

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1182

2005 HOUSE POLITICAL SUBDIVISIONS

HB 1182

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1182

House Political Subdivisions Committee

Conference Committee

Hearing Date January 13, 2005

Tape Number	Side A	Side B	Meter #
1	x		13.3 to end
		x	0.4 to 2.7
3	x		21.5 to 29.5

Committee Clerk Signature



Minutes: **Rep. Devlin, Chairman** opened the hearing on HB 1182, A Bill for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to authorization of political subdivision tax levy for insurance reserve fund and use for county workers' compensation premium; to amend and reenact section 52-09-08, subsection 3 of section 54-52-05, subdivision a of subsection 2 of section 57-15-01.1, subsection 1 of section 57-15-06.10, section 57-15-12, subdivision e of subsection 1 of section 57-15-14.2, and section 57-15-28.1 of the North Dakota Century Code, relating to political subdivision tax levy for insurance reserve fund; and to repeal section 32-12.1-08 of the North Dakota Century Code, relating to authorization of political subdivision tax levy for insurance reserve fund.

**Rep. Keiser**, representing District 47 spoke as prime sponsor for HB 1182. **Rep. Herbal**, Vice Chairman acknowledge there was a proposed 'hog house' amendment floating around for this bill. **Rep. Herbal**, Vice Chairman chose to speak on the deficiencies of the 'hog house' amendment rather than the bill itself because the bill was a good bill. **Rep. Keiser** was concerned that if the

deficiencies were not understood they might become law and not accomplish what was intended in HB 1182. The political subdivision according to the original bill may establish and may use insurance reserve fund funds for insurance purposes. We already have a section of the code which allows that. However, the Attorney General has made a ruling that when we define insurance purposes it did not include WSI therefore the counties and other political subdivisions are coming forward --- originally their intent was to allow us to use our insurance reserve funds for --- which we have done -- for WSI payments. The original bill also gave permissive language That all political subs may include an annual tax levy necessary for the insurance reserve fund. If the political subdivision has no annual tax levy, it may it may appropriate unexpended balances in the general fund necessary for the insurance reserve fund. Again that is an extension beyond what the 'hog house' amendment does. Third, except for school districts and park districts, the 'hog house' amendment has addressed that for the political subs that establish and insurance reserve trust fund shall keep that fund separate --- and - may use it for WSI premiums. This is what the overall intent is. According to section 32 - 12.1- .08 -- the new language added which gives the permission to apply it to WSI clearly states for premiums. That is where it gets a little bit complicated. We have an monopolistic state -- there are I believe five are monopolistic which means that -- al states do require workers comp insurance -- we just happen to say it is the only source -- it is a state program and you have to go through it and there are no other options. The private sector can't compete for the business, etc., etc. , etc. And the injured worker must be insured --no options. However, we do provide one little tweak --- and that is, that political subdivisions none profits can be self insured. They can opt out of workers' comp and yet they are still in the workers comp program -- they have to pay for direct cost . When you

have a political subdivision which is not paying premiums --- they can be rated just like a private business is -- pay the premiums, based on utilization, -- they are no different than a company.

Certain non-profits -- I believe certain hospitals and they choose to opt out they become fully self insured. In reality you are going to pay the same amount based on utilization -- you just don't have to pay the premiums up front -- if I have a claim against me I am going to pay it and pay all of it.

That is where as I quickly read the 'hog house' amendment you may want to seek clarification because the original bill clearly states that you may use these dollars for payment of premium, for claims against the political subdivision, for judgments, injuries, and health related claims. What they did was went back in and said we are covering not only the premium but also the claims.

The 'hog house ' amendment clarifies it but it includes the claims. There is a difference between premiums and claims. I believe that the political subdivisions should be granted this authority so however you go about it I am all for it. When you get into the WSI territory you will want to be very careful that you have accommodated all of those options. I do worry about that they can remain self insured if they want to be.

**Rep.Devlin, Chairman :** ( 19.0 ) The committee does not have the 'hog house' bill yet. As I talked to someone this weekend they said that they want the 5 mil for insurance but your bill lets them have not only the 5 mils but another 5 mils if they needed it.

