

# MICROFILM DIVIDER

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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2309

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10/22/03

Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2309

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Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2309

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 02-04-03

Tape Number	Side A	Side B	Meter #
1		xxx	1600
Committee Clerk Signature <i>Lisa VanBeekom</i>			

Minutes: Vice Chairman Klein opened the hearing on SB 2309. Senator Mutch absent.

SB 2309 relates to exempting townships from penalties for failing to furnish workers' compensation payroll reports.

Senator O'Connell introduced the bill.

Testimony in support of SB 2309

Senator Andrist also spoke in favor of the bill. He stated that the penalties are too large for small townships with people who are volunteers.

Ken Yantes, ND Township Officers Association, spoke in favor of the bill. See attached testimony.

Anne Jorgenson Green, Worker's Compensation, stated that they were neutral but would support the bill with the attached amendments.

There was no opposing testimony

Hearing was closed.

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*10/22/03*  
Date

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2309

Hearing Date 02-04-03

Senator Krebsbach made a motion to amend. Senator Heitkamp seconded.

Roll call Vote: 6 yes. 0 no. 1 absent.

Senator Espegard moved a DO PASS AS AMENDED. Senator Heitkamp seconded.

Roll Call Vote: 6 yes. 0 no. 1 absent.

Carrier: Senator Krebsbach

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## FISCAL NOTE

Requested by Legislative Council  
01/23/2003

Bill/Resolution No.: SB 2309

1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

### NORTH DAKOTA WORKERS COMPENSATION 2003 LEGISLATION SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Removing Payroll Report Penalty for Townships

BILL NO: SB 2309

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation would forbid NDWC from assessing a penalty against an organized township for failing to provide an annual payroll report.

FISCAL IMPACT: No material impact anticipated.

DATE: February 2, 2003

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

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C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	John Halvorson	Agency:	NDWC
Phone Number:	328-3760	Date Prepared:	02/02/2003

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Deanna Ballin  
Operator's Signature

10/22/03

Date

30618.0101  
Title.0200

Adopted by the Industry, Business and Labor  
Committee

February 4, 2003

703  
2-4-3

PROPOSED AMENDMENTS TO SENATE BILL NO. 2309

Page 1, line 17, after "penalty" insert "that exceeds one hundred fifty dollars"

Renumber accordingly

Page No. 1

30618.0101

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10/22/03  
Date

Date: 2403  
Roll Call Vote #: 1

**2003 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO.**

Senate IBL Committee

☐ Check here for Conference Committee

**Legislative Council Amendment Number**

Action Taken Motion to Amend

Motion Made By Krebsbach Seconded By Heitkamp

[illegible]

Total (Yes) 6 No 0

Absent	
--------	--

### Floor Assignment

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

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Date: 2-4-03  
Roll Call Vote #: 2

**2003 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO.**

Senate IBL Committee

☐ Check here for Conference Committee

**Legislative Council Amendment Number**

### Action Taken

Motion Made By Espegaard Seconded By Heitkamp

[illegible]

Total (Yes) 2 No 0

**Absent** 1

Floor Assignment Krebsbach

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

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10/22/03  
Date

**Operator's Signature**

**Date**

**REPORT OF STANDING COMMITTEE (410)**  
February 5, 2003 8:27 a.m.

Module No: SR-22-1670  
Carrier: Krebsbach  
Insert LC: 30618.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**

**SB 2309: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2309 was placed on the Sixth order on the calendar.**

Page 1, line 17, after "penalty" insert "that exceeds one hundred fifty dollars"

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

SR-22-1670

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*10/22/03*  
Date

2003 HOUSE POLITICAL SUBDIVISIONS

SB 2309

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10/22/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2309

House Political Subdivisions Committee

☐ Conference Committee

Hearing Date: February 28, 2003

Tape Number	Side A	Side B	Meter #
1	X		34.2-52.8
1		X	0.0-0.9
Committee Clerk Signature <i>Micki Schmidt</i> 3-21-03			

