

2025 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1423

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1423
2/5/2025

A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota Century Code, relating to benefits for adaptations to real estate and motor vehicles.

3:38 p.m. Vice Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Christy, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Discussion Topics:

- Raise caps
- Midwest consumer price index
- No material impact
- CPI's (Consumer Price Index)
- Current injury limits

3:38 p.m. Representative Cynthia Schreiber-Beck, District 25, Wahpeton, ND, introduced, testified and submitted testimony #33561 and 33533.

3:47 p.m. Jodi Bjornson, General Counsel, Workforce Safety & Insurance (WSI), testified in favor and submitted testimony #35345.

4:07 p.m. Representative D. Ruby moved to adopt amendment LC #25.1101.01001, #33533 and to further amend removing the CPI language.

4:07 p.m. Representative Johnson seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	N
Representative Mitch Ostlie	N
Representative Landon Bahl	N
Representative Collette Brown	AB
Representative Josh Christy	AB
Representative Lisa Finley-DeVille	N
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	AB
Representative Ben Koppelman	N
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	N

Representative Daniel R. Vollmer	Y
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Motion failed 5-6-3.

4:16 p.m. Representative Ostlie moved to adopt amendment LC #25.1101.01002, #37902.

4:16 p.m. Representative Bahl seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	Y
Representative Collette Brown	AB
Representative Josh Christy	AB
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	AB
Representative Ben Koppelman	N
Representative Dan Ruby	N
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 9-2-3.

4:17 p.m. Representative Schauer moved Do Pass as amended.

4:17 p.m. Representative Bahl seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	Y
Representative Collette Brown	AB
Representative Josh Christy	AB
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	AB
Representative Ben Koppelman	N
Representative Dan Ruby	N
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 9-2-3

House Industry, Business and Labor Committee

HB 1423

02/05/25

Page 3

4:18 p.m. Representative Ostlie will carry the bill.

4:18 p.m. Chairman Warrey closed the meeting

Diane Lillis, Committee Clerk

RS 2/5/25

1 of 2

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1423

Introduced by

Representatives Schreiber-Beck, Mitskog

Senator Luick

1 A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota
2 Century Code, relating to benefits for adaptations to real estate and motor vehicles; and to
3 provide for application.

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

5 **SECTION 1. AMENDMENT.** Subsection 5 of section 65-05-07 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 5. a. Under this section, the organization may modify real estate and may provide for
8 adaptations and modifications to motor vehicles as follows:

9 ~~a.~~ ~~in~~

10 (1) Except as provided in ~~subdivision d~~ paragraph 3, in the case of an injured
11 employee who sustained a catastrophic injury, as defined in chapter
12 65-05.1, the organization may pay an amount not to exceed ~~seventy-five~~
13 ~~thousand dollars~~ two hundred thousand dollars one hundred fifty thousand
14 dollars, adjusted annually effective January first of each year after
15 December 31, 2025, by the consumer price index, to provide permanent
16 additions, remodeling, or adaptations to real estate it determines necessary.
17 The dollar limit is for the life of the injured employee, regardless of any
18 subsequent claim. This ~~subdivision~~ paragraph does not allow the
19 organization to purchase any real estate.

20 ~~b.~~ ~~in~~

(2) Except as provided in paragraph 3, in the case of an injured employee who sustained a catastrophic injury, as defined in chapter 65-05.1, the organization may pay an amount not to exceed ~~one hundred fifty thousand dollars~~ two hundred twenty five thousand dollars two hundred thousand dollars, adjusted annually effective January first of each year after December 31, 2025, by the consumer price index, to provide the most cost-effective, specially equipped motor vehicle or vehicle adaptations the organization determines medically necessary. The organization may establish factors to be used in determining whether a specially equipped motor vehicle or adaptation is necessary. Under this ~~subdivision~~ paragraph, the organization may not pay for insurance of or maintenance of the motor vehicle. Within the dollar limit and under this ~~subdivision~~ paragraph, the organization may pay for vehicle or adaptation replacement purchases. The dollar limit is for the life of the injured employee, regardless of any subsequent claim.