**Rep. Keiser :** I don't ant to get into how many mils they can have but what I am saying is that the 'hog house' amendment I was handed simply says very clearly the funds for workers insurance premiums and its a technicality. But you would in effect working them into the premium

formula instead of the self insured formula -- that is with the 'hog house' amendment. I don't think that is what the intent clearly of the 'hog house' one.

**Rep. Koppelman :** ( 19.9 ) You said political subdivision were non profits? If one of those entities were self insured -- could you walk us through how that would work?

**Rep. Keiser :** Workforce Safety does still manage the account however, if you or business -- it looked at the work you are in -- happens to be manufacturing -- it looks at the type of business you are in --its looks at you experience; it looks at your exposure -- you have people working around very heavy equipment -- the last significant claim I had was lost finger -- that's expensive. So we have a high exposure. Our rate is going to be higher. It is an insurance product. Workers Comp is an insurance product. They look at it and say this is your risk factor -- given that what kind of safety do you have, what is your utilization, --- they come up with a formula for paying premium. In the future if I would have a fatality. There is an automatic \$250,000 death benefit payment --- there may be a significant medical cost, -- that all goes into my experience rating. Eventually I will pay for that. In concept political subdivisions and non profits have an option. As a business person I do not. I have no choice but they do. They can opt out and become self insured.

**Rep. Koppelman :** ( 22.0 ) When you exercise that option to self fund is Workers Comp managing that self fund pool that comes in?

**Rep. Keiser :** It would be good for you to have the Workers Comp come in to answer these types of question. What concerns me is the original language it says that they can pay legal cost, claims -- which implies they may self funded.

**Rep. Koppelman :** ( 23.4 ) Relative to claims -- it talks about judgments, etc. -- my understanding of Workers Comp is that injured worker is insured relief and in exchange for that they can't sue the employer -- so where does judgment come into that?

**Rep. Keiser :** Judgments enter -- if an injured worker goes to the bureau and seeks " sure and certain" relief -- they will be given relief without question -- if the Bureau say we believe your medical care, salary replacement, your retraining possibly, -- but we think at this point we have provided "sure and certain" relief ---the employee may says I don't think so and a medical doctor say I don't think so either -- the employ has every right to go back through the system and challenge the Bureau at every step and take it eventually to court. Then the court may enter a judgment which has to be paid.

**Rep. Koppelman :** So that could be an administrative hearing process or a---

**Rep. Keiser :** It could be or -- it usually starts with an administrative hearing and then if not accepted then go to court.

**Rep. Koppelman :** ( 25.3 ) Then the judgment would be against the Bureau and not the employer?

**Rep. Keiser :** The judgment is always against the Bureau but then comes back to the employer.

**Rep. Ekstrom :** ( 25.5 ) Some of the self insureds -- what concerns me is that some of the smaller political subdivisions -- catastrophic injuries can happen -- and completely bankrupt them.

**Rep. Keiser :** Any entity who I talk to I tell them to drop the idea of self insurance as quickly as you can. Get into the program -- this is an insurance program -- if not you are going to pay now or later.

**Rep. Kretschmar :** ( 27.3 ) Section 8 of the bill -- the new language -- in 5 and 6 -- additionally a county may --- in the other section also it say "if the counties" -- Should not the cities have these options?

**Rep. Keiser :** I think the cities should have the same authorities.

**Rep. Zaiser ( 28.2 )** The cities may self insure -- I do know that the City of Fargo does.

**Rep. Keiser :** This is a tremendous program for the workers of this state -- we can argue about isolated cases but it is a good program and it does give sure and certain relief. When we compare the satisfaction rate of our workers with that of other states it is extremely high.

**Mark Johnson :** ( 29.9 ) Mark Johnson is the Executive Director of the North Dakota Association of Counties. It is important that this not a 5 mil tax increase -- that was not the intent. There was no need for the bill to be a five page bill in his opinion and handed out copies of his written testimony. A copy is attached including a copy of the Attorney Generals opinion. At first the "hog house" amendment was not available but some bit later copies were passed out. At the conclusion of his testimony Mark Johnson offered an amendment to the amendment by suggesting working for the last line to include contributions, premiums, judgments, and claims.

**Rep. Kaldor :** ( 39.3 ) They reserve fund the counties have --could be used for premiums to workers comp or to self insure ?

