

REFERENCE TITLE: **employment security; extended benefits..**

State of Arizona
House of Representatives
Fiftieth Legislature
Third Special Session
2011

HB 2001

Introduced by
Representatives Pancrazi, Ableser, Alston, Campbell, Chabin, Farley,
Gallego, Gonzales, Hale, Hobbs, Miranda C, Miranda R, Patterson, Saldate,
Tovar, Wheeler, Senator Sinema: Representatives Arredondo, Meyer

AN ACT

**AMENDING SECTIONS 23-630, 23-634.01, 23-730.02 AND 23-769, 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 23-630, Arizona Revised Statutes, is amended to
3 read:

4 23-630. On and off indicators

5 A. There is an Arizona on indicator for a week if the department
6 determines, in accordance with the regulations of the United States secretary
7 of labor, that for the period consisting of such week and the immediately
8 preceding twelve weeks:

9 1. The rate of insured unemployment in this state, not seasonally
10 adjusted:

11 (a) Equaled or exceeded one hundred twenty per cent of the average of
12 such rates for the corresponding thirteen-week period ending in each of the
13 preceding two calendar years, and

14 (b) Equaled or exceeded five per cent; or

15 2. The rate of insured unemployment in this state, not seasonally
16 adjusted, equaled or exceeded six per cent; or

17 3. With respect to benefits for weeks of unemployment beginning after
18 January 31, 2009:

19 (a) The average rate of total unemployment, seasonally adjusted,
20 according to the United States secretary of labor, for the period consisting
21 of the most recent three months for which data for all states are published
22 before the close of such week equals or exceeds six and one-half per cent;
23 and

24 (b) The average rate of total unemployment in this state, seasonally
25 adjusted, according to the United States secretary of labor, for the three
26 month period described in subdivision (a) of this paragraph, equals or
27 exceeds one hundred ten per cent of such average for ~~either or both~~ ANY OR
28 ALL OF the corresponding three month periods ending in the two OR THREE
29 preceding calendar years AS APPLICABLE UNDER FEDERAL LAW.

30 B. There is an Arizona off indicator for a week unless the department
31 determines in accordance with the regulations of the United States secretary
32 of labor that for the period consisting of such week and the immediately
33 preceding twelve weeks the conditions of subsection A, paragraph 1, 2 or 3
34 are satisfied.

35 C. Subsection A, paragraph 3 only applies from and after January 31,
36 2009 until the week ending ~~three~~ FOUR weeks before the last week the federal
37 sharing is authorized by Public Law 111-5, section 2005(a), WITHOUT REGARD TO
38 PUBLIC LAW 111-5, SECTION 2005(c), or the week ending December 12, 2009,
39 whichever is later.

40 D. Notwithstanding any other provision of this chapter, the governor
41 shall suspend the payment of extended benefits under this chapter to the
42 extent necessary to ensure that otherwise eligible individuals are not
43 denied, in whole or in part, the receipt of emergency unemployment
44 compensation benefits authorized by the federal supplemental appropriations
45 act of 2008 (P.L. 110-252), the unemployment compensation extension act of

1 2008 (P.L. 110-449) and the American recovery and reinvestment act of 2009
2 (P.L. 111-5) and that this state receives the maximum reimbursement from the
3 federal government for the payment of those emergency benefits.

4 Sec. 2. Section 23-634.01, Arizona Revised Statutes, is amended to
5 read:

6 23-634.01. Denial of benefits for failure to accept suitable
7 work or actively seek work; definition

8 A. Notwithstanding section 23-776, an individual who is found by the
9 department, with respect to any week in an eligibility period ~~which~~ THAT
10 begins from and after April 4, 1981, to have failed to apply for or accept
11 available suitable work to which ~~he~~ THE INDIVIDUAL was referred by the
12 department or to have failed to actively engage in seeking work is
13 disqualified from receiving extended benefits. The disqualification shall
14 begin with the week in which the failure occurred and continue until the
15 individual has been employed in each of four subsequent weeks, whether or not
16 consecutive, and has earned remuneration equal to not less than four times
17 ~~his~~ THE INDIVIDUAL'S weekly benefit amount.

18 B. An individual shall not be denied extended benefits for failure to
19 accept an offer of or apply for available suitable work as defined in
20 subsection G of this section, if:

21 1. The position was not offered to the individual in writing or was
22 not listed with the department.

