

MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1471

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1471

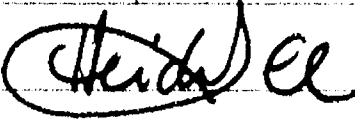
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1471

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 31, 2001

Tape Number	Side A	Side B	Meter #
1	X		37.9
		X	-1.77
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.

Representative Mary Ekstrom: **Written testimony sponsoring bill**

Ray Gudajtes: *Job Service ND* **Written testimony support**

V.C. Keiser: Did your company do a financial analysis on the fund?

Gudajtes: No

C. Berg: Could you bring us an analysis?

Maine Daly: Yes

C. Berg: We'll close the hearing on HB 1471 and hold until we receive the analysis.

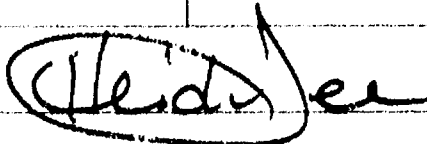
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1471(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 13, 2001

Tape Number	Side A	Side B	Meter #
2	X		28.7-31.5
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.

Rep M. Klein: I move a do pass.

Rep Ekstrom: I second.

15 yea, 0 nay, 0 absent

Carrier Rep Ekstrom

FISCAL NOTE
 Requested by Legislative Council
 01/23/2001

Bill/Resolution No.: HB 1471

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.*

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	01/26/2001

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

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1471

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By M. Klein 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) 15 No 0

Absent 0

Floor Assignment Rep Ekstrom

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

REPORT OF STANDING COMMITTEE (410)
February 13, 2001 12:49 p.m.

Module No: HR-26-3187
Carrier: Ekstron .
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1471: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1471 was placed on the Eleventh order on the calendar.

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1471

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1471

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 28, 2001.

Tape Number	Side A	Side B	Meter #
1		x	22.5 to 37.4
2	x		20.1 to 21.5
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 1471 relating to unemployment compensation employer rates; to provide an effective date and to declare an emergency.

Representative Mary Ekstrom, District 11, co sponsor. Introduced the bill and Ray Gudajtes. Written testimony attached.

Ray Gudjates, Job Service ND. This bill clarifies the application of the rate limiter provision which was included in HB 1135 enacted by the 1999 Legislature. It identifies the exceptions where the rate limitation provision will not apply. There will be no fiscal impact because this is what has been done anyway. Written testimony attached.

No opposing testimony. Hearing closed.

Tape 2-A-20.1 to 21.5

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

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Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1471

Hearing Date February 28, 2001.

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

Floor assignment: **Senator Mathern.**

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

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1471

Senate Industry, Business and Labor Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Mathern Seconded By Sen Klein

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	A				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen Mathern

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

REPORT OF STANDING COMMITTEE (410)
February 28, 2001 1:32 p.m.

Module No: SR-34-4475
Carrier: D. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1471: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1471 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1471

HB 1471 UNEMPLOYMENT COMPENSATION RATES
INDUSTRY, BUSINESS AND LABOR COMMITTEE
January 31, 2001 / Mary Ekstrom

Good morning Mr. Chairman, members of the committee, I am Mary Ekstrom. I represent District 11 in Fargo.

I am here to present HB 1471. This bill was filed at the request of Job Service. Representatives from Job Service are here to explain the bill in detail.

As many of you recall, we made extensive adjustments in the Unemployment Compensation rates last session. This bill deals primarily with one additional aspect. Employers with a negative lifetime cumulative reserve balance that was also negative in the previous year may not, if this bill is enacted, buy down their negative rate through voluntary contributions.

I will let the experts explain the rest. I would happy to answer any questions.

HOUSE BILL 1471
Testimony Before the House Committee On
Industry, Business and Labor
Representative Rick Berg, Chairman
January 31, 2001

Mr. Chairman and members of the committee, I am Ray Gudajtes with Job Service North Dakota. House Bill 1471 clarifies the application of the rate limiter provision which was included in House Bill 1135 enacted by the 1999 Legislature.

The rate limiter provides that for the tax years 2000, 2001 and 2002 no employers tax rate would increase by more than 5% of their previous years tax rate or decrease by more than 10% of their previous years tax rate.

The intent of HB 1135 (1999) was to establish an adequate trust fund reserve level; provide a more equitable way of funding the Unemployment Insurance Trust Fund; and create incentives for employers to manage risk under the program.

The Legislature recognized the short-term impact the new arrayed tax rate schedule could have on business and provided for a gradual transition into the new rates. This was mainly for the negative balance employers who were at 5.4 percent and could have gone to 10.09 percent under the new statute and for the 78 percent positive balance employers who were in the two lowest rate groups under previous statute and would be assigned a rate in the arrayed positive schedule which could be double or more their current rate.

The rate limiter provision has been applied using experience rating principles and with the interpretation that the intent of the provision was not to reward employers by allowing them pay lower taxes if their experience or actions caused them to make higher use of the Trust Fund; or to penalize certain employers from qualifying for lower rates when through their experience or actions caused them to make less use of the Trust Fund; or to protect an employer who did not comply with program reporting requirements.

This bill identifies the exceptions where the rate limitation provision will not apply:

