999 TESTIMONY**

**HB 1090**

## HOUSE BILL 1090

### Testimony Before the House Committee On Industry, Business and Labor Representative Richard Berg, Chairperson January 6, 1999

Mr Chairman and members of the committee, I am Jennifer Gladden, Executive Director of Job Service North Dakota.

Federal unemployment compensation law provides that payments of unemployment compensation may not be subjected to levy. (A levy is the seizure of a person's property or rights to property to pay a debt.) The Taxpayer Relief Act of 1997 did not amend these unemployment compensation provisions, however it authorized the Internal Revenue Service to impose a continuous levy on certain payments, including unemployment compensation, until the levy is released. This continuous levy may be imposed on any individual who is liable for an internal revenue tax.

NDCC 52-06-30 currently prohibits the levy of unemployment compensation benefits. (A claimant's unemployment insurance benefits can not be seized to pay a debt.) The U.S. Department of Labor recommends that States amend their laws to specifically authorize continuous levy in accordance with the Internal Revenue Code to eliminate any conflict between federal and state law in this regard. Alternatively, States may view the Internal Revenue Code as superseding State law. House Bill 1090 amends subsection 1 of NDCC 52-06-30 to create an exception to specifically allow the Internal Revenue Service continuous levy against unemployment insurance benefits, which is currently authorized under federal law.

The continuous levy is administered by the Internal Revenue Service. The amount subject to continuous levy is a maximum of 15% of the unemployment insurance benefits. Job Service North Dakota will be responsible for deducting amounts levied from individual's unemployment compensation benefit payments and forwarding them to the Internal Revenue Service.

Mr. Chairman, this concludes my testimony. I would try to answer any question from the committee. Thank you.

**HOUSE BILL 1090**

**Testimony Before the Senate Committee On  
Industry, Business and Labor  
Senator Duane Mutch, Chairperson  
February 8, 1999**

Mr Chairman and members of the committee, I am Ray Gudajtes of Job Service North Dakota.

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Mr. Chairman, this concludes my testimony. I would try to answer any question from the committee. Thank you.