**Mark Johnson :** Yes the bill would allow self insurance in a deductible program. That would have to be studied thoroughly because of the exposure and your premiums are what is needed to cover you. Under the deductible program you are allowed up to \$100,000 deductible to lower your premiums but that is huge exposure cost.

**Rep. Kaldor :** ( 41.5 ) Up to this point the Attorney General opinion was prompted by what kind of a problem in Ransom County -- what were they trying to pay?

**Mark Johnson :** They were paying premiums out of that fund but the Attorney General would not class WSI as an insurance company therefore disallow payment.

**Rep. Kaldor :** So I am assuming some of the Counties are paying their premiums from the general fund.

**Mark Johnson :** Yes that right, that is where it would come from.

**Rep. Koppelman :** ( 43.1 ) I am curious -- if an entity is self insuring -is it considered Workforce Safety claims or Workers' Comp or WSI related? Does that identify them with that particular premium?

**Mark Johnson :** I am going suggest -- and I myself started down this road -- we are using the term self insured rather loosely -- Workforce Safety doesn't allow anyone to go out and totally self insure. They allow them to enter into a deductible program which is a hybrid of full premium based programs versus a self insurance --- so what end up doing is paying a base premium -- they provide all the third party administration, they pay claims, they decide whether claims are legitimate or not, and then you pick up the exposure beyond about \$10,000 and anything over and above that -- actually you write your own ticket on that -- what ever you decide up to \$100,000.

A deductible holder would have to reinsure for anything in excess of a million dollars.

**Rep. Koppelman :** ( 46.7 ) The reinsurance you are talking about -- I assume is bought at the private market --- we are then back to the same issue --- those premiums would be bought under this same amendment?

**Mark Johnson** : A good question but I think by the language here that the counties would be able to buy insurance and that would be covered.

**Rep. Koppelman** : ( 47.7 ) Does the Attorney General's opinion have ramifications in other areas of the code?

**Mark Johnson** : I am not sure but you know that old saying that is it walks like a duck, quacks like a duck --- it really is insurance --- it is a captive insurance program.

**Rep. Koppelman** : ( 49.1 ) You might want to check that question.

**Rep. Kretschmar** : ( 49.3 ) In the 'hog house' amendment all those code section numbers in the original bill are gone -- is that o k ?

**Mark Johnson** : That is O K . Our original intent was to use the 5 mils to pay the insurance premiums and the other claims, etc.

Note: End of side A Tape one at ( 50.1 )

**Side 2 -**

**Steve Spilde** representing the NDIRF -- supports the Association of counties in their effort to provide for flexibility for the counties and the political subdivision --- it is a good thing as is clarity. **Mr. Spilde** addressed sections of the code 32-12.1-08 and 07 saying that the legal intent was clear. We support the committee to pass this to provide the clarity that is needed on how those funds may be used.

**Rep. Devlin, Chairman** : There being no further testimony either for or against HB 1182 the hearing was closed. ( 2.7 )

**Tape 3 side A**

Action: **Rep.Devlin, Chairman** (21.7 ) opened the discussion for action on HB 1182. **Rep.**

**Koppelman** : The amendment which was referred to as the 'hog house' amendment was before the committee. The wording which had been discussed previously by Mark Johnson and others who testify was the basis of a short discussion. **Rep. Koppelman** moved the wording and when so amended be approved and adopted. **Rep. Herbal, Vice Chairman** seconded the motion.

Mark Johnson in answering questions before the committee stated that this amendment if passed as a bill would not change any authorities but would say where the money was spent.

On a roll call vote the amendment to the 'hog house' amendment carried **11 ayes 0 nays 1 absent.**

