

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1097

Introduced by

Industry, Business and Labor Committee

(At the request of the Labor Commissioner)

1 A BILL for an Act to amend and reenact section 34-14-04.1 of the North Dakota Century Code,
2 relating to limitations of withholdings of an employer from compensation due employees.

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

4 **SECTION 1. AMENDMENT.** Section 34-14-04.1 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **34-14-04.1. Limitations on withholdings.**

7 1. Every employer shall withhold from the compensation due employees those
8 amounts which are required by state or federal law to be withheld and may deduct
9 advances paid to employees, other than undocumented cash, and other individual
10 items authorized in writing by the employees.

11 2. An authorization for deduction shall include:

12 a. The specific time period the authorization covers unless the authorization

13 clearly indicates that the period is in perpetuity or until revoked in writing or

14 upon separation of employment;

15 b. The amount to be deducted from the employee's compensation for each pay
16 period;

17 c. The employee's signature; and

18 d. The date the authorization was signed.

19 3. An employer may not make any deduction from the compensation due employees
20 for monetary damages resulting from a criminal act by the employee unless:

21 a. The employee voluntarily authorizes the employer in writing to make the
22 deduction as described in subsection 2; or

23 b. The employer discharges the employee by reason of the allegation of a crime
24 resulting in monetary damages to the employer which is connected to the

1 employee's work and the employer files a report with local law enforcement
2 for the alleged crime within seven days of the separation of employment or
3 the next regularly scheduled payday, whichever occurs later, subject to the
4 following conditions:

5 (1) If no charges are filed in a court of competent jurisdiction against the
6 employee for the alleged crime within fifteen days of the filing of the
7 report with a local law enforcement agency, wages are due and
8 payable upon the expiration of the fifteen-day period.

9 (2) If charges are filed against the employee for the alleged crime, the
10 court may order the withheld wages to be offset by an amount to be
11 determined by the court. If the employee is found not guilty or if the
12 employer withholds an amount in excess of the loss incurred by the
13 employer due to the crime, the court may order the employer to pay the
14 employee the withheld amount plus interest, at the rate established by
15 section 47-14-09.

16 4. This section may not be construed as prohibiting the withholding of amounts
17 authorized in writing by the employee to be contributed by the employee to
18 charitable organizations, to employer-sponsored retirement accounts, or qualified
19 plans sponsored by the employer, nor may this section prohibit deductions
20 authorized under a collective bargaining agreement, including dues or service fees
21 not otherwise prohibited by law.