

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine**

HOUSE BILL NO. 1070  
(Government and Veterans Affairs Committee)  
(At the request of Job Service North Dakota)

AN ACT to amend and reenact sections 52-09-07, 52-09-08, and subsection 9 of section 52-09-20 of the North Dakota Century Code, relating to contributions to and primary insurance benefits under the old-age and survivor insurance system; and to repeal sections 52-09-09, 52-09-10, 52-09-11, 52-09-12, and 52-09-13 of the North Dakota Century Code, relating to old-age and survivor insurance taxes.

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

**SECTION 1. AMENDMENT.** Section 52-09-07 of the North Dakota Century Code is amended and reenacted as follows:

**52-09-07. Purposes for which fund may be used - Appropriation.** All moneys ~~which~~ that are paid or deposited into the old-age survivors' fund are hereby appropriated and made available to the bureau to be used only for the purposes herein provided.

1. To be used by the bureau for the payment of claims for benefits under this chapter. From and after the execution date of the agreement with the United States pursuant to chapter 306 of the 1955 Session Laws extending social security coverage to services covered by this chapter, no benefits may be paid under this chapter except to:
  - a. Persons who are receiving benefit payments or are entitled to benefit payments, under section 52-09-14, by virtue of death or retirement occurring before ~~such~~ the agreement execution date, and to dependents and survivors of ~~such~~ fully insured persons whenever entitled and eligible. After ~~such~~ the agreement execution date, ~~no~~ quarters of coverage within the meaning of subsection 7 of section 52-09-20 may not be accrued.
  - b. Persons not entitled to benefits from any other public retirement plan but who would have been eligible under section 52-09-14 before 1960, and dependents and survivors of such fully insured persons whenever entitled and eligible.
  - c. Persons who had terminated covered employment, as defined in subsection 6 of section 52-09-20, before ~~such~~ the agreement execution date because of physical disability and who are not entitled to benefits from any other public retirement or disability plan but who would have been eligible under section 52-09-14, and dependents and survivors of such fully insured persons whenever entitled and eligible. The insured, or ~~his~~ that person's survivors, shall submit a medical diagnostic opinion establishing that ~~his~~ the insured's employment was terminated because of physical disability and that ~~such~~ the disability has prevented reemployment.

Notwithstanding subsection 1 ~~and subdivision a of subsection 1 of this section~~, the effective date referred to for policeman's and ~~fireman's~~ firefighter's positions ~~shall be~~ is on and after the day preceding the execution date of the agreement with the United States pursuant to chapter 306 of the 1955 Session Laws extending social security coverage to services covered by this chapter.

2. a. To be used by the bureau to pay ~~refunds provided for in section 52-09-10, and to pay~~ a prior service refund to any person who is not receiving any other payment under this chapter, who is employed on the date of the federal-state agreement covering services performed under this chapter and executed pursuant to chapter 306 of the 1955 Session Laws, or who was eligible to vote in the public employees' referendum

held on December 20, 1956, pursuant to authorization of chapter 306, or to any employee or ~~his~~ the employee's survivor who has nineteen or more quarters of coverage on the date of ~~such~~ the federal-state agreement in an amount equal to the employee's individual contribution made between the dates July 1, 1947, and December 31, 1954, after ~~such~~ that person makes written application therefor to the bureau.

- b. ~~No~~ A refund ~~will~~ may not be paid if the application was received after 1959. ~~No~~ A contribution ~~will~~ may not be refunded if the wages are used to determine benefit eligibility. If ~~such~~ the wages were used for a benefit determination, the person shall repay the amount of the refund or the bureau may deduct the amount from any payment due to the person.
3. Contributions may be paid for employers and employees to the United States pursuant to chapter 306 of the 1955 Session Laws, and pursuant to any federal-state agreement executed thereunder, and to provide coverage under federal social security retroactive to December 31, 1954, and up to July 1, 1957, for employees subject to that agreement. ~~Such~~ The amounts are to be transferred and paid into the social security contribution fund established by chapter 306 of the 1955 Session Laws.
4. ~~For the purposes of making payments under this section, if the balance in the old age survivors' fund becomes insufficient to pay current obligations, the bureau is authorized to borrow necessary amounts from the Bank of North Dakota and to repay such loans from the employer tax set forth in section 52-09-09.~~
5. The legislative assembly may appropriate moneys from this fund to be used by the bureau for the purposes of administration of this chapter and chapter 52-10. The bureau ~~will~~ shall maintain complete and accurate records of all appropriations under this subsection, and expenditures made from those appropriations. All disbursements for administrative expenses from the fund must be paid by warrant-checks prepared by the bureau.

**SECTION 2. AMENDMENT.** Section 52-09-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**52-09-08. Default in taxes - Interest - Action to collect - Levy of tax by political subdivisions.** Taxes unpaid on the date on which they are due and payable, as prescribed by the bureau, must bear interest at the rate of one-half of one per centum per month from and after ~~such~~ that date until payment plus accrued interest is received by the bureau; provided, that the bureau may prescribe fair and reasonable regulations pursuant to which ~~such~~ interest shall ~~does~~ not accrue with respect to taxes required. ~~In no case may the~~ The amount of interest imposed hereby may not be less than five dollars. Interest collected pursuant to this section must be paid into the old-age and survivors' fund.

1. ~~If within thirty days after due notice, the employer defaults in payment of taxes or interest thereon, the amount due must be collected by civil action in the name of the bureau and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect taxes or interest thereon must be heard by the court at the earliest possible date and are entitled to preference upon the calendar of the court over all other civil actions.~~
2. ~~The employer shall pay its tax or contribution from funds available and is directed to pay same from tax money or from any other income of the political subdivision.~~
3. ~~The~~ A political subdivision, except a school district, a multidistrict special education board, or a center board of an area vocational and technology center, shall levy a tax sufficient to meet its obligations under this chapter, up to a maximum levy not exceeding the limitation in section 57-15-28.1. Within the levy limitations set out in subsection 6 of section 57-15-28.1, the governing body of a county may levy a tax for comprehensive health care insurance employee benefit programs duly established by the governing body. Any obligations under this chapter over and above the amount raised by the maximum levy

permitted in this section must be paid out of the general fund of the political subdivision. All payments by a school district for obligations incurred under this chapter must be made out of the school district's general fund established pursuant to section 57-15-14.2.

**SECTION 3. AMENDMENT.** Subsection 9 of section 52-09-20 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

9. "Primary insurance benefit" means the sum of the following:
  - a. (1) Fifty percent of the amount of an individual's average monthly wage if the average monthly wage does not exceed seventy-five dollars; or
  - (2) If the average monthly wage exceeds seventy-five dollars, thirty-seven dollars and fifty cents, plus fifteen percent of the amount by which the average monthly wage exceeds seventy-five dollars and does not exceed two hundred fifty dollars;
  - b. One percent of the amount computed under subdivision a, multiplied by the number of years in which two hundred dollars or more of wages were paid to the individual; and
  - c. (1) Effective August 1, ~~1997~~ 1999, ~~five~~ seven hundred thirty-three dollars and ~~thirty-three~~ thirty-two cents; or
  - (2) Effective August 1, ~~1998~~ 2000, ~~six~~ seven hundred ~~sixty-six~~ ninety-nine dollars and ~~sixty-six~~ ninety-eight cents.

**SECTION 4. REPEAL.** Sections 52-09-09, 52-09-10, 52-09-11, 52-09-12, and 52-09-13 of the North Dakota Century Code are repealed.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1070.

House Vote:      Yeas    91      Nays    0      Absent    7

Senate Vote:    Yeas    48      Nays    0      Absent    1

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1999,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State