

February 12, 1997

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1448

Page 1, line 1, replace "section" with "sections 52-04-05 and"

Page 1, line 2, after "to" insert "the determination of rates and"

Page 1, after line 3, insert:

**"SECTION 1. AMENDMENT.** Section 52-04-05 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**52-04-05. Determination of rates.**

1. For each calendar year, the bureau shall estimate the amount of income needed to pay benefits and maintain a balance in the unemployment compensation fund, that as of October 1, 1989, is equal to twenty-five percent of the average annual amount of benefits paid. On each October first after October 1, 1989, the amount of the trust fund reserve must be sixty percent of the average annual amount of benefits paid. The average annual amount of benefits paid must be computed by dividing the total amount of benefits paid and projected to be paid during the previous thirty-six months by three.
2. Rates must be determined as follows:
  - a. The income required for the calendar year must be divided by the estimated taxable wages for the calendar year. The result rounded to the next higher one one-hundredth of one percent is the average required rate.
  - b. The minimum rate for each calendar year is the average required rate, multiplied by one-fourth, rounded to the nearest one-tenth of one percent.
  - c. The maximum rate for each calendar year is the average required rate, multiplied by three, rounded to the nearest one-tenth of one percent. However, the maximum rate must be at least five and four-tenths percent.
3.
  - a. Except as otherwise provided in this subsection, an employer's rate may not be less than the maximum rate for a calendar year unless the employer's account has been chargeable with benefits throughout the thirty-six-consecutive-calendar-month period ending on September thirtieth of the preceding calendar year. If an employer in construction services has not been subject to the law as required, that employer qualifies for a reduced rate if the account has been chargeable with benefits throughout the twenty-four-consecutive-calendar-month period ending September thirtieth of the preceding calendar year. However, an employer in construction services must be assigned the maximum rate or seven percent, whichever is greater, for any year if, as of the computation date, the cumulative benefits charged to the employer's account equal or exceed the cumulative contributions paid on or before October thirty-first with respect to wages paid by that employer before October first of that year. An employer identified as

belonging to industry group number 161, highway and street construction, except elevated highways, provided in the standard industrial classification manual, must be assigned a maximum rate or eight and one-fourth percent, whichever is greater, for any year if, as of the computation date, the cumulative benefits charged to the employer's account equal or exceed the cumulative contributions paid on or before October thirty-first of that year. If an employer in nonconstruction services has not been subject to the law as required, the employer in nonconstruction services qualifies for a reduced rate if the account has been chargeable with benefits throughout the twelve-consecutive-calendar-month period ending September thirtieth of the preceding calendar year.

- b. An employer that does not qualify under subdivision a is subject to a rate determined as follows:
  - (1) For each calendar year new employers must be assigned a rate of two and two-tenths percent unless the employer is classified in construction services. However, an employer must be assigned the maximum rate for any year if, as of the computation date, the cumulative benefits charged to that employer's account equal or exceed the cumulative contributions paid on or before October thirty-first with respect to wages paid by that employer before October first of that year.
  - (2) New employers in construction services must be assigned a rate of seven percent or the maximum rate, whichever is greater.
  - (3) Assignment by the bureau of an employer's industrial classification for the purposes of this section must be the two digit major group provided in the standard industrial classification manual, in accordance with established classification practices found in the standard industrial classification manual issued by the executive office of the president, office of management and budget.
- 4. An employer who has ceased to be liable for contributions shall continue its established experience rating account if it again becomes liable within three years from the date that it ceased to be liable. Such employer's rate, however, must be determined in accordance with subsection 3."

Page 1, line 22, replace "major" with "entire" and replace "employer is classified as" with "earnings were paid by an employer belonging to industry group number 161, highway and street construction, except elevated highways, pursuant to the standard industrial classification manual"

Page 1, line 23, remove "a highway and construction employer under the standard industrial code"

Page 2, line 8, replace "2.11" with "2.21"

Page 2, line 9, replace "2.12" with "2.22" and replace "2.35" with "2.45"

Page 2, line 10, replace "2.36" with "2.46" and replace "2.59" with "2.69"

Page 2, line 11, replace "2.60" with "2.70" and replace "2.83" with "2.93"

Page 2, line 12, replace "2.84" with "2.94"

Renumber accordingly