

**HOUSE BILL NO. 1462**

Introduced by

Representatives B. Koppelman, Boehning, Heller, Kasper, K. Koppelman, Ruby, Thoreson  
Senators Berry, Klein

1 A BILL for an Act to amend and reenact subdivision b of subsection 5 and subsection 6 of  
2 section 52-04-05 of the North Dakota Century Code, relating to unemployment compensation  
3 premiums for new employers in the construction industry.

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

5 **SECTION 1. AMENDMENT.** Subdivision b of subsection 5 of section 52-04-05 of the North  
6 Dakota Century Code is amended and reenacted as follows:

7 b. The positive employer minimum rate in the first rate schedule of the table of rate  
8 schedules is one-hundredth of one percent. The positive employer minimum rate  
9 in each subsequent rate schedule of the table of rate schedules is the previous  
10 rate schedule's positive employer minimum rate plus one-hundredth of one  
11 percent. The negative employer minimum rate needed to generate the amount of  
12 income needed to pay benefits is the positive employer minimum rate as  
13 described in this subsection plus six and three-tenths percent.

14 **SECTION 2. AMENDMENT.** Subsection 6 of section 52-04-05 of the North Dakota Century  
15 Code is amended and reenacted as follows:

16 6. a. Except as otherwise provided in this subsection, an employer's rate may not be  
17 less than the negative employer minimum rate for a calendar year unless the  
18 employer's account has been chargeable with benefits throughout the  
19 thirty-six-consecutive-calendar-month period ending on September thirtieth of the  
20 preceding calendar year. If an employer in construction services has not been  
21 subject to the law as required, that employer qualifies for a reduced rate if the  
22 account has been chargeable with benefits throughout the  
23 ~~twenty-four-consecutive-calendar-month~~twelve-consecutive-calendar-month  
24 period ending September thirtieth of the preceding calendar year and the account

1           was assigned the negative employer minimum rate. If an employer in  
2           construction services has not been subject to the law as required, that employer  
3           qualifies for a reduced rate if the account has been chargeable with benefits  
4           throughout the twenty-four-consecutive-calendar-month period ending  
5           September thirtieth of the preceding calendar year and the account was assigned  
6           the negative employer maximum rate. If an employer in nonconstruction services  
7           has not been subject to the law as required, the employer in nonconstruction  
8           services qualifies for a reduced rate if the account has been chargeable with  
9           benefits throughout the twelve-consecutive-calendar-month period ending  
10          September thirtieth of the preceding calendar year. The executive director may  
11          provide any negative employer whose contributions paid into the trust fund are  
12          greater than the benefit charges against that employer's account, for a minimum  
13          of three consecutive years immediately preceding the computation date or  
14          subject to the law as required, with up to a thirty percent reduction to that  
15          employer's rate for any year if that employer has in place a plan approved by the  
16          bureau which addresses substantive changes to that employer's business  
17          operation and ensures that any rate reduction provided will not put the employer  
18          account back into a negative status.

19          b. An employer that does not qualify under subdivision a is subject to a rate  
20          determined as follows:

21          (1) For each calendar year new employers must be assigned a rate that is  
22                ninety percent of the positive employer maximum rate or a rate of one  
23                percent, whichever is greater, unless the employer is classified in  
24                construction services. However, an employer must be assigned within the  
25                negative employer rate ranges for any year if, as of the computation date,  
26                the cumulative benefits charged to that employer's account equal or exceed  
27                the cumulative contributions paid on or before October thirty-first with  
28                respect to wages paid by that employer before October first of that year. All  
29                results calculated under this paragraph must be rounded to the nearest  
30                one-hundredth of one percent.

- 1           (2) For both positive-rated and negative-rated construction employers  
2           combined, an aggregate of the employer's cumulative lifetime reserve  
3           balance must be calculated by four-digit major group provided in the North  
4           American industrial classification system manual, in accordance with  
5           established classification practices found in the North American industrial  
6           classification system manual, issued by the executive office of the president,  
7           office of management and budget. New employers in construction services  
8           in which the four-digit major group cumulative lifetime reserve balance is  
9           positive must be assigned the negative employer minimum rate. New  
10          employers in construction services in which the four-digit major group  
11          cumulative lifetime reserve balance is negative must be assigned the  
12          negative employer maximum rate. The construction employer lifetime  
13          reserve must be calculated on a yearly basis and may result in an annual  
14          change in the rate assignment for each new construction employer. A  
15          change in the rate assignment may not result in a change in duration of the  
16          new construction employer rate assignment as defined in subdivision a.  
17          (3) Assignment by the bureau of an employer's industrial classification for the  
18          purposes of this section must be the ~~three-digit~~four-digit major group  
19          provided in the North American industrial classification system manual, in  
20          accordance with established classification practices found in the North  
21          American industrial classification system manual, issued by the executive  
22          office of the president, office of management and budget. Employers who  
23          are liable for coverage before August 1, 2001, remain under an industrial  
24          classification under the two-digit major group provided in the standard  
25          industrial classification manual unless they are classified in the construction  
26          industry within the standard industrial classification code.