e. (3) In the case of an injured employee who has not sustained a catastrophic injury, as defined in chapter 65-05.1, the organization may provide the benefits under ~~subdivisions a and b~~ paragraphs 1 and 2 if the organization determines the benefits would be cost-effective and appropriate because of exceptional circumstances as determined by the organization.

b. For purposes of this subsection, "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first. The organization shall calculate the annual adjustments, rounded to the nearest five hundred dollars, as soon as practicable at the end of each calendar year and apply the adjusted amount retroactively to January first of the year.

SECTION 2. APPLICATION. This Act applies to qualifying expenditures made on or after the effective date of this Act.

**REPORT OF STANDING COMMITTEE
HB 1423**

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **AMENDMENTS** ([25.1101.01002](#)) and when so amended, recommends **DO PASS** (9 YEAS, 2 NAYS, 3 ABSENT AND NOT VOTING). HB 1423 was placed on the Sixth order on the calendar.

25.1101.01001
Title.

Prepared by the Legislative Council
staff for Representative Schreiber-Beck
January 30, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1423

Introduced by

Representatives Schreiber-Beck, Mitskog

Senator Luick

1 A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota
2 Century Code, relating to benefits for adaptations to real estate and motor vehicles; and to
3 provide for application.

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5 **SECTION 1. AMENDMENT.** Subsection 5 of section 65-05-07 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 5. a. Under this section, the organization may modify real estate and may provide for
8 adaptations and modifications to motor vehicles as follows:

9 ~~a.~~ ~~In~~

10 (1) Except as provided in subdivision d, in the case of an injured employee who
11 sustained a catastrophic injury, as defined in chapter 65-05.1, the
12 organization may pay an amount not to exceed ~~seventy-five thousand~~
13 ~~dollar~~two hundred thousand dollars, adjusted annually effective January
14 first of each year after December 31, 2025, by the consumer price index, to
15 provide permanent additions, remodeling, or adaptations to real estate it
16 determines necessary. The dollar limit is for the life of the injured employee,
17 regardless of any subsequent claim. This ~~subdivision~~paragraph does not
18 allow the organization to purchase any real estate.

19 ~~b.~~ ~~In~~

(2) Except as provided in paragraph 3, in the case of an injured employee who sustained a catastrophic injury, as defined in chapter 65-05.1, the organization may pay an amount not to exceed ~~one hundred fifty thousand dollars~~ two hundred twenty-five thousand dollars, adjusted annually effective January first of each year after December 31, 2025, by the consumer price index, to provide the most cost-effective, specially equipped motor vehicle or vehicle adaptations the organization determines medically necessary. The organization may establish factors to be used in determining whether a specially equipped motor vehicle or adaptation is necessary. Under this subdivision~~paragraph~~, the organization may not pay for insurance of or maintenance of the motor vehicle. Within the dollar limit and under this subdivision~~paragraph~~, the organization may pay for vehicle or adaptation replacement purchases. The dollar limit is for the life of the injured employee, regardless of any subsequent claim.

e. (3) In the case of an injured employee who has not sustained a catastrophic injury, as defined in chapter 65-05.1, the organization may provide the benefits under ~~subdivisions a and b~~ paragraphs 1 and 2 if the organization determines the benefits would be cost-effective and appropriate because of exceptional circumstances as determined by the organization.

b. For purposes of this subsection, "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first. The organization shall calculate the annual adjustments as soon as practicable at the end of each calendar year and apply the adjusted amount retroactively to January first of the year.

SECTION 2. APPLICATION. This Act applies to qualifying expenditures made on or after the effective date of this Act.

