

MEASURE APPROVED OVER GOVERNOR'S VETO

CHAPTER 564

HOUSE BILL NO. 1266 (Representative Berg)

WORKERS COMPENSATION BUREAU CAPITAL PURCHASES

VETO

March 22, 1999

The Honorable Francis J. Wald
Speaker of the House
House Chamber
State Capitol
Bismarck, ND 58505

Dear Speaker Wald:

I am returning House Bill 1266 regarding the purchase of a building by the North Dakota Workers Compensation Bureau (NDWCB) and hereby veto the same. The bill gives the NDWCB the authority to purchase a building under certain conditions and provides the authority until July 31, 2003.

The return on investment for the NDWCB has averaged 11.3% since 1993. This is about equal to the purported cost savings suggested by the Bureau in its financial analysis for buying a building. Real cost savings from this legislation appears to be minimal.

The bill is premised on the uncertain notion that it will save money that might be used for higher benefits or reduced premiums. Yet, the bill does not require any such purported savings to be passed on to the employees or the employers of this state.

Finally, I believe this legislation does not set good policy for the entire State of North Dakota. NDWCB is a state agency funded by taxes from North Dakota employers. We should make decisions regarding the Bureau based upon sound policy for the entire state. If we are to shift public policy toward buying buildings, then we should do so in a broad examination of the policy itself, not for just one agency or on an ad hoc basis. We should consult with our financial planners and the private sector, consider the impact to other agencies, potential cost savings, the impact to local property taxes and the affect upon local governments that such a policy may have.

For these reasons, I must respectfully veto HB 1266.

Sincerely,

Edward T. Schafer
Governor

Disapproved March 22, 1999
Filed April 13, 1999

NOTE: The Governor's veto of House Bill No. 1266 was not sustained. For the text of House Bill No. 1266 as approved, see chapter 548.