

**Sixtieth Legislative Assembly of North Dakota  
In Regular Session Commencing Wednesday, January 3, 2007**

HOUSE BILL NO. 1460  
(Representatives Skarphol, Carlson, Dosch)  
(Senator Christmann)

AN ACT to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to amend and reenact section 65-02-03.1 of the North Dakota Century Code, relating to the workforce safety and insurance board membership; to provide for a legislative council study; and to provide for application and transition.

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

**SECTION 1. AMENDMENT.** Section 65-02-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**65-02-03.1. Workforce safety and insurance board of directors - Appointment.**

1. The board consists of eleven members. The appointment and replacement of the members must ensure that:
  - a. Six board members represent employers in this state which maintain active accounts with the organization, ~~at least one of which must be a participant in the risk management program, at least two.~~ Two of which the employer members must be employers with annual premiums, which at the time of the member's initial appointment were greater than twenty-five thousand dollars, at least; one of which the employer members must be an employer with an annual premium of, which at the time of the member's initial appointment was at least ten thousand dollars but less than twenty-five thousand dollars, at least; one of which the employer members must be an employer with an annual premium of, which at the time of the member's initial appointment was less than ten thousand dollars; and at least one two of the employer members must be employer at large representative representatives. Except for the employer at large ~~representative representatives~~, each employer representative must be a principal owner, chief executive officer, or chief financial officer of the employer.
  - b. Three members represent employees; ~~at least one member must have received workforce safety and insurance benefits; and at least.~~ Of the three employee members, one member must represent organized labor and one other member must have received workforce safety and insurance wage-loss benefits at some time during the ten years before the member's initial appointment.
  - c. One member is a member of the North Dakota medical association.
  - d. One member is a member at large who must be a resident of this state and at least twenty-one years of age.
2. Board members shall serve four-year terms, ~~except the initial term of office of the member at large to be appointed on August 1, 2003, expires on December 31, 2006, and the term of office of the medical association member whose term of office became effective January 1, 2003, expires on December 31, 2006.~~ The governor shall make the necessary appointments to ensure the term of office of members begins on January first of each odd-numbered year. ~~Board members~~ A board member whose initial appointment was before August 1, 2007, may not serve more than three consecutive terms and a board

member whose initial appointment was after July 31, 2007, may not serve more than two consecutive terms.

- a. A departing member representing an employer must be replaced by a member representing an employer, most of whose employees are in a different rate classification than those of the employer represented by the departing member. The governor shall appoint the replacement member for a departing an employer representative or medical association representative from a list of three potential candidates submitted by the board. The board shall interview an employer representative or a medical representative before placing that candidate's name on the list of replacement member candidates submitted to the governor a coordinating committee appointed by the governor, composed of representatives from the associated general contractors of North Dakota, the North Dakota petroleum council, the greater North Dakota chamber of commerce, the North Dakota motor carriers association, the North Dakota healthcare association, the national federation of independent business, the lignite energy council, and other statewide business interests.
  - b. The governor shall select the replacement member for the departing organized labor employee representative from a list of three names of potential candidates submitted by an organization that is statewide in scope and which through its the organization's affiliates embraces a cross section and a majority of organized labor in this state.
  - c. The governor shall select the replacement member for a departing nonorganized labor two employee representative. The governor shall appoint the replacement member for representatives who do not represent organized labor and the member at large from a list of three candidates submitted by the board.
  - d. The governor shall select the member representing the North Dakota medical association from a list of three potential candidates submitted by the North Dakota medical association.
  - e. Within the thirty days following receipt of a list of potential candidates representing employers, organized labor, or the North Dakota medical association, the governor may reject the list and request that the submitting entity submit a new list of potential candidates.
3. Vacancies in the membership of the board must be filled for the unexpired term by appointment by the governor as provided in this subsection section.

**SECTION 2.** A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

**Spending authority - Limited.** Notwithstanding any other law enacted by the sixtieth legislative assembly, any statement of legislative intent, any statement of purpose of amendment, or other provision of law, the organization may not expend funds for the purpose of providing workers' compensation education or training for public officials other than the director and members of the board, or for providing awards, other than service awards or other awards or incentives allowed under law and applicable to executive branch agencies. For purposes of this section, award does not include a nonwage, cash disbursement to an organization employee through a performance-based system for employee recognition.

**SECTION 3. APPLICATION AND TRANSITION.** Section 1 of this Act applies to all board member appointments occurring after July 31, 2007. The board member serving on August 1, 2007, as the representative of the risk management program shall serve the remainder of the appointed term as the employer at-large representative. The employee board member serving on August 1, 2007, as the employee who has received workforce safety and insurance benefits shall continue to serve through the expiration of the member's appointed term, regardless of the member's wage-loss benefit history.

**SECTION 4. WORKFORCE SAFETY AND INSURANCE - LEGISLATIVE COUNCIL STUDY.**

The legislative council shall consider studying, during the 2007-08 interim, the workforce safety and insurance governance changes made during the 2007 legislative session. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

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Speaker of the House

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President of the Senate

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Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1460.

House Vote:      Yeas    93      Nays    1      Absent    0

Senate Vote:    Yeas    45      Nays    2      Absent    0

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2007,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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Secretary of State