

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3040

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HCR 3040

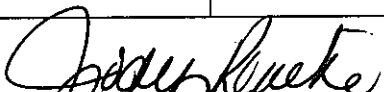
2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3040

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2-14-05

Tape Number	Side A	Side B	Meter #
1	x		9.6-11.7
Committee Clerk Signature 			

Minutes: **Vice-Chairman Johnson:** Opened the hearing on HCR 3040.

**Chairman Keiser - Dist. 47, in Bismarck, ND:** This really does not require to much explanation for this committee. This committee has heard a great deal about the issues that are addressed in this committee. Several of the bills we have heard this session concerning unemployment insurance reserve trust fund, and the impact on that fund, the formulation of that fund, whether or not we are setting the appropriate policies for new business and their beginning rate, and all of those things. Madam Vice Chairman and Members of the Committee, I request that the legislative council accept this as a study resolution and look at again just a review, an update, on what our policies are relative to insurance reserve trust fund and also whether or not from a policy standpoint we should be making any adjustments to that program and prepare them in the form of legislation for next legislative session.

**Vice-Chairman Johnson:** Any questions? Any testimony in support of HCR 3040? Any testimony in opposition to HCR 3040? No, with that we will close the hearing on HCR 3040.

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House Industry, Business and Labor Committee

Bill/Resolution Number HCR 3040

Hearing Date 2-14-05

**Rep. Boe:** I motion for a **DO PASS** in HCR 3040.

**Rep. Dosch:** **SECOND** the motion on HCR 3040.

Motion carried. **VOTE: 14-YES 0-NO 0 Absent PASSED**

**Representative Ruby will carry to the floor.**

Date: 2-14-05

Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3040

House INDUSTRY, BUSINESS AND LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass Place on Consent

Motion Made By Rep. Boe Seconded By Rep. Dosch

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	X		Rep. B. Amerman	X	
N. Johnson-Vice Chairman	X		Rep. T. Boe	X	
Rep. D. Clark	Y		Rep. M. Ekstrom	X	
Rep. D. Dietrich	Y		Rep. E. Thorpe	X	
Rep. M. Dosch	X				
Rep. G. Froseth	X				
Rep. J. Kasper	X				
Rep. D. Nottestad	Y				
Rep. D. Ruby	X				
Rep. D. Vigesaa	X				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Ruby

If the vote is on an amendment, briefly indicate intent:

Consent  
Call order

REPORT OF STANDING COMMITTEE (410)  
February 14, 2005 10:38 a.m.

Module No: HR-29-2741  
Carrier: Ruby  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HCR 3040: Industry, Business and Labor Committee (Rep. Keiser, Chairman)**  
recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (14 YEAS,  
0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3040 was placed on the Tenth order  
on the calendar.

2005 SENATE INDUSTRY, BUSINESS AND LABOR

HCR 3040

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3040

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 3-15-05

Tape Number	Side A	Side B	Meter #
1	xxx		2690-3509
Committee Clerk Signature <i>Lisa Van Berkom</i>			

Minutes: **Chairman Mutch** opened the hearing on HCR 3040. All Senators were present.

**HCR 3040 directs Legislative Council to study the unemployment insurance tax rate structure.**

**Rep. Koppelman** introduced the bill.

**Rep. Koppelman:** I have discovered the disparity in the unemployment tax that is paid by new businesses in the home building category particularly. We have done some research to find that not only are they penalized. Other businesses get a preferential rate. I believe it's 2.08%, which is the lowest rate in the state. The reason they do that is because people want to encourage new business. So when a business starts up we say, we are going to keep the unemployment tax low and we will assume you are innocent until proven guilty. You create a track record and if you lay people off and tap the fund, your rate is going to go up. If you don't, it's going to stay low. We do the opposite when it comes to people going into the construction business. One of the reasons constructions is all you know, it's been tough. Now, the reason, I would submit, is because there



are some people in heavy industrial construction, who regularly lay people off by the season.

They even have job attached workers. Which means, that it is planned that they do that. In the fall they go on unemployment and in the Spring they go back to work, and in the mean time, they draw unemployment. And because of that, the construction category, has a negative balance rating. When you start to slice the pie a little thinner and look at each individual category, you will find there are some that don't have a negative experience rating at all. One of those is home builders. Yet we charge them the highest rate possible under state law for unemployment tax. So our bill is sought to adjust that. We weren't trying to take it down to the low level that everyone else is at. Instead, they said let's look at a study where in the interim we can look at this.

**Senator Espegard:** You weren't proposing that the legislature sets the rates on unemployment, were you?

**Rep. Koppelman:** Actually, that's what happens now. They are set by statute.

**Senator Espegard:** I thought they were experience rated.

**Rep. Koppelman:** We restructured it in the last interim.

**Senator Heitkamp:** You couldn't find any Senators that agreed with you on this bill, or what?

**Rep. Koppelman:** Rep. Keiser sought the sponsors on this bill.

**Dorreen Reidman,** Association of Builders, stated her support for the bill.

**There were no questions.**

**Senator Krebsbach moved a DO PASS. Senator Klein seconded.**

**Roll Call Vote:** 7 yes. 0 no. 0 absent.

**Carrier:** Senator Heitkamp

Date: 3-15-05  
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3040

Senate Industry, Business, and Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Krebsbach Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Chairman Mutch	X		Senator Fairfield	X	
Senator Klein	X		Senator Heitkamp	X	
Senator Krebsbach	X				
Senator Espegard	X				
Senator Nething	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Heitkamp

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
March 15, 2005 1:02 p.m.

**Module No: SR-47-5004**  
**Carrier: Heitkamp**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HCR 3040: Industry, Business and Labor Committee (Sen. Mutch, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
HCR 3040 was placed on the Fourteenth order on the calendar.