Minutes:

**TAPE 1: SIDE A:**

**(34.2) CHAIRMAN GLEN FROSETH:** We will open the hearing on SB 2309.

**(35.5) SEN. DAVE O'CONNELL:** (Testimony in support) If you read on line 15, the penalty could be \$100 each day until the bureau receives the records, in addition to the two thousand dollar penalty set forth above. At first we were looking at not having any penalty at all, the townships would be exempt. Working with Mark Armstrong, we've come to this agreement on an amendment in the Senate side, that in case they want the records, at least they have some. In most cases, the townships don't employ anybody. They contract most of their services out.

**(39.0) SEN. JOHN ANDRIST:** (Testimony in support) I was pleased to be a part of the process of restructuring of Worker's Compensation legislation in the 1990's. Some of the fines and penalties that went into that legislation, I didn't support because I thought they were really horrendous. As the bill has been amended, it still provides some penalty.

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Operator's Signature

10/22/03  
Date

Page 2  
House Political Subdivisions Committee  
Bill/Resolution Number SB 2309  
Hearing Date: February 28, 2003

**(42.2) KEN YANTES: ND TOWNSHIP OFFICERS ASSOCIATION:** (Testimony in support) (See attachment #1)

**(43.4) REP. DALE SEVERSON:** Premium pay, is that considered volunteer?

**(45.7) KEN YANTES:** There's a formula used regarding a flat rate of \$125 per township.

**(46.2) REP. SALLY SANDVIG:** I used to be a Township Clerk. The township that I lived in was very small. The \$150 penalty fee would have broke us.

**(47.1) ANNE JORGESON GREEN: ND WORKER'S COMP.:** (Testimony in support) I'm an attorney with ND Worker's Compensation. I would be happy to answer any questions that you may have.

**(47.5) REP. DALE SEVERSON:** The flat fee that the Township Officers pay, is that based on just as volunteer?

**(47.8) ANNE JORGESON GREEN:** That is the minimum premium for any ND Worker's Compensation account.

**(48.0) REP. DALE SEVERSON:** If there is a client that the township has to pay, do you turn around and bill back for the claim, the \$250?

**(48.2) ANNE JORGESON GREEN:** The first \$250 of any claim is billed back against the employer. After that, presuming that all liability issues were off the table, then Worker's Compensation would pick up the tab for medical, rehab, or vocational. Claims are paid by Worker's Compensation dollar for dollar after that initial \$250 medical expenses are billed back initially to the employer. Even in the case of a volunteer account, where a premium is paid for a volunteer, claims cost are paid dollar for dollar after that first \$250.

Page 3  
House Political Subdivisions Committee  
Bill/Resolution Number SB 2309  
Hearing Date: February 28, 2003

**(49.9) REP. DALE SEVERSON:** I've always been under the impression that if we had a bill that was in IBL and the counties and cities were told us in testifying that after the flat fee for a volunteer fire ???, and if there is a claim that the political subdivisions were paying for it, not just the \$250. Were they incorrect?

**(50.6) ANNE JORGESON GREEN:** I believe that that is incorrect. The premise behind even volunteer coverage is that it's almost difficult to qualify the amount, because there is no payroll associated with a volunteer. A flat premium rate is built on a volunteer. My understanding is that claims cost then, should a volunteer file a claim for benefits for Worker's Comp., those claim costs would be paid dollar for dollar.

**(51.3) REP. MARY EKSTROM:** Back to the bill in terms of these township records that you're asking for, have you got a track record? Are they filed on time?

**(51.9) ANNE JORGESON GREEN:** Historically, there's always a certain percentage of business owners in the state that do not file that annual payroll report on time.

**(52.5) REP. GIL HERBEL:** Do we have then of how much money was collected in a year for townships for failing to pay up the tax?

