

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Monday, the sixth day of January,
one thousand nine hundred and ninety-seven**

HOUSE BILL NO. 1026
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the workers compensation bureau and its divisions; to provide authorization to expend funds from the workers' compensation contingency line item; to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to a continuing appropriation for allocated loss adjustment expenses; and to amend and reenact section 65-06.1-04 of the North Dakota Century Code, relating to civil air patrol workers' compensation reimbursements.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the workers' compensation fund in the state treasury, not otherwise appropriated, to the workers compensation bureau for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1997, and ending June 30, 1999, as follows:

Salaries and wages	\$13,299,049
Operating expenses	5,190,609
Equipment	576,000
Managed care/TPA	858,386
Information reengineering	3,250,000
Contingency	<u>100,000</u>
Total special funds appropriation	\$23,274,044

SECTION 2. WORKERS' COMPENSATION CONTINGENCY - EMERGENCY COMMISSION APPROVAL REQUIRED. The sums appropriated in section 1 of this Act for the workers' compensation contingency line item for the biennium beginning July 1, 1997, and ending June 30, 1999, may be spent only upon authorization of the emergency commission.

SECTION 3. REPORT TO BUDGET SECTION. The workers compensation bureau is to report to the budget section on the expenditure of the \$350,000 provided for critical salary adjustments.

SECTION 4. A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

Allocated loss adjustment expenses - Continuing appropriation - Annual review. Money in the workers' compensation fund is appropriated on a continuing basis for the payment of all allocated loss adjustment expenses experienced by the bureau in its administration of this title. In its annual audit and its biennial report, the bureau shall include a breakdown of those allocated loss adjustment expenses that reflect the attorney fees and costs paid to attorneys who represent injured workers, the attorney fees and costs paid to attorneys with whom it contracts to represent the bureau, the amount paid for administrative law judges for hearings, and the court reporter and other legal expenses paid. The performance audit required under 1997 Senate Bill No. 2074 must include a review of the bureau's legal costs to determine whether the system is operating efficiently.

SECTION 5. AMENDMENT. Section 65-06.1-04 of the North Dakota Century Code is amended and reenacted as follows:

65-06.1-04. ~~State reimbursement~~ Reimbursement for liability in excess of collected premiums. Whenever claim liability against the fund credited to the classification of civil air patrol members exceeds the amount of premiums paid into ~~such~~ the fund, ~~such~~ the excess liabilities ~~shall be~~ are a general obligation of the state of North Dakota and ~~shall~~ must be reimbursed to the bureau for credit to the workers' compensation fund through legislative appropriation. The adjutant general may use the funds available to the adjutant general under the Federal Employment Compensation Act liability coverage to satisfy the obligation under this section.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1026.

House Vote: Yeas 89 Nays 0 Absent 8

Senate Vote: Yeas 41 Nays 4 Absent 4

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,

at _____ o'clock _____ M.

Secretary of State

Date of Action: April 10, 1997

Honorable Alvin A. Jaeger
Secretary of State
Bismarck, North Dakota

I certify that this Act, House Bill No. 1026, together with the objections of Governor Edward T. Schafer, was returned to the House, being the body in which it originated, on April 10, 1997, at 1:20 p.m.; that the objections of the Governor were read at length and entered upon the Journal; that the Bill was taken up for reconsideration; that the motion for reconsideration prevailed; and that the roll was called and the Bill did pass, with more than two-thirds of the members-elect voting in the affirmative.

Vote:	Yeas	70
	Nays	22
	Absent and not voting	6

Speaker of the House

Chief Clerk of the House

Date of Action: April 10, 1997

Honorable Alvin A. Jaeger
Secretary of State
Bismarck, North Dakota

I certify that this Act, House Bill No. 1026, together with the objections of Governor Edward T. Schafer, was received from the House, being the body in which it originated; that the objections of the Governor were read at length; that the Bill was taken up for reconsideration; that the motion for reconsideration prevailed on April 10, 1997; and that the roll was called and the Bill failed to pass, with less than two-thirds of the members-elect voting in the affirmative.

Vote:	Yeas	29
	Nays	19
	Absent and not voting	1

President of the Senate

Secretary of the Senate