

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

# SENATE BILL 1250

AN ACT

AMENDING SECTION 23-750, ARIZONA REVISED STATUTES; RELATING TO UNEMPLOYMENT  
INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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~~ APPLIES to:

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

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

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

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

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

27 (b) ~~Which~~ THAT becomes subject to this chapter after January 1, 1972,  
28 may elect to become liable for payments in lieu of contributions for a period  
29 of ~~not less than~~ AT LEAST three consecutive taxable years by filing a written  
30 notice of its election with the department not later than thirty days  
31 immediately ~~following~~ AFTER the date of the determination of ~~such~~ THE  
32 subjectivity.

33 (c) ~~Which~~ THAT makes an election ~~in accordance with~~ PURSUANT TO  
34 subdivision (a) or (b) of this paragraph shall continue to be liable for  
35 payments in lieu of contributions until it files with the department a  
36 written notice terminating its election not later than thirty days ~~prior to~~  
37 BEFORE the beginning of the taxable year for which ~~such~~ THE termination shall  
38 first be effective.

39 (d) ~~Which~~ THAT has been paying contributions under this chapter  
40 subsequent to January 1, 1972, for a period of ~~not less than~~ AT LEAST three  
41 consecutive taxable years may elect to become liable for payments in lieu of  
42 contributions for a period of ~~not less than~~ AT LEAST three consecutive  
43 taxable years by filing a written notice of its election with the department  
44 not later than thirty days ~~prior to~~ BEFORE the beginning of the taxable year  
45 for which ~~such~~ THE election shall first be effective.

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

3           3. The department shall notify the employing unit of any determination  
4 made of its status as an employer and of the effective date of any election  
5 or termination of ~~such~~ THE election made ~~in accordance with~~ PURSUANT TO this  
6 subsection. ~~Such~~ THE determination shall be subject to reconsideration,  
7 petition for hearing, ~~and judicial review in accordance with the provisions~~  
8 ~~of~~ PURSUANT TO section 23-724.

9           4. An employing unit shall pay to the department for the fund an  
10 amount equal to the amount of regular benefits and of one-half of the  
11 extended benefits paid ~~which~~ THAT were based ~~upon~~ ON wages paid during the  
12 employing unit's period of election to make payments in lieu of  
13 contributions, except that a governmental entity shall pay to the department  
14 for the fund an amount equal to the total amount of extended benefits paid  
15 for weeks of unemployment beginning on or after January 1, 1979, ~~which~~ THAT  
16 are based ~~upon~~ ON wages paid by the governmental entity during its election  
17 to make payments in lieu of contributions. ~~The provisions of~~ EXCEPT FOR AN  
18 EMPLOYING UNIT WITH ONLY ONE EMPLOYEE, sections 23-727, 23-773 and 23-777,  
19 insofar as they apply to noncharging an employer's account for benefit  
20 payments, do not apply to benefits paid ~~which~~ THAT were based ~~upon~~ ON wages  
21 paid during the employing unit's period of election to make payments in lieu  
22 of contributions. FOR AN EMPLOYING UNIT WITH ONLY ONE EMPLOYEE, SECTION  
23 23-727, SUBSECTIONS E, F, G, H, I AND J AND SECTIONS 23-773 AND 23-777,  
24 INSO FAR AS THEY APPLY TO NONCHARGING AN EMPLOYER'S ACCOUNT FOR BENEFIT  
25 PAYMENTS, DO NOT APPLY TO BENEFITS PAID THAT WERE BASED ON WAGES PAID DURING  
26 THE EMPLOYING UNIT'S PERIOD OF ELECTION TO MAKE PAYMENTS IN LIEU OF  
27 CONTRIBUTIONS.

28           C. As soon as practicable after the end of each calendar quarter the  
29 department shall determine the amount of payments in lieu of contributions  
30 due from each employing unit and shall bill each employing unit for the  
31 amount due. If payment is not made on or before the date due and payable as  
32 prescribed by the department, the whole or part thereafter remaining unpaid  
33 shall bear interest at the rate of one per cent per month or fraction  
34 thereof, from and after the due date until payment is received by the  
35 department. The amount of payments due ~~hereunder~~ but not paid may be  
36 collected by the department, together with interest and penalties, if any, in  
37 the same manner and subject to the same conditions as contributions due from  
38 other employers. The amount due specified in any bill from the department  
39 shall be conclusive and binding on the employing unit unless not later than  
40 fifteen days after the bill was mailed to its last known address, the  
41 employing unit files an application for redetermination. A redetermination  
42 made under this subsection shall be subject to petition for hearing and  
43 judicial review ~~in accordance with the provisions of~~ PURSUANT TO section  
44 23-724.

