

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.

- 1 d. One member is a member at large who must be a resident of this state and at
2 least twenty-one years of age.
- 3 2. ~~Board~~ Voting board members shall serve four-year terms, ~~except the initial term of~~
4 ~~office of the member at large to be appointed on August 1, 2003, expires on~~
5 ~~December 31, 2006, and the term of office of the medical association member~~
6 ~~whose term of office became effective January 1, 2003, expires on December 31,~~
7 ~~2006~~ nonvoting members shall serve two-year terms. The governor shall make
8 the necessary appointments to ensure the term of office of voting members begins
9 on January first of each odd-numbered year and to ensure the term of office of
10 nonvoting members begins on January first of each even-numbered year. Board
11 members may not serve more than ~~three~~ two consecutive terms.
- 12 a. A departing member representing an employer must be replaced by a
13 member representing an employer, most of whose employees are in a
14 different rate classification than those of the employer represented by the
15 departing member. The governor shall appoint the ~~replacement~~ member for
16 ~~a departing~~ an employer representative or medical association representative
17 from a list of three potential candidates submitted by the ~~board.~~ ~~The board~~
18 ~~shall interview an employer representative or a medical representative before~~
19 ~~placing that candidate's name on the list of replacement member candidates~~
20 ~~submitted to the governor~~ greater North Dakota chamber of commerce
21 working together with other business organizations in the state.
- 22 b. The governor shall select the ~~replacement~~ member for the ~~departing~~
23 organized labor employee representative from a list of three ~~names of~~
24 potential candidates submitted by an organization that is statewide in scope
25 and which through ~~its~~ the organization's affiliates embraces a cross section
26 and a majority of organized labor in this state.
- 27 c. The governor shall select the ~~replacement member for a departing~~ two
28 nonorganized labor employee representative. ~~The governor shall appoint the~~
29 ~~replacement member for~~ representatives and the member at large ~~from a list~~
30 ~~of three candidates submitted by the board.~~

- 1 d. The governor shall select the member representing the North Dakota medical
2 association from a list of three potential candidates submitted by the North
3 Dakota medical association.
- 4 e. The governor shall select each of the three nonvoting members of the board
5 from a list of three potential candidates submitted by the greater North Dakota
6 chamber of commerce working together with other business organizations in
7 the state. The appointment and replacement of the three nonvoting members
8 must ensure that:
- 9 (1) One member represents the health care industry and must be a
10 principal owner, chief executive officer, or chief financial officer of a
11 health care-related business.
- 12 (2) One member represents the information technology industry and must
13 be a principal owner, chief executive officer, or chief financial officer of
14 an information technology-related business.
- 15 (3) One member represents the insurance industry and must be a principal
16 owner, chief executive officer, or chief financial officer of an
17 insurance-related business.
- 18 3. Vacancies in the membership of the board must be filled for the unexpired term by
19 appointment by the governor as provided in this ~~subsection~~ section.

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

22 **65-02-03.1. Workforce safety and insurance board of directors - Appointment.**

- 23 1. The board consists of eleven members. The appointment and replacement of the
24 members must ensure that:
- 25 a. Six board members represent employers in this state which maintain active
26 accounts with the organization, at least one of which must be a participant in
27 the risk management program, at least two of which must be employers with
28 annual premiums greater than twenty-five thousand dollars, at least one of
29 which must be an employer with an annual premium of ten thousand dollars
30 but less than twenty-five thousand dollars, at least one of which must be an
31 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.