

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2058 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1097

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10/2/03  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1097

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Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1097

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/20/03

Tape Number	Side A	Side B	Meter #
1		x	14.9-20.5

Committee Clerk Signature *Judith Hammer*

Minutes: **CHAIRMAN KEISER** opened the hearing on HB 1097.

**JOHN GRAHAM (JOB SERVICE NORTH DAKOTA):** Appeared in support of HB 1097

(See attached testimony)

**REP. JOHNSON:** Can a rate change during the year?

**JOHN GRAHAM:** Once set, it is there for the year, unless the employer would make a voluntary contribution to buy his rate down, which would then be retroactive.

**REP. EKSTROM:** Re: the fiscal note attached, how will you make up those dollars?

**JOHN GRAHAM:** The fiscal note represents an impact to the trust fund. If this bill passes, and the fiscal note comes to pass, there probably would be an increase in taxes, we're not proposing there's any way to make up that loss.

**CHAIRMAN KEISER:** This addresses the concern of employers about supplementing negatives. This is a compromise approach for the positives to help put them in a better position when they are delinquent. This will help the positive employers.

Page 2  
House Industry, Business and Labor Committee  
Bill/Resolution Number HB 1097  
Hearing Date 1/20/03

**REP. DOSCH:** In order to avoid going to a maximum rate, they can file report on time, don't have to make payment in time, correct?

**JOHN GRAHAM:** Correct. Federal law requires that we calculate an experiential rate for taxpayers. We need that data on time.

There being no one present to testify in opposition to HB 1097, the hearing was closed.

**REP. SEVERSON:** Moved a Do Pass.

**REP. JOHNSON:** Seconded the motion.

Motion passed unanimously, 14-0-0. Rep. N. Johnson will carry the bill.

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*10/2/03*  
Date

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/03/2003

Bill/Resolution No.: HB 1097

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	\$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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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 not have any effect on the Agency's appropriations, or on the level of revenue available to fund Agency operations or general State expenses. It could, however, have a small negative impact on the Unemployment Insurance Trust Fund. Based on recent (calendar year 2002) history, 141 businesses would have their delinquency-based assigned rate lowered from 10.09% of taxable wages to 6.49% of taxable wages. Attachment A represents a projection of the impact to the UI Trust Fund, based on that figure and recent taxable wage histories for that class of employer. The projected impact would be \$178,000 per year in reduced income to the Trust Fund.

Under current law, any delinquent employer who doesn't remedy that delinquency during the last quarter of the calendar year is assigned the "negative employer maximum rate" (10.09%) for the following calendar year. This Bill would change that law to assign the negative employer minimum rate (6.49%) to two classes of employers - delinquent positive rated employers and new positive non-construction employers. The assignment of a lower rate to those two classes of delinquent employers could result in those employers paying less into the Trust Fund during the following calendar year.

Attachment A

HB 1097 fiscal note

Active and Inactive accounts (no Out of Business) with delinquent rates for 2003 (194):

	POS	NEG
o Rate Code 4 (Eligible/Delinquent)	116	
o Rate Code 6 (Eligible/Neg Reserve/Delinquent)		22
o Rate Code 7 (Ineligible/Delinquent)	25	30 (all "0" reserve)
o Rate Code 8 (Ineligible/ Neg Reserve/Delinquent)		1
	141	53

*Yolanda Rickford*  
 Operator's Signature

10/2/03  
 Date

Taxable wages for:

Rate Code 4           \$ 4,679,761.35  
Rate Code 7 (1/2)       \$ 270,834.97  
Total                   \$ 4,950,596.32

Difference between 10.09% and 6.49% = 3.60%

\$4,950,596.32 X 3.60% = \$ 178,221.47 (impact on UI Trust Fund)

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.

See the first paragraph under 2. Narrative

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 Graham	Agency:	Job Service
Phone Number:	328-2843	Date Prepared:	01/07/2003

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10/2/03  
Date

Date: 1/20/03  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1097

House Industry, Business & Labor Committee

Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Severson Seconded By Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	/		Rep.Boe	/	
Rep.Severson, Vice-Chair	/		Rep.Ekstrom	/	
Rep.Dosch	/		Rep.Thorpe	/	
Rep. Froseth	/		Rep. Zaiser	/	
Rep. Johnson	/				
Rep.Kasper	/				
Rep. Klein	/				
Rep. Nottlestad	/				
Rep. Ruby	/				
Rep.Tieman	/				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Johnson

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

Yalosta Rickford 10/2/03  
Operator's Signature Date

**REPORT OF STANDING COMMITTEE (410)**  
January 21, 2003 2:00 p.m.

Module No: HR-11-0883  
Carrier: N. Johnson  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
HB 1097: Industry, Business and Labor Committee (Rep. Kelsor, Chairman)  
recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
HB 1097 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-11-0883

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*10/2/03*  
Date



