

PROPOSED

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

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

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

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

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

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

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

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

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

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

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

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

1 educational institution for the second of such academic years or terms, the
2 individual is entitled to a retroactive payment of benefits for each week for
3 which the individual filed a timely claim for benefits and for which benefits
4 were denied solely by reason of this paragraph.

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

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

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

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

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

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

12 Amend title to conform

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3/13/14
H:ajs