

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1319

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1319

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1319

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 31, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-8.7
1		X	41-45.5
Committee Clerk Signature <i>Heidelee</i>			

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.

R. Kim Koppelman: **Written Testimony** sponsoring bill.

Paul Wohnautka: *Elde Balley*
Written Testimony in support of bill.

C. Berg: What is the effect of this bill?

Wohnautka: It would allow corporations to be excluded.

V.C. Keiser: Why is this a problem for LLC's?

Wohnautka: For all other purposes LLC is a partnership.

V.C. Keiser: I recommend a hold until HB 1251 goes through.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1319(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb 13, 2001

Tape Number	Side A	Side B	Meter #
2	X		2.34-5.13
Committee Clerk Signature <i>(Signature)</i>			

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.

Rep Froseth: I move to adopt the amendments.

Rep Keiser: I second.

Rep Froseth: I move a do pass as amended.

Rep Johnson: I second.

14 yea, 0 nay, 1 absent

Carrier Rep Froseth

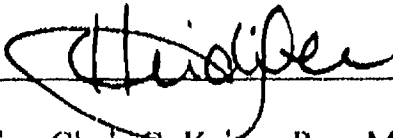
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1319(C)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 19, 2001

Tape Number	Side A	Side B	Meter #
1		X	14.4-17.0
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. Pletsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: Amendments provided to restore bill to original intent.

Rep Keiser: I move to reconsider the amendments.

Rep Kasper: I second.

Rep Froseth: I move to accept the amendments.

Rep Johnson: I second.

Rep Keiser: I move a do pass as amended.

Rep Lemieux: I second.

11 yea, 0 nay, 4 absent

Carrier Rep Froseth

FISCAL NOTE
Requested by Legislative Council
03/26/2001

Bill/Resolution No.:

Amendment to: Reengrossed
 HB 1319

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This bill will allow new corporations and Limited Liability Companies (LLC) to exclude corporate officers or LLC managers, respectively, with 25 percent or more ownership interest sooner than under current statute. Rather than wait until the next January, the exclusion can occur within sixty days of the formation of the corporation or LLC. The only impact on the fund will be the amount of contributions that could be collected from the wages of these corporate officer or LLC managers during the period from formation through December of that year.

Although data does not exist to calculate a specific amount, following is a scenario using the assumptions indicated below:

Approximately 500-600 new corporations and/or limited liability companies, that are not successors to accounts, become liable for Unemployment Insurance coverage each year. Assuming:

- 1) Twelve percent of these are in the construction industry (2001 maximum rate 10.09%) and others are in non-construction (2001 new employer rate 2.08%).
- 2) Each corporation or LLC has one officer or manager that draws a wage.
- 3) Each officer and/or manager earns wages up to half of the taxable base for the year, which is \$8,500 (taxable wages for 2001 is \$17,000).

Then, the maximum reduction in contributions to the Unemployment Insurance Trust Fund per biennium would be \$129,000 to \$158,000.

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.*

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	03/27/2001

FISCAL NOTE
 Requested by Legislative Council
 02/15/2001

Bill/Resolution No.:

Amendment to: HB 1319

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This bill will allow new corporations and Limited Liability Companies (LLC) to exclude corporate officers or LLC managers, respectively, with 25 percent or more ownership interest sooner than under current statute. Rather than wait until the next January, the exclusion can occur within sixty days of the formation of the corporation or LLC. The only impact on the fund will be the amount of contributions that could be collected from the wages of these corporate officer or LLC managers during the period from formation through December of that year.

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

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	02/16/2001

FISCAL NOTE

Requested by Legislative Council

01/18/2001

Bill/Resolution No.: HB 1319

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This bill will allow new corporations and Limited Liability Companies (LLC) to exclude corporate officers or LLC managers, respectively, with 25 percent or more ownership interest sooner than under current statute. Rather than wait until the next January, the exclusion can occur within sixty days of the formation of the corporation or LLC. The only impact on the fund will be the amount of contributions that could be collected from the wages of these corporate officer or LLC managers during the period from formation through December of that year.

Although data does not exist to calculate a specific amount, following is a scenario using the assumptions indicated below:

Approximately 500-600 new corporations and/or limited liability companies, that are not successors to accounts, become liable for Unemployment Insurance coverage each year. Assuming:

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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.*

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	01/23/2001

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

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. HB 1319

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Froseth Seconded By Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		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) 14 No 0

Absent 1

Floor Assignment Rep Froseth

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