House Bill No. 1423 with Amendments, Version 25.1101.01001

Industry Business and Labor Committee

February 5, 2025, 3:30pm

Chair Warrey

Testimony from Cynthia Schreiber-Beck, District 25 Representative

A constituent informed me that Workers Safety and Insurance has caps on the amount of funds available for modifying real estate, and adaptations and modifications to motor vehicles. The issue was that the constituent was close to the motor vehicle cap and needed to purchase another modified vehicle. Thus House Bill No.1423 with the proposed amendments in 25.1101.01001. The changes in code include:

1. Raising the real estate adaptation cap from \$75,000 to \$200,000 with an annual adjustment based on the consumer price index. The cap had not been raised since 2011 and there are three injured employees near the current cap.
2. Raising the vehicle adaptation or modification cap from \$150,000 to \$225,000 with an annual adjustment based on the consumer price index. The cap was last raised in 2013 and at this time there are three injured employees near the current cap.
3. Defining the consumer price index.
4. Adding section 2. Application, that states “this Act applies to qualifying expenditures made on or after the effective date of this Act”.

Please consider increasing the caps as proposed in the amendments to House Bill No. 1423.

2025 House Bill No. 1423
Testimony before the House Industry Business & Labor Committee
Presented by Jodi Bjornson, Workforce Safety and Insurance
February 5, 2025

Mr. Chairman and Members of the Committee: My name is Jodi Bjornson with Workforce Safety & Insurance (WSI). I am here today to provide testimony regarding House Bill No. 1423. The WSI Board generally supports an increase in the fee caps. We support the bill sponsor's proposed amendments increasing the caps for home modifications to \$150,000 and motor vehicle adaptations to \$200,000. The Board is neutral regarding the proposed yearly cap adjustments based on the consumer price index.

SECTION 1:

Currently, paragraphs 65-05-07(5)(a) and (b) of the North Dakota Century Code allow WSI to pay up to \$75,000 to modify real estate and up to \$150,000 to purchase or modify motor vehicles for catastrophically injured employees or for injured employees in exceptional circumstances.

The real estate modification cap was last increased in 2011, when it went from \$50,000 to \$75,000 in HB1453. The motor vehicle cap was last increased in 2013 when it went from \$100,000 to \$150,000 in SB 2178.

The statute requires the home additions, remodeling, or adaptations be necessary to accommodate the work injury. Likewise, a vehicle purchase or adaptation must be the most cost-effective, medically necessary for the injured employee. These benefit caps apply regardless of the number of claims.

In WSI's experience, when these injured employees are aware of their caps, they generally expend these dollars judiciously. The spread in the distribution for these benefits reflects this trend. Based on WSI data for active claims as of January 17, 2025, the distribution of the motor vehicle purchase/modification benefit is as follows:

Benefit Amount	Number of Injured Employees
\$140,000 - \$150,000	3
\$130,000 - \$140,000	0
\$120,000 - \$130,000	1
\$110,000 - \$120,000	2
\$ 90,000 - \$110,000	0
\$ 80,000 - \$ 90,000	1

The remainder of these benefit recipients have received between \$1,000 and \$80,000.

The distribution of the home modification benefit for active claims as of January 17, 2025, is as follows:

Benefit Amount	Number of Injured Employees
\$70,000 - \$75,000	2
\$60,000 - \$70,000	2
\$50,000 - \$60,000	1
\$40,000 - \$50,000	1

The remainder of these benefit recipients have received between \$50 and \$40,000.

The average of the total amount paid for all vehicle purchase/modifications for the last five fiscal years is \$112,521. The average of the total amount paid for all home modifications for the last five fiscal years is \$38,469. This is depicted in the following table:

Total Paid by Fiscal Year						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Average
Remodeling	\$28,773	\$31,689	\$43,821	\$46,129	\$41,932	\$38,469
Vehicle	\$173,130	\$133,757	\$80,966	\$83,820	\$90,932	\$112,521

While there are few injured employees at or around the caps in either of these benefits, costs continue to increase. WSI agrees an increase in each benefit cap is reasonable to proactively anticipate future increasing need.

The Bill also proposes using the consumer price index for all urban consumers in the Midwest region as determined by the United States Department of Labor, Bureau of Labor Statistics, for the most recent year ending December thirty-first to annually adjust these caps. If this provision is adopted, WSI supports an amendment to round the cap to the nearest five hundred dollars for ease in administration.

