

COMMITTEE ON INSURANCE AND RETIREMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1250

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 23-750, Arizona Revised Statutes, is amended to
3 read:

4 23-750. Special provisions for nonprofit organizations and
5 state and local governments

6 A. The provisions of this section apply to:

7 1. Any nonprofit organization described in paragraph 10 of section
8 23-617, which but for the provisions of section 23-613, subsection A,
9 paragraph 2, subdivision (c) would not be subject to this chapter, or which
10 is not mandatorily subject to this chapter because of insufficient employees
11 but which has voluntarily elected to become subject to this chapter.

12 2. This state, or a political subdivision thereof, or any
13 instrumentality, agency or board of any one or more of the foregoing or any
14 instrumentality of any of the foregoing and one or more other states or
15 political subdivisions.

16 B. Benefits paid to employees of employing units to which this section
17 applies shall be financed in accordance with the provisions of this
18 subsection.

19 1. Any employing unit to which this section applies:

20 (a) Which is or becomes subject to this chapter on January 1, 1972,
21 may elect to become liable for payments in lieu of contributions for a period
22 of not less than three consecutive taxable years beginning with January 1,
23 1972, provided it files with the department a written notice of its election
24 not later than sixty days after written notice that such election may be made
25 is first given to the employing unit by the department.

26 (b) Which becomes subject to this chapter after January 1, 1972, may
27 elect to become liable for payments in lieu of contributions for a period of
28 not less than three consecutive taxable years by filing a written notice of

1 its election with the department not later than thirty days immediately
2 following the date of the determination of such subjectivity.

3 (c) Which makes an election in accordance with subdivision (a) or (b)
4 of this paragraph shall continue to be liable for payments in lieu of
5 contributions until it files with the department a written notice terminating
6 its election not later than thirty days prior to the beginning of the taxable
7 year for which such termination shall first be effective.

8 (d) Which has been paying contributions under this chapter subsequent
9 to January 1, 1972, for a period of not less than three consecutive taxable
10 years may elect to become liable for payments in lieu of contributions for a
11 period of not less than three consecutive taxable years by filing a written
12 notice of its election with the department not later than thirty days prior
13 to the beginning of the taxable year for which such election shall first be
14 effective.

15 2. The department may for good cause extend the period within which a
16 notice of election or a notice of termination must be filed.

17 3. The department shall notify the employing unit of any determination
18 made of its status as an employer and of the effective date of any election
19 or termination of such election made in accordance with this subsection.
20 Such determination shall be subject to reconsideration, petition for hearing,
21 and judicial review in accordance with the provisions of section 23-724.

22 4. An employing unit shall pay to the department for the fund an
23 amount equal to the amount of regular benefits and of one-half of the
24 extended benefits paid which were based upon wages paid during the employing
25 unit's period of election to make payments in lieu of contributions, except
26 that a governmental entity shall pay to the department for the fund an amount
27 equal to the total amount of extended benefits paid for weeks of unemployment
28 beginning on or after January 1, 1979, which are based upon wages paid by the
29 governmental entity during its election to make payments in lieu of
30 contributions. The provisions of sections 23-727, 23-773 and 23-777, insofar
31 as they apply to noncharging an employer's account for benefit payments, do
32 not apply to benefits paid which were based upon wages paid during the

1 employing unit's period of election to make payments in lieu of
2 contributions.

3 C. As soon as practicable after the end of each calendar quarter the
4 department shall determine the amount of payments in lieu of contributions
5 due from each employing unit and shall bill each employing unit for the
6 amount due. If payment is not made on or before the date due and payable as
7 prescribed by the department, the whole or part thereafter remaining unpaid
8 shall bear interest at the rate of one per cent per month or fraction
9 thereof, from and after the due date until payment is received by the
10 department. The amount of payments due hereunder but not paid may be
11 collected by the department, together with interest and penalties, if any, in
12 the same manner and subject to the same conditions as contributions due from
13 other employers. The amount due specified in any bill from the department
14 shall be conclusive and binding on the employing unit unless not later than
15 fifteen days after the bill was mailed to its last known address, the
16 employing unit files an application for redetermination. A redetermination
17 made under this subsection shall be subject to petition for hearing and
18 judicial review in accordance with the provisions of section 23-724.

