

**FISCAL NOTE**  
**Requested by Legislative Council**  
**12/21/2018**

Bill/Resolution No.: HB 1072

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

see attached

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attached

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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**Date Prepared:** 12/21/2018

**WORKFORCE SAFETY & INSURANCE**  
**2019 LEGISLATION**  
**SUMMARY OF ACTUARIAL INFORMATION**

**BILL NO: HB 1072**

**BILL DESCRIPTION: WSI Employer Services Bill**

**SUMMARY OF ACTUARIAL INFORMATION:** Workforce Safety & Insurance, together with its consulting actuaries, The Burkhalter Group, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation:

- Defines noncompliance, payroll report, subcontractor, and uninsured within the definitions section.
- Adds an additional civil penalty for a contractor who uses the services of an uninsured employer under a cease and desist order.
- Removes references to “annual” and “twelve month” throughout Chapter 65-04.
- Establishes a penalty of \$5,000 for employers that offset premiums against an employee’s wages.
- Removes reference to organizational seal on certificates of coverage.
- Requires payment of premium and assessments to obtain a certificate of coverage.
- Provides WSI the ability to require payroll reporting more frequently than annually.
- Requires payroll reporting to be done electronically.
- Provides WSI the ability to send electronic billing notification.
- Relocated the penalty structure for an employer in default of payment from 65-04-33 to 65-04-22.
- Extends liability to any contractor for utilizing an uninsured subcontractor.
- Ensures consistency of language relating to notice of decisions within NDCC 65-04-32(3) with the notice of decision language contained in NDCC 65-01-16(5).
- Establishes an administrative penalty for an employer who willfully discharges an employee for seeking workers compensation benefits.
- Outlines the penalties for an employer who is uninsured for failing to secure coverage.
- Outlines the penalties for an employer who is noncompliant.
- Increases penalties for an employer failing to provide information from \$2,000 to \$5,000.
- Repeals section relating to the required biennial safety and performance reviews of Roughrider Industries.

**FISCAL IMPACT:** No significant impact to premium rate levels is anticipated.

**DATE: December 21, 2018**