**(52.8) ANNE JORGESON GREEN:** No.

**TAPE 1: SIDE B:**

**(0.0) REP. BRUCE ECKRE:** I think a lot of the Township Officers are volunteers, they don't get a pay check do they?

**(0.3) ANNE JORGESON GREEN:** I don't know.

**(0.3) CHAIRMAN GLEN FROSETH:** Testimony in support? Opposition? Seeing none, I will close the hearing on SB 2309.

Page 4

House Political Subdivisions Committee

Bill/Resolution Number SB 2309

Hearing Date: February 28, 2003

**(0.7) REP. GIL HERBEL: I MOVE A DO PASS.**

**(0.8) REP. BRUCE ECKRE: I SECOND IT.**

**(0.9) CHAIRMAN GLEN FROSETH: Any further committee discussion? Seeing none, I will**

**have the clerk take the Roll Call Vote: 13-y; 0-n; 1-absent; Carrier: Rep. Sandvig (0.9)**

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10/22/03  
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Date: 2-28-03  
Roll Call Vote #: 3

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2309

House POLITICAL SUBDIVISION Committee \_\_\_\_\_

☐ Check here for Conference Committee

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

Action Taken Move A Do Pass

Motion Made By Rep. Herbel Seconded By Rep. Eckre

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	✓				
Vice-Chairman Nancy Johnson	✓				
Rep. Mike Grosz	✓				
Rep. Gil Herbel	✓				
Rep. Ron Iverson	✓				
Rep. William Kretschmar	✓				
Rep. Andrew Maragos	✓				
Rep. Dale Severson	✓				
Rep. Alon Wieland	✓				
Rep. Bruce Eckre	✓				
Rep. Mary Ekstrom	✓				
Rep. Carol Niemeler	✓				
Rep. Sally Sandvig	✓				
Rep. Vonnle Pletsch	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Sandvig

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Deanna Hallmark 10/22/03  
Operator's Signature Date



**REPORT OF STANDING COMMITTEE (410)**  
February 28, 2003 11:35 a.m.

Module No: HP-36-3651  
Carrier: Sandvig  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
SB 2309, as engrossed: Political Subdivisions Committee (Rep. Froese, Chairman)  
recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
Engrossed SB 2309 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HP-36-3651

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2003 TESTIMONY

SB 2309

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10/22/03

Date

2-2803

#1

Testimony on SB2309 House Political Subdivisions Committee  
prepared by Ken Yantes

*Same as Senk*  
Mr. Chairman and Committee Members

My Name is Ken Yantes and I represent over 6000 grassroots elected leaders of our state, The North Dakota Township Officers Association. I have come here today to ask for your favorable consideration on SB2309. For the last two years, the members of our policy development committee have developed policy asking for a reduction in the \$2000 penalty for late filing of the forms required by the Workers Compensation Bureau. In the past, several of our township members had been sent notification that they owed the Bureau a \$2000 penalty and some were notified of the \$100 per day in addition to the \$2000 penalty. This seemed pretty severe as an average annual township budget probably is around \$5500 to \$6000. An officer from DeGroat Township in Ramsey County told of the problems experienced by them. The township officer charged with filling out the Workers Compensation forms was hospitalized for a couple of weeks after his annual meeting (he had a real bad flu). His father died and the funeral and estate settlement took a considerable amount of time. Then his house burned and his records perished. He then moved to town and his mail delivery was interrupted. Upon receiving a penalty notification from Workers Compensation, he submitted his resignation to the Chairman of DeGroat township. To make this long story shorter, the township called Workers Compensation and the fine was rescinded upon the receipt of the required forms. We feel that the threat of a \$2000 or more penalty is just too heavy a hammer to hold over the heads of these officers and we ask for it to be reduced. We feel that the compromise reached with the Workers Compensation Bureau setting a maximum penalty at \$150 for any township is a reasonable penalty. We hope you will agree and vote a do pass unanimously on this bill to limit township penalties at \$150 as the Senate did.

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