

**FIRST ENGROSSMENT  
with Conference Committee Amendments****ENGROSSED HOUSE BILL NO. 1448**

Introduced by

Representatives Bernstein, Gerntholz, Kroeplin

1 A BILL for an Act to amend and reenact sections 52-04-05 and 52-06-05 of the North Dakota  
2 Century Code, relating to the determination of rates and unemployment compensation  
3 maximum potential benefits; and to provide an expiration date.

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

5 **SECTION 1. AMENDMENT.** Section 52-04-05 of the 1995 Supplement to the North  
6 Dakota Century Code is amended and reenacted as follows:

7 **52-04-05. Determination of rates.**

- 8 1. For each calendar year, the bureau shall estimate the amount of income needed to  
9 pay benefits and maintain a balance in the unemployment compensation fund, that  
10 as of October 1, 1989, is equal to twenty-five percent of the average annual  
11 amount of benefits paid. On each October first after October 1, 1989, the amount  
12 of the trust fund reserve must be sixty percent of the average annual amount of  
13 benefits paid. The average annual amount of benefits paid must be computed by  
14 dividing the total amount of benefits paid and projected to be paid during the  
15 previous thirty-six months by three.
- 16 2. Rates must be determined as follows:
- 17 a. The income required for the calendar year must be divided by the estimated  
18 taxable wages for the calendar year. The result rounded to the next higher  
19 one one-hundredth of one percent is the average required rate.
- 20 b. The minimum rate for each calendar year is the average required rate,  
21 multiplied by one-fourth, rounded to the nearest one-tenth of one percent.
- 22 c. The maximum rate for each calendar year is the average required rate,  
23 multiplied by three, rounded to the nearest one-tenth of one percent.
- 24 However, the maximum rate must be at least five and four-tenths percent.

- 1           3.   a.   Except as otherwise provided in this subsection, an employer's rate may not  
2                   be less than the maximum rate for a calendar year unless the employer's  
3                   account has been chargeable with benefits throughout the  
4                   thirty-six-consecutive-calendar-month period ending on September thirtieth of  
5                   the preceding calendar year. If an employer in construction services has not  
6                   been subject to the law as required, that employer qualifies for a reduced rate  
7                   if the account has been chargeable with benefits throughout the  
8                   twenty-four-consecutive-calendar-month period ending September thirtieth of  
9                   the preceding calendar year. However, an employer in construction services  
10                  must be assigned the maximum rate or seven percent, whichever is greater,  
11                  for any year if, as of the computation date, the cumulative benefits charged to  
12                  the employer's account equal or exceed the cumulative contributions paid on  
13                  or before October thirty-first with respect to wages paid by that employer  
14                  before October first of that year. An employer identified as belonging to  
15                  industry group number 161, highway and street construction, except elevated  
16                  highways, provided in the standard industrial classification manual, must be  
17                  assigned a maximum rate or eight and one-half percent, whichever is greater,  
18                  for any year if, as of the computation date, the cumulative benefits charged to  
19                  the employer's account equal or exceed the cumulative contributions paid on  
20                  or before October thirty-first of that year. If an employer in nonconstruction  
21                  services has not been subject to the law as required, the employer in  
22                  nonconstruction services qualifies for a reduced rate if the account has been  
23                  chargeable with benefits throughout the twelve-consecutive-calendar-month  
24                  period ending September thirtieth of the preceding calendar year.
- 25           b.   An employer that does not qualify under subdivision a is subject to a rate  
26                  determined as follows:
- 27                  (1)   For each calendar year new employers must be assigned a rate of two  
28                          and two-tenths percent unless the employer is classified in construction  
29                          services. However, an employer must be assigned the maximum rate  
30                          for any year if, as of the computation date, the cumulative benefits  
31                          charged to that employer's account equal or exceed the cumulative

contributions paid on or before October thirty-first with respect to wages paid by that employer before October first of that year.

(2) New employers in construction services must be assigned a rate of seven percent or the maximum rate, whichever is greater.

(3) Assignment by the bureau of an employer's industrial classification for the purposes of this section must be the two digit major group provided in the standard industrial classification manual, in accordance with established classification practices found in the standard industrial classification manual issued by the executive office of the president, office of management and budget.

4. An employer who has ceased to be liable for contributions shall continue its established experience rating account if it again becomes liable within three years from the date that it ceased to be liable. Such employer's rate, however, must be determined in accordance with subsection 3.

**SECTION 2. AMENDMENT.** Section 52-06-05 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**52-06-05. Maximum potential benefits.** ~~Any~~

1. Except as provided in subsection 2, any otherwise eligible individual is entitled during the individual's benefit year to benefits for the number of times the individual's weekly benefit amount appearing in the following table on the line ~~which that~~ includes the individual's ratio of total base-period wages to highest quarter base-period wages:

Ratio of Total Base-Period Wages to High Quarter	Times Weekly Benefit Amount
1.50 to 2.29	12
2.30 to 2.44	14
2.45 to 2.59	16
2.60 to 2.74	18
2.75 to 2.89	20
2.90 to 3.04	22
3.05 to 3.19	24

1 3.20 or more 26

2 2. Any otherwise eligible individual whose entire base-period earnings were paid by  
3 an employer belonging to industry group number 161, highway and street  
4 construction, except elevated highways, pursuant to the standard industrial  
5 classification manual is entitled during the individual's benefit year to benefits for  
6 the number of times the individual's weekly benefit amount appearing in the  
7 following table on the line that includes the individual's ratio of total base-period  
8 wages to highest quarter base-period wages:

9	<u>Ratio of Total Base-Period</u>	<u>Times Weekly</u>
10	<u>Wages to High Quarter</u>	<u>Benefit Amount</u>
11	<u>1.50 to 1.73</u>	<u>12</u>
12	<u>1.74 to 1.97</u>	<u>14</u>
13	<u>1.98 to 2.21</u>	<u>16</u>
14	<u>2.22 to 2.45</u>	<u>18</u>
15	<u>2.46 to 2.69</u>	<u>20</u>
16	<u>2.70 to 2.93</u>	<u>22</u>
17	<u>2.94 to 3.17</u>	<u>24</u>
18	<u>3.18 or more</u>	<u>26</u>

19 **SECTION 3. EXPIRATION DATE.** Section 1 of this Act is effective through  
20 December 31, 2000, and after that date is ineffective. Section 2 of this Act is effective through  
21 December 31, 1999, and after that date is ineffective.