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Title.0200

Prepared by the Legislative Council staff for
Representative Berg
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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1135

Page 1, line 15, replace "each October first after October 1, 2000," with "October 1, 1999, the required amount of the trust fund reserve becomes a targeted amount as determined under this subsection. The solvency target is an average high cost multiple of one. The average high cost multiple is the number of years the bureau could pay unemployment compensation, based on the reserve ratio, if the bureau paid the compensation at a rate equivalent to the average benefit cost rate in the one calendar year during the preceding twenty calendar years and the two calendar years during the preceding ten calendar years in which the benefit cost rates were the highest. "Reserve ratio" means the ratio determined by dividing the balance in the trust fund reserve at the end of the calendar year by the total covered wages in the state for that year. "Benefit cost rate" means the rate determined by dividing the unemployment compensation benefits paid during a calendar year by the total covered wages in the state for that year. The computation of the reserve ratio and benefit cost rate must exclude the wages and unemployment compensation paid by employers covered under section 3309 of the Internal Revenue Code of 1986, as amended, [26 U.S.C. 3309]. Progress towards achieving the targeted amount of the trust fund reserve is measured by reducing any difference between one and the average high cost multiple of the state by an amount that is at least fourteen percent of this difference. If the trust fund reserve reaches or exceeds the targeted amount and if the calendar year annual average insured unemployment rate is above three percent and has increased one hundred ten percent of the average of the preceding two calendar years, a tax rate will be set to provide for fifty percent of the additional revenue needed for the trust fund to be derived from tax rate increases and the remaining fifty percent becomes a drawdown against the trust fund reserve. When the trust fund reserve is being rebuilt, rates will not be lowered until the target level is reached."

Page 1, remove lines 16 through 18

Page 2, replace lines 1 and 2 with "If the positive employer maximum rate is at least one percent, the positive employer minimum rate is the positive employer maximum rate minus nine-tenths of one percent. If the positive employer maximum rate is less than one percent, the range for the positive employer minimum rate must be at least one-tenth of one percent and must be less than two-tenths of one percent (the minimum of one-tenth of one percent plus the increment of one-tenth of one percent), with the positive employer minimum rate equal to the positive employer maximum rate minus a multiple of the increment one-tenth of one percent as provided in subsection 2 of section 52-04-06 to fall within the range described above. A future rate schedule that would generate less income than any past rate schedule may not be used."

Page 2, line 3, remove "whichever is greater."

Page 2, line 4, replace "six" with "five"

Page 2, line 9, replace "one and eight-tenths" with "three and six-tenths"

Page 3, line 8, remove the overstrike over "~~a rate~~" and insert immediately thereafter "that is one hundred fifty percent" and remove the overstrike over "~~of~~"

Page 3, line 9, after "rate" insert "or a rate of one percent, whichever is greater,"

Page 4, line 6, replace "each October first after October 1, 2000," with "October 1, 1999, the required amount of the trust fund reserve becomes a targeted amount as determined under this subsection. The solvency target is an average high cost multiple of one. The average high cost multiple is the number of years the bureau could pay unemployment compensation, based on the reserve ratio, if the bureau paid the compensation at a rate equivalent to the average benefit cost rate in the one calendar year during the preceding twenty calendar years and the two calendar years during the preceding ten calendar years in which the benefit cost rates were the highest. "Reserve ratio" means the ratio determined by dividing the balance in the trust fund reserve at the end of the calendar year by the total covered wages in the state for that year. "Benefit cost rate" means the rate determined by dividing the unemployment compensation benefits paid during a calendar year by the total covered wages in the state for that year. The computation of the reserve ratio and benefit cost rate must exclude the wages and unemployment compensation paid by employers covered under section 3309 of the Internal Revenue Code of 1986, as amended, [26 U.S.C. 3309]. Progress towards achieving the targeted amount of the trust fund reserve is measured by reducing any difference between one and the average high cost multiple of the state by an amount that is at least fourteen percent of this difference. If the trust fund reserve reaches or exceeds the targeted amount and if the calendar year annual average insured unemployment rate is above three percent and has increased one hundred ten percent of the average of the preceding two calendar years, a tax rate will be set to provide for fifty percent of the additional revenue needed for the trust fund to be derived from tax rate increases and the remaining fifty percent becomes a drawdown against the trust fund reserve. When the trust fund reserve is being rebuilt, rates will not be lowered until the target level is reached."

Page 4, remove lines 7 through 9

Page 4, replace lines 16 and 17 with "If the positive employer maximum rate is at least one percent, the positive employer minimum rate is the positive employer maximum rate minus nine-tenths of one percent. If the positive employer maximum rate is less than one percent, the range for the positive employer minimum rate must be at least one-tenth of one percent and must be less than two-tenths of one percent (the minimum of one-tenth of one percent plus the increment of one-tenth of one percent), with the positive employer minimum rate equal to the positive employer maximum rate minus a multiple of the increment one-tenth of one percent as provided in subsection 2 of section 52-04-06 to fall within the range described above. A future rate schedule that would generate less income than any past rate schedule may not be used."

Page 4, line 18, remove "whichever is greater."

Page 4, line 19, replace "six" with "five"

Page 4, line 24, replace "one and eight-tenths" with "three and six-tenths"

Page 5, line 16, remove the overstrike over "~~a rate~~" and insert immediately thereafter "that is one hundred fifty percent" and remove the overstrike over "~~of~~"

Page 5, line 17, after "rate" insert "or a rate of one percent, whichever is greater,"

Page 6, line 13, overstrike "cumulative" and insert immediately thereafter "six-year"

Page 6, line 15, overstrike "cumulative" and insert immediately thereafter "six-year"

Page 7, line 1, replace "two-tenths" with "one-tenth"

Page 7, line 3, replace "two-tenths" with "one-tenth"

Page 7, line 9, replace "two-tenths" with "four-tenths"

Page 7, line 11, replace "two-tenths" with "four-tenths"

Renumber accordingly