Please note the introduced version of House Bill 1423 contained a typographical error on page 1, Line 9, which states "Except as provided in **subdivision d**". Page 1, Line 9, should read "Except as provided in **paragraph 3**".

This concludes my testimony. I am happy to answer any questions you may have.

25.1101.01002
Title.

Prepared by the Legislative Council
staff for Representative Schreiber-Beck
February 5, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1423

Introduced by

Representatives Schreiber-Beck, Mitskog

Senator Luick

1 A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota
2 Century Code, relating to benefits for adaptations to real estate and motor vehicles; and to
3 provide for application.

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

5 **SECTION 1. AMENDMENT.** Subsection 5 of section 65-05-07 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 5. a. Under this section, the organization may modify real estate and may provide for
8 adaptations and modifications to motor vehicles as follows:

9 ~~a. In~~

10 (1) Except as provided in subdivision ~~a~~ paragraph 3, in the case of an injured
11 employee who sustained a catastrophic injury, as defined in chapter
12 65-05.1, the organization may pay an amount not to exceed ~~seventy-five~~
13 ~~thousand dollars~~ ~~two hundred thousand dollars~~ one hundred fifty thousand
14 dollars, adjusted annually effective January first of each year after
15 December 31, 2025, by the consumer price index, to provide permanent
16 additions, remodeling, or adaptations to real estate it determines necessary.
17 The dollar limit is for the life of the injured employee, regardless of any
18 subsequent claim. This ~~subdivision~~ paragraph does not allow the
19 organization to purchase any real estate.

20 ~~b. In~~

1 (2) Except as provided in paragraph 3, in the case of an injured employee who
2 sustained a catastrophic injury, as defined in chapter 65-05.1, the
3 organization may pay an amount not to exceed ~~one hundred fifty thousand~~
4 ~~dollar~~~~two hundred twenty five thousand dollars~~two hundred thousand
5 dollars, adjusted annually effective January first of each year after
6 December 31, 2025, by the consumer price index, to provide the most
7 cost-effective, specially equipped motor vehicle or vehicle adaptations the
8 organization determines medically necessary. The organization may
9 establish factors to be used in determining whether a specially equipped
10 motor vehicle or adaptation is necessary. Under this ~~subdivision~~paragraph,
11 the organization may not pay for insurance of or maintenance of the motor
12 vehicle. Within the dollar limit and under this ~~subdivision~~paragraph, the
13 organization may pay for vehicle or adaptation replacement purchases. The
14 dollar limit is for the life of the injured employee, regardless of any
15 subsequent claim.

16 e. (3) In the case of an injured employee who has not sustained a catastrophic
17 injury, as defined in chapter 65-05.1, the organization may provide the
18 benefits under ~~subdivisions a and b~~paragraphs 1 and 2 if the organization
19 determines the benefits would be cost-effective and appropriate because of
20 exceptional circumstances as determined by the organization.

21 b. For purposes of this subsection, "consumer price index" means the percentage
22 change in the consumer price index for all urban consumers in the midwest
23 region as determined by the United States department of labor, bureau of labor
24 statistics, for the most recent year ending December thirty-first. The organization
25 shall calculate the annual adjustments, rounded to the nearest five hundred
26 dollars, as soon as practicable at the end of each calendar year and apply the
27 adjusted amount retroactively to January first of the year.

28 **SECTION 2. APPLICATION.** This Act applies to qualifying expenditures made on or after
29 the effective date of this Act.

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1423
2/12/2025

A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota Century Code, relating to benefits for adaptations to real estate and motor vehicles.

9:34 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Member Absent: Representative Christy

Discussion Topics:

- Committee Action

9:34 a.m. Representative D. Ruby moved to reconsider.

9:35 a.m. Representative Schauer seconded the motion.

Voice vote.

Motion passed.

