

**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**

SENATE BILL NO. 2100  
(Senator C. Nelson)

AN ACT to amend and reenact sections 54-52.3-01 and 54-52.3-03 of the North Dakota Century Code, relating to participation by district health units in the pretax benefits program.

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

**SECTION 1. AMENDMENT.** Section 54-52.3-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-01. Pretax benefits program for public employees.** The public employees retirement system board may establish a pretax benefits program for all state employees and employees of district health units under which a state an employee may reduce the employee's salary and elect benefits to the extent of the reduction. ~~The board may permit political subdivisions to participate in the pretax benefits program. Any~~ A participating political subdivision district health unit shall comply with the program conditions and pay all fees established by the board.

**SECTION 2. AMENDMENT.** Section 54-52.3-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-03. Employer savings used to defray expenses of administering program - Continuing appropriation.** The office of management and budget shall transfer funds from the savings accruing to the agencies' salaries and wages line item, as a result of the diminution of the state's employer contribution for the Federal Insurance Contribution Act tax, to a payroll clearing account. The office of management and budget shall transfer funds from the payroll clearing account to the board as necessary to defray the reasonable expenses of administering the pretax benefits program established under this chapter, including expenses associated with the program's medical spending account. Any revenue collected by the board from participating ~~political subdivisions~~ district health units must be used, and is hereby appropriated, to defray the expenses of administering the program. The amount necessary to pay consultants retained by the board, any insurance costs associated with the medical spending account, and medical reimbursements for the medical spending account if funds are insufficient to pay claims are hereby appropriated from the savings and revenue generated by the program. All other expenses of administering the program must be paid in accordance with the agency's appropriation authority as established by the legislative assembly. The director of the office of management and budget may decrease or suspend the transfer of the savings accruing to the agencies' salaries and wages line item to the payroll clearing account upon determination that the funds deposited under this section are sufficient to offset anticipated obligations. Notwithstanding other provisions in this section, the public employees retirement system board, or any successor state agency, may not establish, enroll, or administer any pretax benefits program for a political subdivision or any other public or private business or entity, except for any program established specifically for employees of the state and employees of district health units. ~~The board may continue administering any pretax benefits program established for a political subdivision before January 1, 1991, through the end of the plan year.~~

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President of the Senate

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Speaker of the House

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Secretary of the Senate

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Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2100.

Senate Vote:      Yeas    47      Nays    0      Absent    2

House Vote:      Yeas    94      Nays    0      Absent    3

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Secretary of the Senate

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