19 D. Two or more employing units that have become liable for payments in
20 lieu of contributions may file a joint application to the department for the
21 establishment of a group account for the purpose of sharing the cost of
22 benefits paid that are attributable to service in the employ of such
23 employing units. Each application shall identify and authorize a group
24 representative to act as the group's agent for the purposes of this
25 subsection. Upon approval of the application, the department shall establish
26 a group account for such employing units effective as of the beginning of the
27 calendar quarter in which the application is received and shall notify the
28 group's representative of the effective date of the account. The account
29 shall remain in effect for not less than three years and thereafter until
30 terminated at the discretion of the department or upon application by the
31 group. Upon establishment of the account, each member of the group shall be
32 liable for payments in lieu of contributions with respect to each calendar

1 quarter in the amount that bears the same ratio to the total benefits paid in
2 such quarter that are attributable to service performed in the employ of all
3 members of the group as the total wages paid for service in employment by
4 such member in such quarter bear to the total wages paid during such quarter
5 for service performed in the employ of all members of the group. The
6 department shall prescribe such regulations as it deems necessary with
7 respect to applications for establishment, maintenance, and termination of
8 group accounts that are authorized by this subsection, for addition of new
9 members to, and withdrawal of active members from, such accounts, and for the
10 determination of the amounts that are payable under this subsection by
11 members of the group and the time and manner of such payments.

12 E. Benefits are payable on the basis of employment to which this
13 section applies, in the same amount, on the same terms, and subject to the
14 same conditions as benefits payable on the basis of other employment subject
15 to this chapter, except that notwithstanding the provisions of sections
16 23-779 and 23-780:

17 1. Benefits based on service in an instructional, research, or
18 principal administrative capacity for an educational institution shall not be
19 paid to an individual for any week of unemployment which begins during the
20 period between two successive academic years, or during a similar period
21 between two regular terms, whether or not successive, or during a period of
22 paid sabbatical leave provided for in the individual's contract, if the
23 individual performs such services in the first of such academic years or
24 terms and if there is a contract or a reasonable assurance that such
25 individual will perform services in any such capacity for any educational
26 institution in the second of such academic years or terms.

27 2. Benefits based on service in any other capacity for an educational
28 institution shall not be paid to an individual for any week of unemployment
29 which begins during a period between two successive academic years or terms
30 if the individual performs such services in the first of such academic years
31 or terms and if there is a reasonable assurance that such individual will
32 perform such services in the second of such academic years or terms, except

1 that if benefits are denied to any individual under this paragraph and that
2 individual was not offered an opportunity to perform such services for the
3 educational institution for the second of such academic years or terms, the
4 individual is entitled to a retroactive payment of benefits for each week for
5 which the individual filed a timely claim for benefits and for which benefits
6 were denied solely by reason of this paragraph.

7 3. Benefits based on services described in paragraph 1 or 2 of this
8 subsection shall not be paid to an individual for any week of unemployment
9 which begins during an established and customary vacation period or holiday
10 recess if the individual performs such services in the period immediately
11 before such vacation period or holiday recess and if there is a reasonable
12 assurance that such individual will perform such services in the period
13 immediately following such vacation period or holiday recess.

14 4. With respect to any services described in paragraph 1 or 2 of this
15 subsection, benefits are not payable on the basis of services in any capacity
16 specified in paragraph 1, 2 or 3 of this subsection to any individual who
17 performed such services in an educational institution while in the employ of
18 an educational service agency. For the purposes of this paragraph,
19 "educational service agency" means a governmental agency or governmental
20 entity which is established and operated exclusively for the purpose of
21 providing such services to one or more educational institutions.

22 5. With respect to services described in paragraph 1, 2 or 3 of this
23 subsection, benefits are not payable on the basis of services specified in
24 paragraph 1, 2 or 3 of this subsection to any individual who performed these
25 services while in the employ of an entity that provides these services to or
26 on behalf of an educational institution.

27 F. In determining contribution rates assigned to employers under this
28 chapter, the payrolls of employing units liable for payments in lieu of
29 contributions shall not be included in computing the contribution rates to be
30 assigned to employers under this chapter. The payments in lieu of
31 contributions made by such employing units shall be included in the total

1 assets of the fund in the same manner as contributions paid by other
2 employers.

3 G. Except as inconsistent with the provisions of this section, the
4 provisions of this chapter and regulations of the department shall apply to
5 any matter arising pursuant to this section.

6 H. AN EMPLOYING UNIT UNDER THIS SECTION WHICH HAS ONLY ONE EMPLOYEE
7 SHALL NOT BE LIABLE TO PAY BENEFITS ASSOCIATED WITH A CLAIM FILED BY AN
8 EMPLOYEE IF THE EMPLOYING UNIT WAS A BASE PERIOD EMPLOYER FROM WHICH THE
9 EMPLOYEE VOLUNTARILY TERMINATED THEIR EMPLOYMENT WITH THE EMPLOYING UNIT.
10 UPON RECEIPT OF A BENEFIT CHARGE NOTICE FROM THE DEPARTMENT, THE EMPLOYING
11 UNIT MUST CERTIFY THAT IT EMPLOYS ONLY ONE EMPLOYEE AND TIMELY RETURN THE
12 NOTICE TO THE DEPARTMENT TO BE ALLEVIATED OF THE BENEFIT COSTS FOR THE
13 EMPLOYEE."

14 Amend title to conform

and, as so amended, it do pass

PHIL LOVAS
Chairman

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3/18/14
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