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REFERENCE TITLE: **benefits; unemployment insurance**

State of Arizona  
Senate  
Forty-sixth Legislature  
First Regular Session  
2003

## **SB 1327**

Introduced by  
Senators Mead, Giffords, Soltero V., Rios; Representative Burton Cahill:  
Senators Binder, Cannell R.; Representatives Carruthers, Gullett,  
Hershberger, McCune Davis

**AN ACT**

**AMENDING SECTIONS 23-605, 23-726, 23-769, 23-771 AND 23-779, ARIZONA REVISED STATUTES; RELATING TO EMPLOYMENT SECURITY.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-605, Arizona Revised Statutes, is amended to  
3 read:

4 23-605. Base period

5 A. "Base period" means EITHER OF THE FOLLOWING:

6 1. The first four of the last five completed calendar quarters  
7 immediately preceding the first day of an individual's benefit year. ~~., except  
8 that the base period of an individual whose new benefit year overlaps his  
9 last preceding benefit year shall consist of those four completed calendar  
10 quarters immediately following his previous base period.~~

11 2. THE LAST FOUR COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING THE  
12 FIRST DAY OF AN INDIVIDUAL'S BENEFIT YEAR.

13 B. THE DEPARTMENT SHALL BASE ITS COMPUTATIONS ON THE AVAILABLE WAGE  
14 ITEMS THAT ARE PROCESSED AS OF THE CLOSE OF BUSINESS ON THE DAY BEFORE THE  
15 APPLICATION DATE. THE DEPARTMENT SHALL PROMPTLY CONTACT EMPLOYERS TO REQUEST  
16 WAGE INFORMATION FOR THE LAST COMPLETED CALENDAR QUARTER IF THE INDIVIDUAL  
17 DOES NOT PROVIDE DOCUMENTATION TO SUPPORT THE WAGE INFORMATION DURING THE  
18 INITIAL APPLICATION.

19 Sec. 2. Section 23-726, Arizona Revised Statutes, is amended to read:

20 23-726. Contributions; voluntary payment

21 A. Contributions shall accrue and become payable by each employer for  
22 each calendar year in which he is subject to this chapter with respect to  
23 wages for employment. The contributions shall become due and be paid by each  
24 employer to the commission for the fund in accordance with such regulations  
25 as the commission prescribes, and shall not be deducted, in whole or in part,  
26 from the wages of individuals in the employer's employ.

27 B. In the payment of contributions, a fractional part of a cent shall  
28 be disregarded unless it amounts to one-half cent or more in which case it  
29 shall be increased to one cent. FROM AND AFTER DECEMBER 31, 2003, THE  
30 PAYMENT OF CONTRIBUTIONS OR JOB TRAINING EMPLOYER TAXES ARE NOT REQUIRED IF  
31 THE QUARTERLY AMOUNT OF THE CONTRIBUTIONS OR TAXES IS LESS THAN TWO DOLLARS.

32 C. An employer may make voluntary payments in addition to the  
33 contributions required under this chapter, which shall be credited to his  
34 account in accordance with commission regulation. The voluntary payments  
35 shall be included in the employer's account as of the employer's most recent  
36 computation date if they are made on or before the following January  
37 31. Voluntary payments when accepted from an employer will not be refunded  
38 in whole or in part.

39 Sec. 3. Section 23-769, Arizona Revised Statutes, is amended to read:

40 23-769. Job training employer tax

41 A. Beginning on January 1, 2001, a tax equal to one-tenth of one per  
42 cent of taxable wages as provided and defined in section 23-622 and that are  
43 paid to an employee each year is imposed on each employer in this state  
44 except employers described in subsection B or C of this section.

1 B. Subsection A of this section does not apply to employers who have  
2 elected to become liable for payment in lieu of contributions pursuant to  
3 section 23-750.

4 C. Until the amount of the excise tax imposed pursuant to 26 United  
5 States Code section 3301 is reduced to six per cent or less, subsection A of  
6 this section does not apply to employers:

7 1. With a positive reserve ratio of at least thirteen per cent  
8 pursuant to section 23-730.

9 2. With a positive reserve ratio of at least twelve per cent but less  
10 than thirteen per cent.

11 3. That are assigned the contribution rate of two and seven-tenths per  
12 cent pursuant to ~~sections~~ SECTION 23-729 or 23-730.

13 4. With a negative reserve ratio pursuant to section 23-730.

14 D. The department of economic security shall collect this tax on a  
15 quarterly basis and shall deposit, pursuant to sections 35-146 and 35-147,  
16 the monies collected pursuant to this section in the Arizona job training  
17 fund established by section 41-1544. Monies collected pursuant to this  
18 section shall not be commingled in any manner with monies collected pursuant  
19 to articles 4, 5 and 5.1 of this chapter.

20 E. FROM AND AFTER DECEMBER 31, 2003, THE PAYMENT OF CONTRIBUTIONS OR  
21 JOB TRAINING EMPLOYER TAXES ARE NOT REQUIRED IF THE QUARTERLY AMOUNT OF THE  
22 CONTRIBUTIONS OR TAXES IS LESS THAN TWO DOLLARS.

23 Sec. 4. Section 23-771, Arizona Revised Statutes, is amended to read:  
24 23-771. Eligibility for benefits

25 A. An unemployed individual shall be eligible to receive benefits with  
26 respect to any week only if the department finds that the individual:

27 1. Has registered for work at and thereafter has continued to report  
28 at an employment office in accordance with such regulations as the department  
29 prescribes.