**Rep. Zaiser** moved the 'hog house' bill as amended. **Rep. Koppelman** seconded the motion.

On a roll call vote the motion carried **11 ayes 0 nays 1 absent.**

**Rep. Koppelman** was designated to carry HB 1182 on the floor.

**End of record ( 29.5 )**

Date: *January 13, 2005*  
Roll Call Vote: *1*

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. *HB 1182*

House POLITICAL SUBDIVISIONS

Committee

Check here for Conference Committee

Legislative Council Amendment Number

*amendments to Proposed Hog House for 1182*

Action Taken

Motion Made By

*Rep. Koppelman*

Seconded By

*Rep. Herbel*

Representatives	Yes	No	Representatives	Yes	No
Rep. Devlin, Chairman	✓		Rep. Ekstrom	✓	
Rep. Herbel, Vice Chairman	✓		Rep. Kaldor	✓	
Rep. Dietrich	✓		Rep. Zaiser	✓	
Rep. Johnson	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				
Rep. Maragos	A				
Rep. Pietsch	✓				
Rep. Wrangham	✓				

Total (Yes)

*11*

No

*0*

Absent

*1*

Floor Assignment

*N/A*

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

Date: *January 13, 2005*  
Roll Call Vote: *2*

**2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. *1182***

House **POLITICAL SUBDIVISIONS** Committee

Check here for Conference Committee

Legislative Council Amendment Number *Adopt Hrg House with amendments*

Action Taken

Motion Made By *Rep. Zaiser* Seconded By *Rep. Koppelman*

Representatives	Yes	No	Representatives	Yes	No
Rep. Devlin, Chairman	✓		Rep. Ekstrom	✓	
Rep. Herbel, Vice Chairman	✓		Rep. Kaldor	✓	
Rep. Dietrich	✓		Rep. Zaiser	✓	
Rep. Johnson	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				
Rep. Maragos	<i>A</i>				
Rep. Pietsch	✓				
Rep. Wrangham	✓				

Total (Yes) *11* No *0*

Absent *1*

Floor Assignment *Rep. Koppelman*

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

**REPORT OF STANDING COMMITTEE**

**HB 1182: Political Subdivisions Committee (Rep. Devlin, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1182 was placed on the Sixth order on the calendar.**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 2 of section 57-15-28.1 of the North Dakota Century Code, relating to use of political subdivision levies for insurance reserve funds for political subdivision workforce safety and insurance premiums; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Subsection 2 of section 57-15-28.1 of the North Dakota Century Code is amended and reenacted as follows:

2. A political subdivision, except a school district or park district, levying a tax for an insurance reserve fund according to section 32-12.1-08 may levy a tax not exceeding five mills. A political subdivision, except a school district or park district, may use all or part of the levy under this subsection and the insurance reserve fund for payment of workforce safety and insurance contributions, premiums, judgments, and claims of the political subdivision.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2004."

Renumber accordingly

2005 SENATE POLITICAL SUBDIVISIONS

HB 1182

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1182

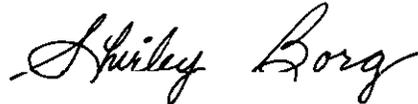
Senate Political Subdivisions Committee

Conference Committee

Hearing Date February 25, 2005

Tape Number	Side A	Side B	Meter #
1	X		3121 - 4243
1		X	939 - 1185

Committee Clerk Signature



Minutes:

**Chairman Cook** opened the hearing on HB 1182 relating to use of political subdivisions levies for insurance reserve funds for political subdivision workforce safety and insurance premiums.

All committee members (6) present.

**Representative George Keiser**, District 47, Bismarck North Dakota, introduced HB 1182. This is a very simple issue but a very important issue to the political subdivisions in our state. Senator Dever commented earlier that this bill went from a six page bill down to a one page bill. Nothing substantially has changed although we recognized after the original bill was written that there were some elements that needed to be incorporated and in incorporating them it was decided that we could say the same thing that we were trying to do more simply. The current law allows political subdivisions to issue up to a five mill levy for purposes of paying insurance premiums and that is what they have been doing. There was in the interim a question raised with the attorney general; does that include payment of workforce safety? The attorney general said that

it was not specifically allowed, therefore I am not sure. What this bill does it bring into inclusion the payment of workforce safety from the five mills that are levied by the political subdivisions for insurance purposes. I believe workforce safety is an insurance product and I believe it should be paid out of those dollars and this bill clarifies that it can be paid out of those dollars. Some of the concerns from the original bill to the current bill can arise and that is that workforce safety and insurance that is a mandatory coverage in our state. A few exceptions to mandatory coverage; one is, political subdivisions, they still have to provide it but they in an effect can be self insuring and as a result the coverage is still available to the claimant but it is under a self insurance program verses a more traditional model were you are paying your premiums and they are adjusted based on utilization. We had to make sure that this language did clearly correct that the workforce safety contribution premium or judgment and claims of the political subdivision. Those are important when you are self insuring, because those can happen and under normal conditions for a normal employer in our state the bureau would take care of those things but in the self insurance we had to make sure they were included as options.