1 D. Two or more employing units that have become liable for payments in  
2 lieu of contributions may file a joint application to the department for the  
3 establishment of a group account for the purpose of sharing the cost of  
4 benefits paid that are attributable to service in the employ of ~~such~~ THE  
5 employing units. Each application shall identify and authorize a group  
6 representative to act as the group's agent for the purposes of this  
7 subsection. ~~Upon~~ ON approval of the application, the department shall  
8 establish a group account for ~~such~~ THE employing units effective as of the  
9 beginning of the calendar quarter in which the application is received and  
10 shall notify the group's representative of the effective date of the account.  
11 The account shall remain in effect for ~~not less than~~ AT LEAST three years and  
12 thereafter until terminated at the discretion of the department or ~~upon~~ ON  
13 application by the group. ~~Upon~~ ON establishment of the account, each member  
14 of the group shall be liable for payments in lieu of contributions with  
15 respect to each calendar quarter in the amount that bears the same ratio to  
16 the total benefits paid in ~~such~~ THAT quarter that are attributable to service  
17 performed in the employ of all members of the group as the total wages paid  
18 for service in employment by ~~such~~ THE member in ~~such~~ THAT quarter bear to the  
19 total wages paid during ~~such~~ THAT quarter for service performed in the employ  
20 of all members of the group. The department shall prescribe ~~such~~ regulations  
21 as it deems necessary with respect to applications for establishment,  
22 maintenance, and termination of group accounts that are authorized by this  
23 subsection, for addition of new members to, and withdrawal of active members  
24 from, ~~such~~ THE accounts, and for the determination of the amounts that are  
25 payable under this subsection by members of the group and the time and manner  
26 of ~~such~~ THE payments.

27 E. Benefits are payable on the basis of employment to which this  
28 section applies, in the same amount, on the same terms, and subject to the  
29 same conditions as benefits payable on the basis of other employment subject  
30 to this chapter, except that notwithstanding ~~the provisions of~~ sections  
31 23-779 and 23-780:

32 1. Benefits based on service in an instructional, research, or  
33 principal administrative capacity for an educational institution shall not be  
34 paid to an individual for any week of unemployment ~~which~~ THAT begins during  
35 the period between two successive academic years, or during a similar period  
36 between two regular terms, whether or not successive, or during a period of  
37 paid sabbatical leave provided for in the individual's contract, if the  
38 individual performs ~~such~~ THE services in the first ~~of such~~ academic ~~years~~  
39 YEAR or ~~terms~~ TERM and if there is a contract or a reasonable assurance that  
40 ~~such~~ THE individual will perform services in any such capacity for any  
41 educational institution in the second ~~of such~~ academic ~~years~~ YEAR or ~~terms~~  
42 TERM.

43 2. Benefits based on service in any other capacity for an educational  
44 institution shall not be paid to an individual for any week of unemployment  
45 ~~which~~ THAT begins during a period between two successive academic years or

1 terms if the individual performs ~~such~~ THE services in the first ~~of such~~  
2 academic ~~years~~ YEAR or ~~terms~~ TERM and if there is a reasonable assurance that  
3 ~~such~~ THE individual will perform ~~such~~ THE services in the second ~~of such~~  
4 academic ~~years~~ YEAR or ~~terms~~ TERM, except that if benefits are denied to any  
5 individual under this paragraph and that individual was not offered an  
6 opportunity to perform ~~such~~ services for the educational institution for the  
7 second ~~of such~~ academic ~~years~~ YEAR or ~~terms~~ TERM, the individual is entitled  
8 to a retroactive payment of benefits for each week for which the individual  
9 filed a timely claim for benefits and for which benefits were denied solely  
10 by reason of this paragraph.

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

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

27 5. With respect to services described in paragraph 1, 2 or 3 of this  
28 subsection, benefits are not payable on the basis of services specified in  
29 paragraph 1, 2 or 3 of this subsection to any individual who performed these  
30 services while in the employ of an entity that provides these services to or  
31 on behalf of an educational institution.

32 F. In determining contribution rates assigned to employers under this  
33 chapter, the payrolls of employing units liable for payments in lieu of  
34 contributions shall not be included in computing the contribution rates to be  
35 assigned to employers under this chapter. The payments in lieu of  
36 contributions made by ~~such~~ THE employing units shall be included in the total  
37 assets of the fund in the same manner as contributions paid by other  
38 employers.

39 G. Except as inconsistent with the provisions of this section, the  
40 provisions of this chapter and regulations of the department shall apply to  
41 any matter arising pursuant to this section.