

HOUSE BILL NO. 1471

Introduced by

Representatives Ekstrom, Berg, Pietsch

Senators D. Mathern, T. Mathern

1 A BILL for an Act to amend and reenact subsection 3 of section 52-04-05 of the North Dakota
2 Century Code, relating to unemployment compensation employer rates; to provide an effective
3 date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 52-04-05 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 3. a. Except as otherwise provided in this subsection, an employer's rate may not
8 be less than the negative employer minimum rate for a calendar year unless
9 the employer's account has been chargeable with benefits throughout the
10 thirty-six-consecutive-calendar-month period ending on September thirtieth of
11 the preceding calendar year. If an employer in construction services has not
12 been subject to the law as required, that employer qualifies for a reduced rate
13 if the account has been chargeable with benefits throughout the
14 twenty-four-consecutive-calendar-month period ending September thirtieth of
15 the preceding calendar year. If an employer in nonconstruction services has
16 not been subject to the law as required, the employer in nonconstruction
17 services qualifies for a reduced rate if the account has been chargeable with
18 benefits throughout the twelve-consecutive-calendar-month period ending
19 September thirtieth of the preceding calendar year. During the building of the
20 trust fund reserve, the rate assigned to an employer may not exceed one
21 hundred thirty percent of the previous year's rate for that employer and an
22 employer may not receive more than a ten percent decrease in that
23 employer's rate from the previous year's rate, for the calendar years 2000,
24 2001, and 2002. However, this rate limitation provision for calendar years

1 2000, 2001, and 2002 does not apply to an experience-rated employer that
2 was a new employer the previous year, a negative employer that was a
3 positive employer the previous year, a positive employer that was a negative
4 employer the previous year, an employer that has failed to file a report, a new
5 employer, and an employer that chose to make payments in lieu of
6 contributions. During the building of the trust fund reserve for calendar years
7 2000, 2001, and 2002, a negative employer that was a negative employer the
8 previous year may not make excess contributions under subsection 4 of
9 section 52-04-06 to become a positive employer. The executive director may
10 provide any negative employer whose contributions paid into the trust fund
11 are greater than the benefit charges against that employer's account, for a
12 minimum of three consecutive years immediately preceding the computation
13 date or subject to the law as required, with up to a thirty percent reduction to
14 that employer's rate for any year if that employer has in place a plan approved
15 by the bureau which addresses substantive changes to that employer's
16 business operation and ensures that any rate reduction provided will not put
17 the employer account back into a negative status.

18 b. An employer that does not qualify under subdivision a is subject to a rate
19 determined as follows:

- 20 (1) For each calendar year new employers must be assigned a rate that is
21 one hundred fifty percent of the positive employer maximum rate or a
22 rate of one percent, whichever is greater, unless the employer is
23 classified in construction services. However, an employer must be
24 assigned within the negative employer rate ranges for any year if, as of
25 the computation date, the cumulative benefits charged to that
26 employer's account equal or exceed the cumulative contributions paid
27 on or before October thirty-first with respect to wages paid by that
28 employer before October first of that year.
- 29 (2) New employers in construction services must be assigned the negative
30 employer maximum rate.

- 1 (3) Assignment by the bureau of an employer's industrial classification for
2 the purposes of this section must be the two-digit major group provided
3 in the standard industrial classification manual, in accordance with
4 established classification practices found in the standard industrial
5 classification manual issued by the executive office of the president,
6 office of management and budget.

7 **SECTION 2. EFFECTIVE DATE.** This Act is retroactively effective to January 1, 2000.

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