**Mark Johnson**, Executive Director, ND Association of Counties testified in support of HB 1182. (See attachment #1A) Mark also packed out the opinion of the Attorney General ( Attachment #1B)

**Senator Dever:** I know you are not here to represent the school district or park district but I am curious why they are not included in this.

**Mark Johnson:** That is a good question and it is a logical one because it clearly says except school districts. It is because school districts have their own separate authority.

**Marcy Douglas**, City Auditor for City of Northwood, testified in support of HB 1182. In taking a look at this bill it is very important for our communities. Currently the City of Northwood does levy our five mills for our insurance and I no this is a question that has come up in the past in one of our audits. We currently do not use it for workers comp but we have asked the auditors whether or not we could and they in turn did receive a copy of the attorney generals opinion. This is clarification and it is not an increase in taxes, it is an undue hardship.

**Chairman Cook**: Where do you levy it now? The general fund.

**Marcy Douglas**: Workers Comp is in the general fund, depending on the department and then we split it apart.

No further testimony in support or opposed to HB 1182.

**Chairman Cook** closed the hearing on HB 1182.

**Chairman Cook** ask the committee if they wished to take action on the bill.

**Senator Triplett** made a motion for a Do Pass on HB 1182.

**Senator Gary Lee** seconded the motion.

Roll call vote: 6 Yes 0 No 0 Absent

Carrier: **Senator Hacker**

Date: 2-25-05  
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1182

Senate Political Subdivisions

Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass

Motion Made By Senator Triplett Seconded By Senate Gary Lee

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator Nicholas P. Hacker, VC	X				
Senator Dick Dever	X				
Senator Gary A. Lee	X				
Senator April Fairfield	X				
Senator Constance Triplett	X				

Total Yes 6 No 0

Absent

Floor Assignment Senator Hacker

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

**REPORT OF STANDING COMMITTEE (410)**  
**February 25, 2005 1:21 p.m.**

**Module No: SR-35-3720**  
**Carrier: Hacker**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1182, as engrossed: Political Subdivisions Committee (Sen. Cook, Chairman)**  
**recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).**  
**Engrossed HB 1182 was placed on the Fourteenth order on the calendar.**

2005 TESTIMONY

HB 1182

**Testimony To The  
HOUSE POLITICAL SUBDIVISIONS COMMITTEE  
Prepared January 13, 2004 by the  
North Dakota Association of Counties  
Mark Johnson, CAE – Executive Director**

**CONCERNING HOUSE BILL 1182**

Chairman Devlin and members of the House Political Subdivisions Committee, I am here on behalf of the North Dakota Association of Counties in support of House Bill 1182.

This bill is an important clarification to how a specific fund within county government can be used. The bill itself is somewhat involved – particularly when simply it allows counties to do something that many thought was already permitted.

NDCC 32-12.1-08, which is repealed by section 9 of the bill, (and recreated in section 8) defines the purposes for which the revenue from the “tax levy for insurance reserve fund” can be used. Counties have thought that this fund could be used for all insurance purposes, but a recent Attorney General’s opinion (attached) indicated that they were wrong in their thinking. The opinion states, in summary, that payments to Workforce Safety and Insurance do not qualify because WSI is not an insurance company or a self-insurance pool.

The counties requested this bill to clearly include all forms of “insurance” within this optional levy authority. Currently 34 counties levy for this fund, (list attached) and I don’t anticipate that passage of this bill will change that much. It simply makes it clear that this “insurance fund” is for all forms of insurance.

While our Association anticipated a bill that addressed the county levies, it appears that this bill has broader application, addressing the same issue for cities. As this is again, optional, we don’t see how this would create any problem for the cities.

Mr. Chairman, and committee members, I thank you for your time to address this issue and urge a Do Pass recommendation on House Bill 1182.

