

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

24/6

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2416

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2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2416

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 12, 2001.

Tape Number	Side A	Side B	Meter #
1	x		8.1 to 17.9
2	x		40 to 53.0
(Feb 13/01) 3	x		31.6 to 33.8
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2416 relating to discharge in bankruptcy of workers' compensation premiums and penalties.

No testimony in favor.

BRENT EDISON, VP of Legal and Special Investigations, NDWC, opposing this bill. Written testimony attached. Because the fund is supported by premium dollars from employers, we oppose to any attempt to change the existing law to allow employers do discharge their premium obligations. Include copy of legal decision in which court held unpaid premiums are non dischargeable and a summary of actuarial information.

SENATOR D. MATHERN: People not paying premiums, is it a big problem?

B EDISON: Collection unit is very busy. The question of discharge comes up but once they know its non dischargeable they usually pay.

SENATOR MUTCH: In the case of a corporation in bankruptcy,?

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2416

Hearing Date February 12, 2001.

B EDISON: In part of this bill there is a section that if corporation goes bankrupt officers won't be liable.

SENATOR KREBSBACH: Any other state discharges workers' comp. premiums?

B. EDISON: Not that I am aware of. This bill will increase uncollectibles and prevent us from collecting premiums we would be able to collect. We haven't been able to quantify, but it will be significant enough that we urge a do not pass.

CHUCK PETERSON, GNDA, opposing this bill. Written testimony attached. It's all too easy to go bankrupt. Since the cost of running the Bureau is borne by the employers this bill will increase the burden on those that do pay their premiums. Strongly urge do not pass.

February 13, 2001. Tape 3-A-31.6 to 33.8.

Committee reconvened. All members present, except SENATOR ESPEGARD. Discussion held.

SENATOR KREBSBACH: Motion: do not pass. SENATOR TOLLEFSON: Seconded.

Roll call vote: 6 yes; 0 no; 1 absent, not voting.

Carrier: SENATOR ESPEGARD.

FISCAL NOTE
 Requested by Legislative Council
 01/30/2001

Bill/Resolution No.: SB 2416

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**NORTH DAKOTA WORKERS COMPENSATION
 2001 LEGISLATION
 SUMMARY OF ACTUARIAL INFORMATION**

BILL DESCRIPTION: Discharge in Bankruptcy of Workers' Compensation Premiums

BILL NO: SB 2416

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed bill would make workers compensation premiums dischargeable in bankruptcy.

FISCAL IMPACT: Not quantifiable. The proposed bill may serve to increase uncollectibles from at-risk employers as well as preclude NDWC from collecting premiums after bankruptcy is filed. To the extent that this increases costs, the additional costs would be reflected in future premium adjustments.

DATE: January 31, 2001

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Paul R. Kramer	Agency:	ND Workers Compensation
Phone Number:	328-3856	Date Prepared:	01/31/2001

Date: 2/13/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2416

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DNP

Motion Made By Sen Krebsbach Seconded By Sen Tollefson

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Epegard	A				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen Epegard

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 14, 2001 8:10 a.m.

Module No: SR-27-3268
Carrier: Espegard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2416: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO NOT PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2416 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2416

