

## LEGISLATIVE COMPENSATION COMMISSION - BACKGROUND MEMORANDUM

This memorandum provides information on:

- Statutory provisions relating to the Legislative Compensation Commission.
- The history of the Legislative Compensation Commission.
- Recent recommendations of the Legislative Compensation Commission.

### STATUTORY PROVISIONS

North Dakota Century Code Section 54-03-19.1, a copy of which is attached as [Appendix A](#), provides that the Legislative Compensation Commission shall:

- Consist of five members appointed by the Governor with no more than three members representing the same political party.
- Develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits.
- Recommend appropriate levels of compensation, expense allowance, and insurance.

Section 54-03-19.2, a copy of which is attached as [Appendix B](#), provides that the commission must meet at least once during each biennium to determine levels of legislative compensation, expense allowance, and insurance benefits which permit citizens to hold legislative office without undue financial sacrifice or disadvantage. The commission may consult with the leadership of the Legislative Assembly and review compensation, expense allowance, and insurance benefits for legislative service in other states and in other areas. The commission is to report its findings and recommendations to the Legislative Assembly, and the commission may file with the Legislative Council a bill incorporating its recommendations.

### HISTORY OF THE LEGISLATIVE COMPENSATION COMMISSION

The Legislative Compensation Commission was established by the 1969 Legislative Assembly. Consisting of five members appointed by the Governor, the primary duty of the commission was to determine appropriate rates of expense allowance and compensation to be paid to members of the Legislative Assembly. In 1979, after 10 years of existence, the law which created the original Legislative Compensation Commission was repealed.

The Legislative Compensation Commission was recreated by passage of 1983 Senate Bill No. 2360. The bill, codified as Sections 54-03-19.1 and 54-03-19.2, once again directed the Legislative Compensation Commission to determine appropriate levels of expense allowance and compensation to be paid to members of the Legislative Assembly.

In 1993, Section 54-03-19.1 was amended to direct the Legislative Compensation Commission to also develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits. In addition, the 1993 Legislative Assembly amended Section 54-03-19.2 to allow the commission to file with the Legislative Council a bill incorporating its recommendations.

The 1997 Legislative Assembly amended Section 54-03-19.1 to provide that no more than three of the five appointees to the Legislative Compensation Commission may represent the same political party.

### RECENT RECOMMENDATIONS OF THE LEGISLATIVE COMPENSATION COMMISSION

The following is a summary of recent recommendations of the Legislative Compensation Commission and corresponding action by the Legislative Assembly:

Legislative Compensation Commission Recommendations	Action By the Legislative Assembly
<p>The 1999-2000 Legislative Compensation Commission recommended three bills for consideration by the 2001 Legislative Assembly:</p> <ul style="list-style-type: none"> <li>• Senate Bill No. 2175 (2001) increased the regular, special, or organizational session compensation rate from \$111 to \$125 per day.</li> <li>• Senate Bill No. 2176 (2001) increased the interim compensation rate from \$75 to \$100 per day for each day spent in attendance at sessions of the Legislative Council and its committees.</li> <li>• House Bill No. 1197 (2001) increased the state mileage reimbursement rate from 25 cents to 31 cents per mile.</li> </ul>	<p>The 2001 Legislative Assembly:</p> <ul style="list-style-type: none"> <li>• Amended 2001 Senate Bill No. 2175 to provide that the effective date of the bill apply retroactively to January 1, 2001.</li> <li>• Passed 2001 Senate Bill No. 2176 without change.</li> <li>• Amended 2001 House Bill No. 1197 to also increase the state reimbursement for travel by private airplane from 35 cents to 70 cents per mile and to declare the measure an emergency.</li> </ul>

