

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO. 2101

Introduced by

Industry, Business and Labor Committee

(At the request of Job Service North Dakota)

1 A BILL for an Act to amend and reenact subsection 6 of section 52-04-05 and subsection 2 of
2 section 52-04-06 of the North Dakota Century Code, relating to rounding of calculations for
3 employer unemployment compensation contribution rates.

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

5 **SECTION 1. AMENDMENT.** Subsection 6 of section 52-04-05 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 6. a. Except as otherwise provided in this subsection, an employer's rate may not
8 be less than the negative employer minimum rate for a calendar year unless
9 the employer's account has been chargeable with benefits throughout the
10 thirty-six-consecutive-calendar-month period ending on September thirtieth of
11 the preceding calendar year. If an employer in construction services has not
12 been subject to the law as required, that employer qualifies for a reduced rate
13 if the account has been chargeable with benefits throughout the
14 twenty-four-consecutive-calendar-month period ending September thirtieth of
15 the preceding calendar year. If an employer in nonconstruction services has
16 not been subject to the law as required, the employer in nonconstruction
17 services qualifies for a reduced rate if the account has been chargeable with
18 benefits throughout the twelve-consecutive-calendar-month period ending
19 September thirtieth of the preceding calendar year. The executive director
20 may provide any negative employer whose contributions paid into the trust
21 fund are greater than the benefit charges against that employer's account, for
22 a minimum of three consecutive years immediately preceding the computation
23 date or subject to the law as required, with up to a thirty percent reduction to
24 that employer's rate for any year if that employer has in place a plan approved

1 by the bureau which addresses substantive changes to that employer's
2 business operation and ensures that any rate reduction provided will not put
3 the employer account back into a negative status.

4 b. An employer that does not qualify under subdivision a is subject to a rate
5 determined as follows:

6 (1) For each calendar year new employers must be assigned a rate that is
7 ninety percent of the positive employer maximum rate or a rate of one
8 percent, whichever is greater, unless the employer is classified in
9 construction services. However, an employer must be assigned within
10 the negative employer rate ranges for any year if, as of the computation
11 date, the cumulative benefits charged to that employer's account equal
12 or exceed the cumulative contributions paid on or before October
13 thirty-first with respect to wages paid by that employer before October
14 first of that year. All results calculated under this paragraph must be
15 rounded down to the nearest one-hundredth of one percent.

16 (2) New employers in construction services must be assigned the negative
17 employer maximum rate.

18 (3) Assignment by the bureau of an employer's industrial classification for
19 the purposes of this section must be the three-digit major group
20 provided in the North American industrial classification system manual,
21 in accordance with established classification practices found in the
22 North American industrial classification system manual, issued by the
23 executive office of the president, office of management and budget.
24 Employers who are liable for coverage before August 1, 2001, remain
25 under an industrial classification under the two-digit major group
26 provided in the standard industrial classification manual unless they are
27 classified in the construction industry within the standard industrial
28 classification code.

29 **SECTION 2. AMENDMENT.** Subsection 2 of section 52-04-06 of the North Dakota
30 Century Code is amended and reenacted as follows:

1 2. For each calendar year the bureau shall establish a schedule of positive employer
2 rate groups within the positive employer minimum rate and the positive employer
3 maximum rate determined under section 52-04-05. Each successive rate group for
4 positive employer rate groups must be assigned a rate equal to one hundred
5 twenty percent of the previous group's rate with a minimum increase of one-tenth
6 of one percent and a maximum increase of four-tenths of one percent. The
7 number of rate groups in the positive employer schedule must be ten. For each
8 calendar year the bureau shall establish a schedule of negative employer rate
9 groups with the negative employer minimum rate and the negative employer
10 maximum rate determined under section 52-04-05. Each successive rate group for
11 negative employer rate groups must be assigned a rate equal to the previous
12 group's rate plus four-tenths of one percent. The number of rate groups in the
13 negative employer schedule must be the number required to provide for a rate
14 group at each four-tenths of one percent interval between the negative employer
15 minimum rate and the negative employer maximum rate determined under section
16 52-04-05. All results calculated under this subsection must be rounded to the
17 nearest one-hundredth of one percent.