

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Monday, the sixth day of January,
one thousand nine hundred and ninety-seven**

HOUSE BILL NO. 1120
(Representative Keiser)
(At the request of Job Service North Dakota)

AN ACT to amend and reenact section 52-06-30 of the North Dakota Century Code, relating to voluntary withholding of federal income tax and state income tax from unemployment compensation benefits; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 52-06-30 of the North Dakota Century Code is amended and reenacted as follows:

52-06-30. Assignment of benefits prohibited - Benefits exempt from remedies for collection of debt - Exception.

1. No assignment, pledge, or encumbrance of any right to benefits which are or may become due or payable under the North Dakota Unemployment Compensation Law is valid. Such rights to benefits are exempt from levy, execution, attachment, or any other remedy ~~whatsoever~~ provided for the collection of a debt. Benefits received by any individual, as long as they are not mingled with other funds of the recipient, are exempt from any remedy ~~whatsoever~~ for the collection of all debts except debts incurred for necessities furnished to ~~such~~ the individual, ~~his~~ that person's spouse, or dependents during the time when ~~such~~ the individual was unemployed. No waiver of any exemption provided for in this ~~section~~ subsection is valid. However, this ~~section~~ subsection does not impair the operation of subsection 2 or section 52-06-06.1.
2. An individual filing a new claim for unemployment compensation benefits, at the time of filing the claim, must be advised that:
 - a. Unemployment compensation is subject to federal income tax and state income tax;
 - b. Requirements exist pertaining to estimated federal and state tax payments;
 - c. The individual may elect to have federal income tax deducted and withheld from the individual's payment of unemployment compensation benefits at the amount specified in the federal Internal Revenue Code;
 - d. The individual, having elected to have federal income tax withheld, may also elect to have state income tax deducted and withheld from the individual's payment of unemployment compensation at a rate determined by the tax commissioner pursuant to section 57-38-59; and
 - e. The individual is permitted to change a previously elected withholding status. Amounts deducted and withheld from unemployment compensation must remain in the unemployment fund until transferred to the federal and state taxing authority as payment of income tax. The bureau shall follow all procedures specified by the United States department of labor, the federal internal revenue service, and the tax commissioner pertaining to the deducting and withholding of income tax. Amounts must be deducted and withheld under this section only after amounts are deducted and withheld for any overpayments of unemployment compensation, child support obligations, or any other amounts required to be deducted and withheld under this chapter.

SECTION 2. EFFECTIVE DATE. This Act becomes effective on January 1, 1997.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1120 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 90 Nays 0 Absent 8

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 2

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,
at _____ o'clock _____ M.

Secretary of State