**LETTER OPINION  
2002-L-64**

November 7, 2002

Mr. Wayne P. Jones  
Ransom County State's Attorney  
PO Box 391  
Lisbon, ND 58054-0391

Dear Mr. Jones:

Thank you for your request for my opinion on whether Ransom County may use money from its insurance reserve fund to pay for workers' compensation insurance.

Section 32-12.1-08, N.D.C.C., authorizes a political subdivision to establish an insurance reserve fund and levy a tax to provide those funds. A county is a political subdivision for the purposes of N.D.C.C. chapter 32-12.1. N.D.C.C. § 32-12.1-02(5)(a).

Section 32-12.1-07, N.D.C.C., only allows a political subdivision to protect against liability pursuant to N.D.C.C. ch. 32-12.1 by self-insurance or by purchasing insurance from an authorized insurance company. Workers' compensation insurance is neither self-insurance nor provided by an authorized insurance company.<sup>1</sup> Thus, a political subdivision may not purchase workers' compensation insurance under the authority of N.D.C.C. ch. 32-12.1. Accordingly, it is my opinion a political subdivision, including a county, may not use insurance reserve fund monies to pay workers' compensation insurance premiums.

Sincerely,

Wayne K. Stenehjem  
Attorney General

sam/vkk

<sup>1</sup> The Workers Compensation Bureau is not an insurance company. See N.D.C.C. § 26.1-02-01. Rather, it is a state agency. See N.D.C.C. §§ 23-01.1-02, 54-60-06. The Bureau does however, have the authority to create an insurance company to provide additional workers' compensation coverage. See N.D.C.C. §§ 65-08.1-02 and 65-08.1-03.

## Section Repealed by HB1182

### 32-12.1-08. Political subdivision insurance reserve fund - Tax levy.

1. A political subdivision, other than a school district or park district, may establish and maintain an insurance reserve fund for insurance purposes, and all political subdivisions including school districts and park districts may include in the annual tax levy of the political subdivision such amounts as are determined by the governing body to be necessary for the purposes and uses of the insurance reserve fund. The tax levy authorized by this section may not exceed the limitation in section 57-15-28.1, except a levy by a school district or park district must be within the general fund levy authority of the school district or park district. If a political subdivision has no annual tax levy, the political subdivision may appropriate from any unexpended balance in its general fund such amounts as the governing body of the political subdivision determines necessary for the purposes and uses of the insurance reserve fund.
2. Except in the case of a school district or park district, the fund established pursuant to this section must be kept separate and apart from all other funds and may be used only for the payment of claims against the political subdivision which have been settled or compromised, judgments rendered against the political subdivision for injuries arising out of risks established by this chapter, or costs incurred in the defense of claims. Payments by a school district or park district for the same purposes must be made out of the political subdivision's general fund.

**Mills Levied 2003**  
**(For Taxes Collected in CY2004)**

	Insurance Reserve Levy #1235
Adams	1.96
Barnes	0.67
Benson	
Billings	
Bottineau	1.00
Bowman	
Burke	2.05
Burleigh	0.56
Cass	
Cavalier	1.53
Dickey	1.71
Divide	2.21
Dunn	2.32
Eddy	3.32
Emmons	2.00
Foster	1.16
Golden Valley	
Grand Forks	
Grant	1.81
Griggs	3.26
Hettinger	3.68
Kidder	2.61
Lamoure	
Logan	1.00
McHenry	
McIntosh	3.05
McKenzie	
McLean	
Mercer	
Morton	1.50
Mountrail	
Nelson	1.39
Oliver	
Pembina	1.00
Pierce	0.37
Ramsey	
Ransom	1.20
Renville	
Richland	
Rolette	5.01
Sargent	1.12
Sheridan	1.00
Sioux	6.11
Slope	1.54
Stark	2.00
Steele	1.20
Stutsman	
Towner	
Trail	1.01
Walsh	1.37
Ward	0.29
Wells	5.00
Williams	
Number of Counties Levying	34
Average of Those Levying	1.97

**Testimony To The  
SENATE POLITICAL SUBDIVISIONS COMMITTEE  
Prepared February 25, 2005 by the  
North Dakota Association of Counties  
Mark Johnson, CAE – Executive Director**

**CONCERNING ENGROSSED HOUSE BILL 1182**

Chairman Cook and members of the Senate Political Subdivisions Committee, I am here on behalf of the North Dakota Association of Counties in support of Engrossed House Bill 1182.