30 2. Has made a claim for benefits in accordance with ~~the provisions of~~  
31 section 23-772.

32 3. Is able to work.

33 4. Is available for work.

34 5. Has been unemployed for a waiting period of one week. ~~No~~ A week  
35 shall NOT be counted as a week of unemployment for the purpose of this  
36 paragraph:

37 (a) Unless it occurs within the benefit year ~~which~~ THAT includes the  
38 week with respect to which the individual claims payment of benefits.

39 (b) Unless the individual was eligible for benefits with respect  
40 thereto as provided in this section and sections 23-775 through 23-777.

41 (c) If benefits have been paid in respect thereto.

42 6. Has met one of the following requirements:

43 (a) Has been paid wages for insured work during the individual's base  
44 period equal to at least one and one-half times the wages paid to the  
45 individual in the calendar quarter of the individual's base period in which

1 such wages were highest, and the individual has been paid wages for insured  
2 work in one calendar quarter of the individual's base period equal to at  
3 least ~~one thousand~~ SEVEN HUNDRED FIFTY dollars.

4 (b) Has for a benefit year beginning on or after September 2, 1984,  
5 been paid wages for insured work during at least two quarters of the  
6 individual's base period and the amount of such wages paid in one quarter  
7 would be sufficient to qualify the individual for the maximum weekly benefit  
8 amount payable under this chapter and the total of the individual's base  
9 period wages is equal to or greater than the taxable limit as specified in  
10 section 23-622, subsection B, paragraph 1.

11 7. Following the beginning date of a benefit year established under  
12 this chapter or the unemployment compensation law of any other state and  
13 prior to the effective date of a subsequent benefit year under this chapter,  
14 has performed services whether or not in employment as defined in section  
15 23-615 for which wages were payable in an amount equal to or in excess of  
16 eight times the weekly benefit amount for which the individual is otherwise  
17 qualified under section 23-779. In making a determination under this  
18 paragraph the department shall use information available in its records or  
19 require the individual to furnish necessary information within thirty days  
20 from the date notice is given that such information is required.

21 B. If an unemployed individual cannot establish a benefit year as  
22 defined in section 23-609 due to receipt during the base period of  
23 compensation for a temporary total disability pursuant to chapter 6 of this  
24 title, or any similar federal law, the individual's base period shall be the  
25 first four of the last five completed calendar quarters immediately preceding  
26 the first day of the calendar week in which the disability began. Wages  
27 previously used to establish a benefit year may not be reused. This  
28 subsection does not apply unless all of the following occur:

29 1. The individual has filed a claim for benefits not later than the  
30 fourth calendar week of unemployment after the end of the period of  
31 disability.

32 2. The claim is filed within two years after the period of disability  
33 begins.

34 3. The individual meets the requirements of subsection A of this  
35 section.

36 4. The individual has attempted to return to the employment where the  
37 temporary total disability occurred.

38 C. If an unemployed individual is a member of the national guard or  
39 other reserve component of the United States armed forces, ~~he~~ THE INDIVIDUAL  
40 shall not be considered to be either employed or unavailable for work by  
41 reason of ~~his participating~~ THE INDIVIDUAL'S PARTICIPATION in drill, training  
42 or other national guard or reserve activity ~~which~~ THAT occurs on not more  
43 than one weekend per month or in lieu of a weekend drill or the equivalent.

44 D. For the purposes of subsection A, paragraph 6, of this section,  
45 wages shall be counted as "wages for insured work" for benefit purposes with

1 respect to any benefit year only if ~~such~~ THE benefit year begins subsequent  
2 to the date on which the employing unit by which ~~such~~ THE wages were paid has  
3 become an employer subject to this chapter.

4 Sec. 5. Section 23-779, Arizona Revised Statutes, is amended to read:  
5 23-779. Amount of benefits

6 A. The weekly benefit amount of an individual shall be an amount equal  
7 to one ~~twenty-fifth~~ TWENTY-FOURTH of the person's total wages for insured  
8 work paid during that quarter of the person's base period in which such total  
9 wages were highest, but if:

10 1. From and after June 30, 1998, and before July 1, 1999, this amount  
11 is more than one hundred ninety-five dollars, the weekly benefit amount shall  
12 be one hundred ninety-five dollars.

13 2. From and after June 30, 1999, this amount is more than two hundred  
14 five dollars, the weekly benefit amount shall be two hundred five dollars.

15 B. If the weekly benefit amount is less than the maximum weekly  
16 benefit prescribed in subsection A and is not a multiple of one dollar such  
17 amount shall be rounded to the nearest dollar, with an even one-half dollar  
18 being rounded to the next higher multiple of one dollar. An individual's  
19 benefit amount shall not be redetermined during the person's benefit year  
20 because of a new maximum or minimum weekly benefit amount becoming effective  
21 during the person's benefit year.

22 C. Each eligible individual unemployed with respect to any week shall  
23 be paid with respect to such week a benefit in an amount equal to the  
24 person's weekly benefit amount less that part of the wages, if any, payable  
25 to the person with respect to such week ~~which~~ THAT is in excess of thirty  
26 dollars. The benefit, if not a multiple of one dollar, shall be rounded to  
27 the nearest dollar, with an even one-half dollar being rounded to the next  
28 higher multiple of one dollar.