Legislative Compensation Commission Recommendations	Action By the Legislative Assembly																									
<p>The 2001-02 Legislative Compensation Commission recommended to the 2003 Legislative Assembly that legislative compensation and expense reimbursement remain at the current level.</p>	<p>The 2003 Legislative Assembly did not make any legislative compensation and expense reimbursement changes; however, the Legislative Assembly considered increasing the maximum lodging expense reimbursement allowed during legislative sessions from \$650 per month to 50 percent of the daily federal per diem lodging rate for the city of Bismarck for 30 days. The increased reimbursement for lodging during any month of a regular session was not to exceed \$100 over the maximum allowed for lodging per month during the last regular session. During the 2003 legislative session, 50 percent of the daily federal per diem lodging rate for North Dakota of \$55 for 30 days would have totaled \$825. Due to the provision that the increased reimbursement for lodging was not to exceed \$100 over the maximum allowed during the last regular session, the maximum lodging reimbursement allowed would have been \$750 per month.</p>																									
<p>The 2003-04 Legislative Compensation Commission recommended the compensation for regular, special, or organizational sessions; monthly compensation paid to legislators during their term of office; and compensation for interim meetings remain at the current level. The commission also recommended two bills for consideration by the 2005 Legislative Assembly:</p> <ul style="list-style-type: none"> <li>Senate Bill No. 2059 (2005) increased the maximum lodging expense reimbursement allowed during legislative sessions from \$650 to \$900 per month for licensed lodging establishments and \$750 per month for any other lodging. The effective date of the bill was August 1, 2005.</li> <li>Senate Bill No. 2058 (2005) increased the state mileage reimbursement rate from 31 cents to 37.5 cents per mile.</li> </ul>	<p>The 2005 Legislative Assembly:</p> <ul style="list-style-type: none"> <li>Amended 2005 Senate Bill No. 2059 to increase the maximum lodging expense reimbursement from \$650 to \$900 per month. The effective date of the bill was changed to apply retroactively to January 1, 2005.</li> <li>Amended 2005 Senate Bill No. 2058 to also provide the same mileage reimbursement rate--37.5 cents per mile--for travel by car or truck. Previously, the reimbursement rate for trucks was 27 cents.</li> </ul>																									
<p>The 2005-06 Legislative Compensation Commission recommended:</p> <ul style="list-style-type: none"> <li>House Bill No. 1106 (2007) to increase the compensation for regular, special, or organizational sessions from \$125 to \$130 per calendar day. The effective date of the bill was August 1, 2007.</li> <li>House Bill No. 1107 (2007) to increase the state mileage reimbursement rate from 37.5 cents to 42.5 cents per mile.</li> <li>The other legislative compensation and reimbursement levels, including compensation during a term of office, compensation for interim meetings, additional compensation for committee chairmen and majority and minority leaders, and lodging expense reimbursement, remain at the current level.</li> </ul>	<p>The 2007 Legislative Assembly:</p> <ul style="list-style-type: none"> <li>Amended 2007 House Bill No. 1106 to increase legislators' monthly compensation, daily pay during legislative sessions, and interim meeting pay by 4 percent for the first year of the 2007-09 biennium and by 3.85 percent for the second year of the biennium.</li> <li>Amended 2007 House Bill No. 1107 to increase the state mileage reimbursement rate from 37.5 cents to 45 cents per mile.</li> <li>Increased legislative leaders' monthly compensation of 4 percent for the first year of the 2007-09 biennium and 3.85 percent for the second year of the biennium (Section 9 of 2007 House Bill No. 1001).</li> <li>Increased legislators' interim meeting pay to \$135 per day, beginning July 1, 2009 (Section 11 of 2007 House Bill No. 1001).</li> </ul> <p>The following is a summary of compensation adjustments enacted by the 2007 Legislative Assembly:</p> <table border="1" data-bbox="831 1419 1503 1724"> <thead> <tr> <th></th> <th>Rate Effective Prior to August 1, 2007</th> <th>Rate Effective August 1, 2007</th> <th>Rate Effective July 1, 2008</th> <th>Rate Effective July 1, 2009</th> </tr> </thead> <tbody> <tr> <td>Monthly compensation</td> <td>\$350</td> <td>\$364</td> <td>\$378</td> <td></td> </tr> <tr> <td>Leaders' additional monthly compensation</td> <td>\$250</td> <td>\$260</td> <td>\$270</td> <td></td> </tr> <tr> <td>Daily session pay</td> <td>\$125</td> <td>\$130</td> <td>\$135</td> <td></td> </tr> <tr> <td>Interim meeting daily pay</td> <td>\$100</td> <td>\$104</td> <td>\$108</td> <td>\$135</td> </tr> </tbody> </table>		Rate Effective Prior to August 1, 2007	Rate Effective August 1, 2007	Rate Effective July 1, 2008	Rate Effective July 1, 2009	Monthly compensation	\$350	\$364	\$378		Leaders' additional monthly compensation	\$250	\$260	\$270		Daily session pay	\$125	\$130	\$135		Interim meeting daily pay	\$100	\$104	\$108	\$135
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<p>The 2007-08 Legislative Compensation Commission recommended 2009 Senate Bill No. 2064 to:</p> <ul style="list-style-type: none"> <li>Increase legislators' monthly compensation by 4 percent, or \$15, from \$378 to \$393, effective July 1, 2009.</li> <li>Increase the compensation for regular, special, or organizational sessions by \$5 per calendar day from \$135 to \$140 per calendar day, effective July 1, 2009.</li> <li>Increase the interim compensation rate by \$5 per day from \$135 to \$140 per day, effective July 1, 2009.</li> </ul>	<p>The 2009 Legislative Assembly amended 2009 Senate Bill No. 2064 to:</p> <ul style="list-style-type: none"> <li>Increase legislators' monthly compensation by 5 percent per year, from \$378 to \$396, effective August 1, 2009, and to \$415, effective July 1, 2010.</li> <li>Increase the compensation for regular, special, or organizational sessions by 5 percent per year from \$135 to \$141 per calendar day, effective August 1, 2009, and to \$148 per calendar day, effective July 1, 2010.</li> </ul>																									

