

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

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 create and enact a new section to chapter 65-02 of the North Dakota  
2 Century Code, relating to employee awards and incentive spending authority; to amend and  
3 reenact section 65-02-03.1 of the North Dakota Century Code, relating to the workforce safety  
4 and insurance board membership; to provide for a legislative council study; and to provide for  
5 application and transition.

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

7 **SECTION 1. AMENDMENT.** Section 65-02-03.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **65-02-03.1. Workforce safety and insurance board of directors - Appointment.**

10 1. The board consists of eleven members. The appointment and replacement of the  
11 members must ensure that:

12 a. Six board members represent employers in this state which maintain active  
13 accounts with the organization, ~~at least one of which must be a participant in~~  
14 ~~the risk management program, at least two.~~ Two of which the employer  
15 members must be employers with annual premiums, which at the time of the  
16 member's initial appointment were greater than twenty-five thousand dollars;  
17 ~~at least;~~ one of which the employer members must be an employer with an  
18 annual premium of, which at the time of the member's initial appointment was  
19 at least ten thousand dollars but less than twenty-five thousand dollars; ~~at~~  
20 ~~least;~~ one of which the employer members must be an employer with an  
21 annual premium of, which at the time of the member's initial appointment was  
22 less than ten thousand dollars; ~~and at least one~~ two of the employer  
23 members must be employer at large representative representatives. Except  
24 for the employer at large ~~representative~~ representatives, each employer

- 1 representative must be a principal owner, chief executive officer, or chief  
2 financial officer of the employer.
- 3 b. Three members represent employees; ~~at least one member must have~~  
4 ~~received workforce safety and insurance benefits; and at least.~~ Of the three  
5 employee members, one member must represent organized labor and one  
6 other member must have received workforce safety and insurance wage-loss  
7 benefits at some time during the ten years before the member's initial  
8 appointment.
- 9 c. One member is a member of the North Dakota medical association.
- 10 d. One member is a member at large who must be a resident of this state and at  
11 least twenty-one years of age.
- 12 2. Board members shall serve four-year terms, ~~except the initial term of office of the~~  
13 ~~member at large to be appointed on August 1, 2003, expires on December 31,~~  
14 ~~2006, and the term of office of the medical association member whose term of~~  
15 ~~office became effective January 1, 2003, expires on December 31, 2006.~~ The  
16 governor shall make the necessary appointments to ensure the term of office of  
17 members begins on January first of each odd-numbered year. ~~Board members~~ A  
18 board member whose initial appointment was before August 1, 2007, may not  
19 serve more than three consecutive terms and a board member whose initial  
20 appointment was after July 31, 2007, may not serve more than two consecutive  
21 terms.
- 22 a. A departing member representing an employer must be replaced by a  
23 member representing an employer, most of whose employees are in a  
24 different rate classification than those of the employer represented by the  
25 departing member. The governor shall appoint the ~~replacement~~ member for  
26 a departing an employer representative ~~or medical association representative~~  
27 from a list of three potential candidates submitted by ~~the board.~~ ~~The board~~  
28 ~~shall interview an employer representative or a medical representative before~~  
29 ~~placing that candidate's name on the list of replacement member candidates~~  
30 ~~submitted to the governor~~ a coordinating committee appointed by the  
31 governor, composed of representatives from the associated general

1 contractors of North Dakota, the North Dakota petroleum council, the greater  
2 North Dakota chamber of commerce, the North Dakota motor carriers  
3 association, the North Dakota healthcare association, the national federation  
4 of independent business, the lignite energy council, and other statewide  
5 business interests.

6 b. The governor shall select the ~~replacement~~ member for the ~~departing~~  
7 organized labor employee representative from a list of three ~~names of~~  
8 potential candidates submitted by an organization that is statewide in scope  
9 and which through ~~its~~ the organization's affiliates embraces a cross section  
10 and a majority of organized labor in this state.

11 c. The governor shall select the ~~replacement member for a departing~~  
12 ~~nonorganized labor~~ two employee ~~representative.~~ ~~The governor shall appoint~~  
13 ~~the replacement member for~~ representatives who do not represent organized  
14 labor and the member at large ~~from a list of three candidates submitted by the~~  
15 board.

16 d. The governor shall select the member representing the North Dakota medical  
17 association from a list of three potential candidates submitted by the North  
18 Dakota medical association.

19 e. The governor may reject a list of potential candidates representing employers,  
20 organized labor, or the North Dakota medical association and request that the  
21 submitting entity submit a new list of potential candidates.

22 3. Vacancies in the membership of the board must be filled for the unexpired term by  
23 appointment by the governor as provided in this ~~subsection~~ section.

24 **SECTION 2.** A new section to chapter 65-02 of the North Dakota Century Code is  
25 created and enacted as follows:

26 **Spending authority - Limited.** Notwithstanding any other law enacted by the sixtieth  
27 legislative assembly, any statement of legislative intent, any statement of purpose of  
28 amendment, or other provision of law, the organization may not expend funds for the purpose  
29 of providing workers' compensation education or training for public officials other than the  
30 director and members of the board, or for providing awards, other than service awards or other  
31 awards or incentives allowed under law and applicable to executive branch agencies. For

1 purposes of this section, award does not include a nonwage, cash disbursement to an  
2 organization employee through a performance-based system for employee recognition.

3 **SECTION 3. APPLICATION AND TRANSITION.** Section 1 of this Act applies to all  
4 board member appointments occurring after July 31, 2007. The board member serving on  
5 August 1, 2007, as the representative of the risk management program shall serve the  
6 remainder of the appointed term as the employer at-large representative. The employee board  
7 member serving on August 1, 2007, as the employee who has received workforce safety and  
8 insurance benefits shall continue to serve through the expiration of the member's appointed  
9 term, regardless of the member's wage-loss benefit history.

10 **SECTION 4. WORKFORCE SAFETY AND INSURANCE - LEGISLATIVE COUNCIL**  
11 **STUDY.** The legislative council shall consider studying, during the 2007-08 interim, the  
12 workforce safety and insurance governance changes made during the 2007 legislative session.  
13 The legislative council shall report its findings and recommendations, together with any  
14 legislation required to implement the recommendations, to the sixty-first legislative assembly.