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DESCRIPTION

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10/2/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1060

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1060

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/21/03

Tape Number	Side A	Side B	Meter #
1	x		0.00-54.8
4	x		50.3-end
4		x	0.00-20.0
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: Chair Keiser opened the hearing on HB 1060.

Rep. Wald introduced HB 1060.

Dave Ystebo, Chairman of the North Dakota Workers Compensation Board of Directors, took the podium and on behalf of his board, requested favorable consideration of all four bills prepared for the IBL Committee's consideration.

Brent Edison, Executive Director and CEO of ND WCB appeared in support of HB 1060 and presented detailed information regarding this proposed legislation. (See attached)

Chairman Keiser stated that he understands the intent of Section 2 is to make the process easier for employees as it removes the arbitrary 45 day time limit.

Rep. Ekstrom asked for clarification about the "date of death within 6 years of injury". Edison said that this has been the statute of limitations since 1919.

Chairman Keiser asked if the client has an option for a lump sum if they so prefer. Edison replied that there is option for flexibility within this new legislation.

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1060
Hearing Date 1/21/03

Rep. Ekstrom asked if that means a client can receive a partial lump sum plus a payment to which Edison answered that this new legislation provides for such an attempt.

Edison said Section 11 "tweaks" the bill passed during the last legislative session and that he would get statistics as to how many workers have utilized the option after the hearing in reply to Rep. Ekstrom's inquiry.

Dawn Lambert appeared in support of HB 1060. (see attached)

Timothy Effertz appeared in support of HB 1060. (see attached) Included in his testimony is a suggested amendment.

Dave Kemnitz, President of ND AFL-CIO, appeared in support of HB 1060 and offered oral testimony.

Sebold Vetter, representing CARE (Concerned Advocates for Retired Employees) appeared in support of HB 1060 and offered oral testimony.

Edison then reviewed the fiscal note attached to HB 1060. A rate level increase to .5% would have no effect on existing reserve levels. This has been analyzed by the WCB actuary who determined that there would not be an impact on rate and reserve levels.

In reply to Rep. Froseth's questions about the 1/2 % rate increase and whether that would be added to an employers contribution rate or would come from the reserve fund, Edison replied that the rates are reviewed annually during the month of May with their actuary.

Rep. Klein asked if the fiscal note is a guesstimate to which Edison replied that his information was prepared by the actuary.

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1060
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There being no one present to appear in opposition to HB 1060, Chairman Keiser closed the hearing. Following the afternoon hearings, Chairman Keiser called for committee work on HB 1060.

Rep. Ruby reported that he had reviewed provisions of this proposed legislation and that another bill introduced (HB 1455) that contains those "tweaks" that Mr. Effertz has proposed within this amendments to HB 1060. WCB will be providing information regarding qualifications for benefit increases and death benefits. Rep. Ruby suggested that rather than hold HB 1060, the committee pass this bill out and work on other issues within HB 1455.

Rep. Ruby moved a do pass.

Rep. Ekstrom seconded the motion.

The roll call vote was 14-0-0.

Rep. Ruby will carry this bill on the floor.

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FISCAL NOTE
 Requested by Legislative Council
 12/24/2002

BH/Resolution No.: HB 1060

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

**NORTH DAKOTA WORKERS COMPENSATION
 2003 LEGISLATION
 SUMMARY OF ACTUARIAL INFORMATION**

BILL DESCRIPTION: Claims

BILL NO: HB 1060

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation simplifies formula for average weekly wage calculation of a self-employed employer; simplifies definition of seasonal employment; clarifies the mechanism available to enforce subpoenas issued by NDWC; increases the remodeling and adaptation allowance for the catastrophically injured from \$20,000 to \$50,000; clarifies that combined partial disability benefits, dependency allowance, and post-injury earnings cannot exceed an injured worker's pre-injury net wage; increases the death benefit cap from \$197,000 to \$250,000 for deaths occurring after August 1, 2003; eliminates the remarriage penalty for death benefit recipients; provides for lump sum settlement payments in death claims and for NDWC to utilize structured settlements; provides a civil action for damages and provides a civil cause of action and a criminal offense for willful retaliation by employers against employees for filing a workers' compensation claim; and repeals binding arbitration.

FISCAL IMPACT: The provision increasing the death benefit cap from \$197,000 to \$250,000 will result in a rate level increase of approximately 0.5%. Since this provision will be applied prospectively, it will result in no change to existing reserve levels. It is anticipated that remaining provisions of this proposed bill will not have a material impact on statewide rate and reserve levels.

DATE: January 6, 2003

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

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10/2/03
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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:	John Halvorson	Agency:	NDWC
Phone Number:	328-3760	Date Prepared:	01/08/2003

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