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<ul style="list-style-type: none"> <li>• Increase the maximum monthly lodging expense reimbursement allowed during legislative sessions by \$100 from \$900 to \$1,000 per month, effective January 1, 2009.</li> <li>• Increase the state daily lodging expense reimbursement rate by \$5 per night from \$55 plus tax to \$60 plus tax per night, effective July 1, 2009.</li> <li>• Provide that the state mileage expense reimbursement rate be equal to the federal mileage reimbursement rate.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the interim compensation rate by 5 percent per year from \$135 to \$141 per day, effective August 1, 2009, and to \$148 per day, effective July 1, 2010.</li> <li>• Increase the maximum monthly lodging expense reimbursement allowed during legislative sessions from \$900 per month to 30 times 55 percent of the state daily lodging expense reimbursement rate. This increase was effective August 1, 2009. (Based on the current state daily lodging reimbursement rate of \$63 per night, the maximum monthly lodging expense reimbursement is estimated to be \$1,040 per month.)</li> <li>• Increase the state daily lodging expense reimbursement rate from \$55 plus tax per night to 90 percent of the rate established by the United States General Services Administration for lodging reimbursement in the state plus tax, effective August 1, 2009. (The current federal lodging reimbursement rate is \$70 per night plus tax; therefore, 90 percent of the federal lodging reimbursement rate would be \$63 per night plus tax.)</li> <li>• Provide that the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate, effective August 1, 2009. (The current federal mileage expense reimbursement rate is 50 cents per mile.)</li> <li>• Increase the reimbursement for travel by private airplane from 70 cents per mile to the sum of 1.5 times the mileage reimbursement by motor vehicle, effective August 1, 2009.</li> </ul> <p>In addition, the Legislative Assembly in Senate Bill No. 2001 increased legislative leaders' additional monthly compensation by approximately 5 percent per year from \$270 to \$284, effective July 1, 2009, and to \$298, effective July 1, 2010.</p> <p>The following is a summary of compensation adjustments enacted by the 2009 Legislative Assembly:</p> <table border="1" data-bbox="831 1008 1502 1306"> <thead> <tr> <th></th> <th>Rate Effective Prior to July 1, 2009</th> <th>Rate Effective July 1, 2009</th> <th>Rate Effective August 1, 2009</th> <th>Rate Effective July 1, 2010</th> </tr> </thead> <tbody> <tr> <td>Monthly compensation</td> <td>\$378</td> <td></td> <td>\$396</td> <td>\$415</td> </tr> <tr> <td>Leaders' additional monthly compensation</td> <td>\$270</td> <td>\$284</td> <td></td> <td>\$298</td> </tr> <tr> <td>Daily session pay</td> <td>\$135</td> <td></td> <td>\$141</td> <td>\$148</td> </tr> <tr> <td>Interim meeting daily pay</td> <td>\$135</td> <td></td> <td>\$141</td> <td>\$148</td> </tr> </tbody> </table>						Rate Effective Prior to July 1, 2009	Rate Effective July 1, 2009	Rate Effective August 1, 2009	Rate Effective July 1, 2010	Monthly compensation	\$378		\$396	\$415	Leaders' additional monthly compensation	\$270	\$284		\$298	Daily session pay	\$135		\$141	\$148	Interim meeting daily pay	\$135		\$141	\$148
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