

**FIRST ENGROSSMENT  
with Conference Committee Amendments**

**ENGROSSED HOUSE BILL NO. 1119**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to create and enact a new section to chapter 54-06 of the North Dakota  
2 Century Code, relating to establishing a state employee performance bonus program; and to  
3 provide an expiration date.

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

5 **SECTION 1.** A new section to chapter 54-06 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **State employee performance bonus program - Criteria - Limitations.** State  
8 agencies may provide monetary performance bonuses to their classified state employees under  
9 this section.

10 1. State agencies may pay bonuses under this section if:

- 11 a. The agency has had a written employee performance evaluation policy in  
12 place for more than one year before paying the bonus;
- 13 b. The written employee performance evaluation policy required in subdivision a  
14 must have at least three levels of performance criteria; and
- 15 c. The agency performance bonus program adopted under this section must be  
16 a written policy and must be communicated to each classified employee in the  
17 agency. Development of the written policy must include input from  
18 employees.

19 2. Classified state employees are eligible to receive a bonus under this section only  
20 if:

- 21 a. The employee has held a classified position in state government for at least  
22 one year before a bonus is paid;
- 23 b. The employee's overall annual performance evaluation satisfies the agency's  
24 performance bonus program criteria for receiving a bonus; and

- 1           c. The employee is a full-time or part-time regular nonprobationary employee  
2           holding a regularly funded nontemporary position in the classified service.
- 3           3. A classified employee may not receive more than one performance bonus per  
4           fiscal year and may not receive more than one thousand dollars in bonuses per  
5           biennium.
- 6           4. Agencies may pay bonuses under this section during a fiscal year to not more than  
7           the number of classified employees equal to twenty-five percent of the classified  
8           employees employed by the agency on July first at the beginning of each state  
9           fiscal year. Each agency must fund the performance bonus program from within  
10          its agency budget for salaries and wages.
- 11          5. Bonuses paid under this section may not be included in an employee's base salary  
12          for purposes of calculating any wage or salary increase.
- 13          6. Bonuses paid under this section are not fiscal irregularities under section  
14          54-14-03.1.

15          **SECTION 2. EXPIRATION DATE.** Section 1 of this Act is effective through June 30,  
16          2005, and after that date is ineffective.