9:35 a.m. Representative Koppelman moved adopt amendment LC #25.1101.01002, #38421 and further amend to remove annual adjustments.

9:35 a.m. Representative Ostlie seconded the motion.

Voice vote.

Motion passed.

9:37 a.m. Representative Vollmer moved Do Pass as Amended.

9:37 a.m. Representative Grindberg seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	Y
Representative Collette Brown	Y
Representative Josh Christy	AB

Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 13-0-1.

9:39 a.m. Representative Ostlie will carry the bill.

9:39 a.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

February 12, 2025

RS 2/12/25

1.42

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1423

Introduced by

Representatives Schreiber-Beck, Mitskog

Senator Luick

- 1 A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota
2 Century Code, relating to benefits for adaptations to real estate and motor vehicles; and to
3 provide for application.

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

5 **SECTION 1. AMENDMENT.** Subsection 5 of section 65-05-07 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 5. a. —Under this section, the organization may modify real estate and may provide
8 for adaptations and modifications to motor vehicles as follows:

9 a. ~~in~~

10 ~~—(1) Except as provided in paragraph 3 subdivision c, in the case of an injured~~
11 ~~employee who sustained a catastrophic injury, as defined in chapter 65-05.1, the~~
12 ~~organization may pay an amount not to exceed seventy-five thousand dollars one~~
13 ~~hundred fifty thousand dollars, adjusted annually effective January first of each~~
14 ~~year after December 31, 2025, by the consumer price index, to provide~~
15 ~~permanent additions, remodeling, or adaptations to real estate it determines~~
16 ~~necessary. The dollar limit is for the life of the injured employee, regardless of~~
17 ~~any subsequent claim. This subdivision paragraph does not allow the organization~~
18 ~~to purchase any real estate.~~

19 b. ~~in~~

1 ~~(2)~~ Except as provided in ~~paragraph 3~~ subdivision c, in the case of an injured
2 employee who sustained a catastrophic injury, as defined in chapter 65-05.1, the
3 organization may pay an amount not to exceed ~~one hundred fifty thousand~~
4 ~~dollar~~ two hundred thousand dollars, adjusted annually effective January first of
5 each year after December 31, 2025, by the consumer price index, to provide the
6 most cost-effective, specially equipped motor vehicle or vehicle adaptations the
7 organization determines medically necessary. The organization may establish
8 factors to be used in determining whether a specially equipped motor vehicle or
9 adaptation is necessary. Under this ~~subdivision~~ paragraph, the organization may
10 not pay for insurance of or maintenance of the motor vehicle. Within the dollar
11 limit and under this ~~subdivision~~ paragraph, the organization may pay for vehicle or
12 adaptation replacement purchases. The dollar limit is for the life of the injured
13 employee, regardless of any subsequent claim.

14 c. ~~(3)~~ In the case of an injured employee who has not sustained a catastrophic
15 injury, as defined in chapter 65-05.1, the organization may provide the benefits
16 under subdivisions a and b ~~paragraphs 1 and 2~~ if the organization determines the
17 benefits would be cost-effective and appropriate because of exceptional
18 circumstances as determined by the organization.

19 ~~b.~~ ~~For purposes of this subsection, "consumer price index" means the percentage~~
20 ~~change in the consumer price index for all urban consumers in the midwest~~
21 ~~region as determined by the United States department of labor, bureau of labor~~
22 ~~statistics, for the most recent year ending December thirty first. The organization~~
23 ~~shall calculate the annual adjustments, rounded to the nearest five hundred~~
24 ~~dollars, as soon as practicable at the end of each calendar year and apply the~~
25 ~~adjusted amount retroactively to January first of the year.~~

26 **SECTION 2. APPLICATION.** This Act applies to qualifying expenditures made on or after
27 the effective date of this Act.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1423**

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **AMENDMENTS** ([25.1101.02001](#)) and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1423 was placed on the Sixth order on the calendar.

