

# MICROFILM DIVIDER

OMP/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1087

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1087

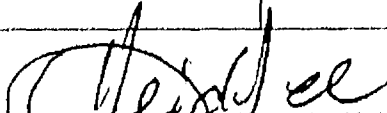
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1087

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 16, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-24.27
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Ray Gudaites: *Job Service ND* **written testimony sponsoring bill** Section 1

Chairman Berg: With these companies do you know if they have a positive or negative balance?

Gudaites: As new employers they would not have a balance at this time. Strictly new employers and new businesses that are liable on August 1, 2001 or later. They can however be a new employer up to two years for a non-construction business and three years for a construction employer.

Rep Ekstrom: Is there a provision allowing this grandfathering?

Gudaites: This is not a federal requirement, so no. **Written testimony** Section 2

Rep Thorpe: Who would have control of accounts under the new language?

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1087

Hearing Date Jan 16, 2001

Gudajtes: The predecessor, the employer, that built the history. The predecessor of an old business will still have access to an account up to three years after going out of business.

Chairman Berg: One issue is how you treat that entity after its ownership has changed and the second issue is who are we going to allow to control the account.

Gudajtes: The account can still be transferred to the new owner if the predecessor so chooses.

Rep Ekstrom: Is that generally the case?

Gudajtes: Yes

Rep Ruby: Can you transfer the account if it is a different business?

Gudajtes: Only if it is essentially the same business but that can expand an existing business.

Rep Ruby: Would it clear a lot of this up if there was a positive balance fund that they can be reimbursed at and they can do what they wish?

Gudajtes: When an employer makes a contribution to the account, that money is merged into a Trust Fund, the reserve is there for the purposes of looking at the account and specific history of a business to determine the rate for the up and coming year. **Written testimony** Section 3

Chairman Berg: So two things have to happen. One they have to meet the ownership test and two they have to have control of supervision for filing.

Rep Froseth: What determines ownership power and how many times has this section been used to try to prosecute those who have to file reports.

Gudajtes: Twenty percent ownership is an officer in the corporation of a limited liability company and as far as how many cases, there have been five.

Chairman Berg: We'll close the hearing on HB 1087.


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1087(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 13, 2001

Tape Number	Side A	Side B	Meter #
2		X	17.6-49.7
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Ray Gudaites: Explained bill and amendments.

Rep Lemieux: I move the amendments.

Rep Ekstrom: I second.

Rep Lemieux: I move a do pass as amended.

Rep Ekstrom: I second.

11 yea, 0 nay, 3 absent

Carrier Rep Ekstrom

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/20/2000

Bill/Resolution No.: HB 1087

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**NO FISCAL IMPACT ON STATE OR AGENCY FUNDING.**

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

<b>Name:</b>	Wayne Klindem	<b>Agency:</b>	Job Service North Dakota
<b>Phone Number:</b>	328-3033	<b>Date Prepared:</b>	01/05/2001

Prepared By Legislative Intern  
Nici Meyer  
January 16, 2001

**PROPOSED AMENDMENT TO HOUSE BILL NO. 1087**

Page 2, line 26, replace "north" with "North"

Page 2, line 28, replace "north" with "North"

Date: 2-13-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1087

House Industry, Business and Labor Committee

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

Action Taken Do Pass @ amended

Motion Made By Lemieux Seconded By Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser			Rep. Matthew M. Klein	✓	
Rep. Mary Ekstrom	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen			Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 12 No 0

Absent 3

Floor Assignment Rep Ekstrom

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



REPORT OF STANDING COMMITTEE (410)  
February 14, 2001 1:13 p.m.

Module No: HR-27-3343  
Carrier: Ekstrom  
Insert LC: 18100.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**

HB 1087: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1087 was placed on the Sixth order on the calendar.

Page 2, line 26, replace "north" with "North"

Page 2, line 28, replace "north" with "North"

Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1087

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1087

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 28, 2001.

Tape Number	Side A	Side B	Meter #
1		x	7.9 to 22.2
2	x		19.4 to 20.0
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members, except Senator Tollefson, present.

Hearing was opened on HB 1087 relating to unemployment compensation employer industrial classification, employer experience record, employer experience record transfers, and corporate officer personal liability; and to provide a penalty.

**Ray Gudajtes**, Job Service ND. This bill will replace the Standard Industrial Classification with the North American Industry Classification System for designation of employers as construction or non-construction for the purposes of the state unemployment insurance program. The bill provides that an employer that has ceased to be liable for unemployment insurance taxes shall continue their experience rating account if they again become liable within three years. It establishes that a succession can occur when a business acquires part or all of another business and continues the same business activity. Control of an experience record rests in the hands of the predecessor. Any corporate officer or LLC manager or employee owning 20 % or more of the

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1087

Hearing Date February 28, 2001.

corporation or the LLC will be personally liable for the company's failure to pay for unemployment insurance payments due. Written testimony attached.

**Senator Mutch:** Advantage of being successor is the lower rate?

**R Gudjates:** Yes if you don't get the experience rate of the predecessor you'd be rated as new business.

**Senator Mathern:** If the predecessor chooses not to use this rate, can it be transferred to the new business?

**R Gudjates:** Predecessor gets to keep history of the account for three years, if not used its gone. For the most part there are very few cases in which not transferred.

**Senator Mutch:** New owner has 15 days to apply for the transfer?

**R Gudjates:** At time of purchase new entity requests transfer of account and predecessor has 15 days to respond after given notice of request. If not received we don't transfer. Predecessor has right to appeal.

No opposing testimony. Hearing closed.

Tape 2-A- 19.4 to 20.0

Discussion held. **Senator Espegard:** Motion: do pass. **Senator Klein:** Second.

Roll call vote: 6 yes; 0 no; 1 absent not voting. Motion carried.

Floor assignment : **Senator Mutch.**

Date: Feb 28/01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1087

Senate Industry, Business and Labor Committee

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

or

Conference Committee

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

Action Taken Do Pass as Enrolled

Motion Made By Senator Espgaard Seconded By Senator Klein

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathem	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	A				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen Mutch

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

REPORT OF STANDING COMMITTEE (410)  
February 28, 2001 1:26 p.m.

Module No: SR-34-4469  
Carrier: Mutch  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

HB 1087, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1087 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1087

