

Fifty-ninth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO.**

Introduced by

Representative Wieland

1 A BILL for an Act to create and enact two new sections to chapter 54-44.3 of the North Dakota  
2 Century Code, relating to authorizing political subdivisions to request an exemption from  
3 coverage under the state merit system; and to amend and reenact section 54-44.3-12.1 of the  
4 North Dakota Century Code, relating to revisions to the compensation plan established by North  
5 Dakota human resource management services.

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

7 **SECTION 1. AMENDMENT.** Section 54-44.3-12.1 of the North Dakota Century Code  
8 is amended and reenacted as follows:

9 **54-44.3-12.1. Revisions to compensation plan.** Revisions to the compensation plan  
10 may only be made on July first, following the close of a regular legislative session, except that  
11 new classifications may be added to the compensation plan during a biennium when deemed  
12 necessary by the director. Revisions to the compensation plan ~~do not become effective for~~  
13 county employees covered by the plan ~~until~~ become effective on January first of the first full  
14 calendar year following the revision or on July first following the close of a regular legislative  
15 session, based on official action by the board of county commissioners. Revisions to the  
16 compensation plan may only be made to the extent the legislative assembly appropriates funds  
17 to implement such plans.

18 **SECTION 2.** Two new sections to chapter 54-44.3 of the North Dakota Century Code  
19 are created and enacted as follows:

20 **Political subdivision may request to be exempted from state merit system.** A  
21 political subdivision subject to the merit system under this chapter may file a request with the  
22 division and the director of the department of human services to be exempted from the merit  
23 system. The request must describe a plan and policy that assures the political subdivision has  
24 developed a merit system plan that meets federal standards for personnel administration. The

1 division and the director of the department of human services shall authorize the political  
2 subdivision plan within sixty days of receiving a request under this section if the plan and  
3 policies meet federal requirements. If the division and the director of the department of human  
4 services determine that the proposed plan and policies fail to meet the federal requirements,  
5 the division and the director shall deny the request and notify the requester of the specific  
6 reasons for the denial.

7 **Political subdivision merit system compliance.** The division and the department of  
8 human services shall develop oversight and audit procedures for political subdivision merit  
9 systems to assure compliance with federal merit system principles. If the division and the  
10 department of human services determine that a political subdivision has failed to maintain  
11 compliance with federal merit system principles, the division and the department shall notify the  
12 political subdivision of the noncompliance and order the political subdivision to take corrective  
13 action. If a political subdivision does not take the necessary corrective action to comply with  
14 federal merit system principles, the division and the department of human services shall revoke  
15 the political subdivision's exemption from the state merit system and return the political  
16 subdivision to the state merit system. The political subdivision is responsible for any penalty  
17 assessed by a federal authority for a noncompliant political subdivision merit system.