

FISCAL NOTE

Requested by Legislative Council
01/17/2003

Bill/Resolution No.: HB 1370

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: Gross Payroll

BILL NO: HB 1370

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 bill will increase the payroll cap used for establishing workers' compensation rates in North Dakota from 70% of the State's average weekly wage (AWW) to 400% of the AWW. The change will bring North Dakota's payroll base more in line with those used in most other jurisdictions.

FISCAL IMPACT: The proposed legislation should have no material effect on rate or reserve levels. NDWC will derive rates for 2003-04 with the goal of introducing the change on a revenue neutral basis for the State as a whole. However, charged premium for individual employers will change.

Manual rates for each class will be adjusted so that the proposed rates at the new payroll cap will generate approximately the same total premium for each class as rates derived under the current cap. Thus, the required manual rate offset will vary by class in line with actual recent payroll information.

DATE: January 22, 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.*

 - 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.*

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Agency: NDWC
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