25.1101.01002
Title.02000

Prepared by the Legislative Council
staff for Representative Schreiber-Beck
February 5, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1423

Introduced by

Representatives Schreiber-Beck, Mitskog

Senator Luick

1 A BILL for an Act to amend and reenact subsection 5 of section 65-05-07 of the North Dakota
2 Century Code, relating to benefits for adaptations to real estate and motor vehicles; and to
3 provide for application.

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6 Code is amended and reenacted as follows:

7 5. a. Under this section, the organization may modify real estate and may provide for
8 adaptations and modifications to motor vehicles as follows:

9 ~~a.~~ In

10 (1) Except as provided in ~~subdivision d~~paragraph 3, in the case of an injured
11 employee who sustained a catastrophic injury, as defined in chapter
12 65-05.1, the organization may pay an amount not to exceed ~~seventy-five~~
13 ~~thousand dollars~~two hundred thousand dollarsone hundred fifty thousand
14 dollars, adjusted annually effective January first of each year after
15 December 31, 2025, by the consumer price index, to provide permanent
16 additions, remodeling, or adaptations to real estate it determines necessary.
17 The dollar limit is for the life of the injured employee, regardless of any
18 subsequent claim. This ~~subdivision~~paragraph does not allow the
19 organization to purchase any real estate.

20 ~~b.~~ In

(2) Except as provided in paragraph 3, in the case of an injured employee who sustained a catastrophic injury, as defined in chapter 65-05.1, the organization may pay an amount not to exceed ~~one hundred fifty thousand dollars~~ ~~two hundred twenty-five thousand dollars~~ two hundred thousand dollars, adjusted annually effective January first of each year after December 31, 2025, by the consumer price index, to provide the most cost-effective, specially equipped motor vehicle or vehicle adaptations the organization determines medically necessary. The organization may establish factors to be used in determining whether a specially equipped motor vehicle or adaptation is necessary. Under this subdivision~~paragraph~~, the organization may not pay for insurance of or maintenance of the motor vehicle. Within the dollar limit and under this subdivision~~paragraph~~, the organization may pay for vehicle or adaptation replacement purchases. The dollar limit is for the life of the injured employee, regardless of any subsequent claim.

e. (3) In the case of an injured employee who has not sustained a catastrophic injury, as defined in chapter 65-05.1, the organization may provide the benefits under ~~subdivisions a and b~~ paragraphs 1 and 2 if the organization determines the benefits would be cost-effective and appropriate because of exceptional circumstances as determined by the organization.

b. For purposes of this subsection, "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first. The organization shall calculate the annual adjustments, rounded to the nearest five hundred dollars, as soon as practicable at the end of each calendar year and apply the adjusted amount retroactively to January first of the year.

SECTION 2. APPLICATION. This Act applies to qualifying expenditures made on or after the effective date of this Act.

2025 SENATE INDUSTRY AND BUSINESS

HB 1423

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1423
3/19/2025

A bill relating to benefits for adaptations to real estate and motor vehicles; and to provide for application.

2:30 p.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Workforce Safety and Insurance (WSI)
- Real estate adaption and motor vehicle modification/adaptation cap
- Cost effective medically necessary definition
- History of cap increases and future need
- Average total amount paid
- Consumer price index and inflation
- Catastrophically injured employees

2:30 p.m. Representative Cynthia Schreiber-Beck, District 25, testified in favor, introduced the bill, and submitted testimony #41997.

2:32 p.m. Jodi Bjornson, General Counsel Workforce Safety and Insurance (WSI), testified in favor and submitted testimony #42998.

2:40 p.m. Chairman Barta closed the hearing.

2:40 p.m. Senator Kessel moved a Do Pass.

2:40 p.m. Senator Klein seconded.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Kessel will carry the bill.

2:42 p.m. Chairman Barta closed the hearing.

