

Sixtieth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1460

Introduced by

Representatives Skarphol, Carlson, Dosch

Senator Christmann

1 A BILL for an Act to amend and reenact section 65-02-03.1 of the North Dakota Century Code,  
2 relating to the workforce safety and insurance board membership; to provide for application and  
3 transition; to provide an effective date; and to provide an expiration date.

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

5 **SECTION 1. AMENDMENT.** Section 65-02-03.1 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **65-02-03.1. Workforce safety and insurance board of directors - Appointment.**

- 8 1. The board consists of eleven voting members and three nonvoting members. The  
9 appointment and replacement of the voting members must ensure that:
- 10 a. Six board members represent employers in this state which maintain active  
11 accounts with the organization, at least one of which must be a participant in  
12 the risk management program, at least two of which must be employers with  
13 annual premiums greater than twenty-five thousand dollars, at least one of  
14 which must be an employer with an annual premium of ten thousand dollars  
15 but less than twenty-five thousand dollars, at least one of which must be an  
16 employer with an annual premium of less than ten thousand dollars, and at  
17 least one employer at large representative. Except for the employer at large  
18 representative, each employer representative must be a principal owner, chief  
19 executive officer, or chief financial officer of the employer.
- 20 b. Three members represent employees; at least one member must have  
21 received workforce safety and insurance benefits; and at least one member  
22 must represent organized labor.
- 23 c. One member is a member of the North Dakota medical association.

d. One member is a member at large who must be a resident of this state and at least twenty-one years of age.

2. ~~Board~~ Voting board members shall serve four-year terms, ~~except the initial term of office of the member at large to be appointed on August 1, 2003, expires on December 31, 2006, and the term of office of the medical association member whose term of office became effective January 1, 2003, expires on December 31, 2006~~ nonvoting members shall serve two-year terms. The governor shall make the necessary appointments to ensure the term of office of voting members begins on January first of each odd-numbered year and to ensure the term of office of nonvoting members begins on January first of each even-numbered year. Board members may not serve more than ~~three~~ two consecutive terms.

a. A departing member representing an employer must be replaced by a member representing an employer, most of whose employees are in a different rate classification than those of the employer represented by the departing member. The governor shall appoint the ~~replacement~~ member for ~~a departing an employer representative or medical association representative~~ from a list of three potential candidates submitted by the ~~board.~~ The board shall interview an employer representative or a medical representative before placing that candidate's name on the list of replacement member candidates submitted to the governor greater North Dakota chamber of commerce working together with other business organizations in the state.

b. The governor shall select the ~~replacement~~ member for the ~~departing~~ organized labor employee representative from a list of three ~~names of~~ potential candidates submitted by an organization that is statewide in scope and which through ~~its~~ the organization's affiliates embraces a cross section and a majority of organized labor in this state.

c. The governor shall select the ~~replacement member for a departing two~~ nonorganized labor employee representative. ~~The governor shall appoint the replacement member for~~ representatives and the member at large ~~from a list of three candidates submitted by the board.~~

d. The governor shall select the member representing the North Dakota medical association from a list of three potential candidates submitted by the North Dakota medical association.

e. The governor shall select each of the three nonvoting members of the board from a list of three potential candidates submitted by the greater North Dakota chamber of commerce working together with other business organizations in the state. The appointment and replacement of the three nonvoting members must ensure that:

(1) One member represents the health care industry and must be a principal owner, chief executive officer, or chief financial officer of a health care-related business.

(2) One member represents the information technology industry and must be a principal owner, chief executive officer, or chief financial officer of an information technology-related business.

(3) One member represents the insurance industry and must be a principal owner, chief executive officer, or chief financial officer of an insurance-related business.

3. Vacancies in the membership of the board must be filled for the unexpired term by appointment by the governor as provided in this subsection section.

**SECTION 2. AMENDMENT.** Section 65-02-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**65-02-03.1. Workforce safety and insurance board of directors - Appointment.**

1. The board consists of eleven members. The appointment and replacement of the members must ensure that:

a. Six board members represent employers in this state which maintain active accounts with the organization, at least one of which must be a participant in the risk management program, at least two of which must be employers with annual premiums greater than twenty-five thousand dollars, at least one of which must be an employer with an annual premium of ten thousand dollars but less than twenty-five thousand dollars, at least one of which must be an employer with an annual premium of less than ten thousand dollars, and at

1 least one employer at large representative. Except for the employer at large  
2 representative, each employer representative must be a principal owner, chief  
3 executive officer, or chief financial officer of the employer.

4 b. Three members represent employees; at least one member must have  
5 received workforce safety and insurance benefits; and at least one member  
6 must represent organized labor.

7 c. One member is a member of the North Dakota medical association.

8 d. One member is a member at large who must be a resident of this state and at  
9 least twenty-one years of age.

10 2. Board members shall serve four-year terms, ~~except the initial term of office of the~~  
11 ~~member at large to be appointed on August 1, 2003, expires on December 31,~~  
12 ~~2006, and the term of office of the medical association member whose term of~~  
13 ~~office became effective January 1, 2003, expires on December 31, 2006.~~ The  
14 governor shall make the necessary appointments to ensure the term of office of  
15 members begins on January first of each odd-numbered year. Board members  
16 may not serve more than ~~three~~ two consecutive terms.

17 a. A departing member representing an employer must be replaced by a  
18 member representing an employer, most of whose employees are in a  
19 different rate classification than those of the employer represented by the  
20 departing member. The governor shall appoint the ~~replacement~~ member for  
21 ~~a departing~~ an employer representative ~~or medical association representative~~  
22 from a list of three potential candidates submitted by the ~~board~~. ~~The board~~  
23 ~~shall interview an employer representative or a medical representative before~~  
24 ~~placing that candidate's name on the list of replacement member candidates~~  
25 ~~submitted to the governor~~ greater North Dakota chamber of commerce  
26 working together with other business organizations in the state.

27 b. The governor shall select the ~~replacement~~ member for the ~~departing~~  
28 organized labor employee representative from a list of three ~~names of~~  
29 potential candidates submitted by an organization that is statewide in scope  
30 and which through ~~its~~ the organization's affiliates embraces a cross section  
31 and a majority of organized labor in this state.

1            c.    The governor shall select the ~~replacement member for a departing two~~  
2                   nonorganized labor employee ~~representative. The governor shall appoint the~~  
3                   ~~replacement member for~~ representatives and the member at large ~~from a list~~  
4                   ~~of three candidates submitted by the board.~~

5            d.    The governor shall select the member representing the North Dakota medical  
6                   association from a list of three potential candidates submitted by the North  
7                   Dakota medical association.

8            3.    Vacancies in the membership of the board must be filled for the unexpired term by  
9                   appointment by the governor as provided in this ~~subsection~~ section.

10           **SECTION 3. APPLICATION AND TRANSITION.** Section 1 of this Act applies to all  
11 board member appointments occurring after July 31, 2007. Under section 1 of this Act, a board  
12 member serving on August 1, 2007, who has served more than two consecutive terms may  
13 continue to serve through the expiration of the appointed term. Under section 1 of this Act, the  
14 terms of the initial appointments of nonvoting members begin on January 1, 2008.

15           **SECTION 4. EFFECTIVE DATE.** Section 2 of this Act becomes effective on  
16 January 1, 2010.

17           **SECTION 5. EXPIRATION DATE.** Section 1 of this Act is effective through  
18 December 31, 2009, and after that date is ineffective.