

Sixty-ninth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with Senate Amendments**

ENGROSSED HOUSE BILL NO. 1170

Introduced by

Representatives Motschenbacher, Bahl, Christy, Fisher, Dressler

Senators Cleary, Dwyer, Gerhardt

1 A BILL for an Act to amend and reenact section 54-06-14 of the North Dakota Century Code,
2 relating to state employee annual leave; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 54-06-14 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-06-14. Annual leave and sick leave for state employees.**

7 1. a. Annual leave and sick leave must be provided for all ~~persons~~individuals in the
8 permanent employment of this state who are not employed under a written
9 contract of hire setting forth the terms and conditions of their employment, within
10 the limitations, terms, and provisions of this section.

11 b. A state agency, unit, or entity that employs an individual subject to this section
12 shall, upon hire, grant the individual forty hours of new hire leave to use within
13 the first year of employment. Any new hire leave remaining after completion of
14 the first year of employment is eliminated. New hire leave is not earned paid time
15 off and is not paid out upon separation of employment.

16 c. Annual leave for an employee entitled to it must be within a range of a minimum
17 of one working day per month of employment to a maximum of two working days
18 per month of employment, based on tenure of employment, to be fixed by rules
19 adopted by the employing unit. The employing unit may grant, at hire, annual
20 leave within the parameters of one to two working days per month, which may
21 exceed the amount based on tenure of employment, if the position being hired for
22 was previously identified as a hard-to-fill occupation under subsection 5 of

1 section 54-06-31 and the agency has satisfied the requirements under

2 subsection 1 of section 54-06-31. Sick leave for an employee entitled to it must
3 be within a range of a minimum of one working day per month of employment to
4 a maximum of one and one-half working days per month of employment, based
5 on tenure of employment, to be fixed by rules adopted by the employing unit.

6 d. Annual leave must be compensated for on the basis of full pay for the number of
7 working days' leave credited to the employee. Sick leave must be compensated
8 for on the basis of full pay for absence due to illness on working days during
9 tenure of employment. An employee with at least ten continuous years of state
10 employment is entitled to a lump sum payment equal to one-tenth of the pay
11 attributed to the employee's unused sick leave accrued under this section. An
12 employee's years of state employment must be deemed continuous if, under the
13 official personnel policy of an agency, unit, or entity, the employee's work is
14 terminated because of a reduction in force and the employee is reinstated in any
15 agency, unit, or entity within two years, or if the employee is placed on voluntary
16 leave status without pay and the leave lasts no longer than two years for
17 education purposes, or one year for any other voluntary leave without pay. The
18 pay attributed to the accumulated, unused sick leave must be computed on the
19 basis of the employee's salary or wage at the time the employee leaves the
20 employ of the state and at the rate of one hour of pay for each hour of unused
21 sick leave. The agency, unit, or entity that last employed the employee shall
22 make the lump sum payment from funds appropriated by the legislative assembly
23 to that agency, unit, or entity for salaries and wages. ~~Any~~

24 2. ~~A~~ state agency, unit, or entity ~~which~~that employs ~~persons~~an individual subject to this
25 section shall formulate and adopt rules governing the granting of annual leave and
26 sick leave which will effectuate the purpose of this section and best suit the factors of
27 employment of that employing unit. Each employing unit shall file with the office of
28 management and budget a copy of the rules adopted, including any amendments or
29 additions to the rules.

30 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on May 1, 2026.