This bill is an important clarification to how a specific fund within county government can be used. The bill itself is quite straightforward, as it proposes to permit counties to do something that many thought was already allowed.

The language of subsection 2 of section 57-15-28.1 has been expanded to make clear that workers compensation premiums are among the purposes for which the revenue from the "tax levy for insurance reserve fund" can be used. Counties have thought that this fund could be used for all insurance purposes, but a recent Attorney General's opinion (attached) indicated that they were wrong in their thinking. The opinion states, in summary, that payments to Workforce Safety and Insurance do not qualify because WSI is not an insurance company or a self-insurance pool.

The counties requested this bill to clearly include all forms of "insurance" within this optional levy authority. Currently 34 counties levy for this fund, (list attached) and I don't anticipate that passage of this bill will change that much. It simply makes it clear that this "insurance fund" is for all forms of insurance.

Mr. Chairman, and committee members, I thank you for your time to address this issue and urge a Do Pass recommendation on House Bill 1182.

# Mills Levied 2003 (For Collection in 2004)

Source:

Compiled by NDACo from:

Property Tax Statistical Report - State Tax Department

	Value of	Insurance Reserve Levy	
	1 Mill	Mills	Dollars
Adams	\$6,988	1.96	\$ 13,696
Barnes	\$33,019	0.67	\$ 22,122
Benson	\$12,267		\$ -
Billings	\$4,768		\$ -
Bottineau	\$22,652	1.00	\$ 22,652
Bowman	\$8,267		\$ -
Burke	\$8,574	2.05	\$ 17,576
Burleigh	\$145,021	0.56	\$ 81,212
Cass	\$297,735		\$ -
Cavalier	\$19,272	1.53	\$ 29,487
Dickey	\$15,234	1.71	\$ 26,050
Divide	\$9,037	2.21	\$ 19,973
Dunn	\$12,278	2.32	\$ 28,484
Eddy	\$6,322	3.32	\$ 20,990
Emmons	\$13,495	2.00	\$ 26,989
Foster	\$12,110	1.16	\$ 14,047
Golden Valley	\$5,362		\$ -
Grand Forks	\$124,884		\$ -
Grant	\$7,815	1.81	\$ 14,146
Griggs	\$8,408	3.26	\$ 27,410
Hettinger	\$8,828	3.68	\$ 32,488
Kidder	\$9,197	2.61	\$ 24,004
Lamoure	\$15,208		\$ -
Logan	\$6,567	1.00	\$ 6,567
McHenry	\$20,520		\$ -
McIntosh	\$9,460	3.05	\$ 28,852
McKenzie	\$15,927		\$ -
McLean	\$23,913		\$ -
Mercer	\$18,101		\$ -
Morton	\$52,511	1.50	\$ 78,767
Mountrail	\$14,600		\$ -
Nelson	\$10,802	1.39	\$ 15,015
Oliver	\$5,179		\$ -
Pembina	\$28,043	1.00	\$ 28,043
Pierce	\$13,568	0.37	\$ 5,020
Ramsey	\$23,662		\$ -
Ransom	\$15,758	1.20	\$ 18,910
Renville	\$9,860		\$ -
Richland	\$45,509		\$ -
Rolette	\$9,176	5.01	\$ 45,972
Sargent	\$13,752	1.12	\$ 15,402
Sheridan	\$5,919	1.00	\$ 5,919
Sioux	\$2,037	6.11	\$ 12,444
Slope	\$5,192	1.54	\$ 7,996
Stark	\$36,154	2.00	\$ 72,307
Steele	\$10,034	1.20	\$ 12,041
Stutsman	\$47,118		\$ -
Towner	\$11,470		\$ -
Traill	\$24,427	1.01	\$ 24,672
Walsh	\$30,499	1.37	\$ 41,784
Ward	\$100,520	0.29	\$ 29,151
Wells	\$16,700	5.00	\$ 83,498
Williams	\$35,156		\$ -
Number of Counties Levying		34.00	
Average of Those Levying		1.97	