Senate Industry and Business Committee

HB 1423

3/19/25

Page 2

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
REENGROSSED HB 1423 ([25.1101.03000](#))

Industry and Business Committee (Sen. Barta, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1423 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

Reengrossed House Bill No. 1423**Version 25.1101.03000**

Industry and Business Committee

March 19, 2025, 2:30PM

Chair: Senator Barta

Testimony from Cynthia Schreiber-Beck, District 25 Representative

Reason for HB1423:

A constituent informed me that Workers Safety and Insurance has caps on the amount of funds available for modifying real estate, and adaptations and modifications to motor vehicles. The issue was that the constituent, who was paralyzed in a work accident in the 1980's, was close to the motor vehicle cap and needed to purchase another modified vehicle. Thus, Reengrossed House Bill No.1423 was written.

The changes in code include:

1. Raising the real estate adaptation cap from \$75,000 to \$150,000. The cap has not been raised since 2011 and WSI reported three injured employees near the current cap.
2. Raising the vehicle adaptation or modification cap from \$150,000 to \$200,000. The cap was last raised in 2013 and at this time, WSI reported there are three injured employees near the current cap.

Please consider increasing the caps as proposed in Reengrossed House Bill No.1423 for the benefit of the injured workers.

Thank you.

2025 Second Engrossment House Bill No. 1423
Testimony before the Senate Industry and Business Committee
Presented by Jodi Bjornson, Workforce Safety and Insurance
March 19, 2025

Mr. Chairman and Members of the Committee: My name is Jodi Bjornson with Workforce Safety & Insurance (WSI). I am here today to provide testimony regarding Reengrossed House Bill No. 1423. The WSI Board supports this bill.

SECTION 1:

Currently, paragraphs 65-05-07(5)(a) and (b) of the North Dakota Century Code allow WSI to pay up to \$75,000 to modify real estate and up to \$150,000 to purchase or modify motor vehicles for catastrophically injured employees or for injured employees in exceptional circumstances.

The real estate modification cap was last increased in 2011, when it went from \$50,000 to \$75,000 in HB1453. The motor vehicle cap was last increased in 2013 when it went from \$100,000 to \$150,000 in SB 2178.

The statute requires the home additions, remodeling, or adaptations be necessary to accommodate the work injury. Likewise, a vehicle purchase or adaptation must be the most cost-effective, medically necessary for the injured employee. These benefit caps apply regardless of the number of claims.

In WSI's experience, when these injured employees are aware of their caps, they generally expend these dollars judiciously. The spread in the distribution for these benefits reflects this trend. Based on WSI data for active claims as of January 17, 2025, the distribution of the motor vehicle purchase/modification benefit is as follows:

Benefit Amount	Number of Injured Employees
\$140,000 - \$150,000	3
\$130,000 - \$140,000	0
\$120,000 - \$130,000	1
\$110,000 - \$120,000	2
\$ 90,000 - \$110,000	0
\$ 80,000 - \$ 90,000	1

The remainder of these benefit recipients have received between \$1,000 and \$80,000.

The distribution of the home modification benefit for active claims as of January 17, 2025, is as follows:

Benefit Amount	Number of Injured Employees
\$70,000 - \$75,000	2
\$60,000 - \$70,000	2
\$50,000 - \$60,000	1
\$40,000 - \$50,000	1

The remainder of these benefit recipients have received between \$50 and \$40,000.

The average of the total amount paid for all vehicle purchase/modifications for the last five fiscal years is \$112,521. The average of the total amount paid for all home modifications for the last five fiscal years is \$38,469. This is depicted in the following table:

Total Paid by Fiscal Year						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Average
Remodeling	\$28,773	\$31,689	\$43,821	\$46,129	\$41,932	\$38,469
Vehicle	\$173,130	\$133,757	\$80,966	\$83,820	\$90,932	\$112,521

While there are few injured employees at or around the caps in either of these benefits, costs continue to increase. WSI agrees an increase in each benefit cap is reasonable to proactively anticipate future increasing need.

The original version of the bill included yearly cap adjustments based on the consumer price index. The House amended this provision out of the bill with the explanation that the legislature loses control in benefit increases with a built-in accelerator.

This concludes my testimony. I am happy to answer any questions you may have.