23 2. The failure would not result in a denial of benefits under section
24 23-776 to the extent that the criteria of suitability in section 23-776 are
25 not inconsistent with this section.

26 C. If an individual furnishes evidence satisfactory to the department
27 that prospects for obtaining work in ~~his~~ THE INDIVIDUAL'S customary
28 occupation within a reasonably short period are good, the determination of
29 whether any work is suitable with respect to the individual shall be made in
30 accordance with ~~the provisions of~~ section 23-776 without reference to the
31 definition contained in this section.

32 D. Work shall not be considered suitable work under this section if it
33 would not be considered suitable under section 23-776, subsection C.

34 E. For the purposes of this section, an individual shall be treated as
35 actively engaged in seeking work during any week if the department finds from
36 tangible evidence provided by the individual that ~~he~~ THE INDIVIDUAL:

37 1. Has engaged in a systematic and sustained effort to obtain work AT
38 LEAST FOUR DAYS during such week.

39 2. HAS MADE AT LEAST ONE CONTACT WITH A POTENTIAL EMPLOYER PER DAY OF
40 REQUIRED WORK SEARCH.

41 3. HAS RECERTIFIED THAT THE INDIVIDUAL WILL ACCEPT ANY APPROPRIATE
42 OFFER OF SUITABLE WORK AS DEFINED IN SUBSECTION G OF THIS SECTION.

43 4. HAS RECERTIFIED THAT THE INDIVIDUAL IS COMPLYING WITH ALL
44 ELIGIBILITY REQUIREMENTS.

1 5. HAS MADE CONTACT WITH AN EMPLOYMENT SERVICE PROGRAM WITHIN THE
2 DEPARTMENT.

3 6. HAS MADE CONTACT WITH ANY REFERRAL THAT IS RECEIVED UNDER
4 SUBSECTION F OF THIS SECTION.

5 7. HAS AGREED TO PARTICIPATE IN COMMUNITY SERVICE THAT IS DETERMINED
6 BY THE DEPARTMENT IF THE UNITED STATES DEPARTMENT OF LABOR PERMITS THE
7 COMMUNITY SERVICE.

8 F. The department shall refer an individual entitled to extended
9 benefits under this chapter to any work ~~which~~ THAT is suitable work.

10 G. For the purposes of this section, "suitable work" with respect to
11 any individual means work within the individual's capabilities in which:

12 1. The gross average weekly wages payable for the work exceed the sum
13 of the individual's weekly benefit amount plus the amount of any supplemental
14 unemployment benefits payable to the individual for such week.

15 2. The wages for the work are at least equal to the higher of:

16 (a) The minimum wages provided by section 6(a)(1) of the fair labor
17 standards act of 1938, without regard to any exemption.

18 (b) The state or local minimum wage.

19 Sec. 3. Section 23-730.02, Arizona Revised Statutes, is amended to
20 read:

21 23-730.02. Temporary reduction of required income rates

22 Notwithstanding any other provision of this article, beginning on
23 January 1, 2001 until the amount of the excise tax imposed pursuant to 26
24 United States Code section 3301 is reduced to **LESS THAN** six per cent ~~or less~~,
25 the required income rates prescribed in section 23-730 are reduced by
26 one-tenth of one per cent.

27 Sec. 4. Section 23-769, Arizona Revised Statutes, is amended to read:

28 23-769. Job training employer tax

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

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

36 C. Until the amount of the excise tax imposed pursuant to 26 United
37 States Code section 3301 is reduced to **LESS THAN** six per cent ~~or less~~,
38 subsection A of this section does not apply to employers:

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

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

43 3. That are assigned the contribution rate of two per cent pursuant to
44 section 23-729 or two and seven-tenths per cent pursuant to section 23-730.

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

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

7 E. From and after December 31, 2004, the payment of contributions or
8 job training employer taxes is not required if the quarterly amount of the
9 contributions and taxes is less than ten dollars.

10 Sec. 5. Unemployment insurance reforms; report

11 A. The department of economic security shall conduct an evaluation of
12 potential reform options for unemployment benefits, including:

13 1. The employer contribution rates to the unemployment compensation
14 fund.

15 2. The contributions to the unemployment fund from small businesses
16 and start-up businesses.

17 3. Any changes to the requirements for recipients of unemployment
18 benefits, including work search requirements.

19 4. Any other reforms for eligibility requirements.

20 B. The department of economic security shall conduct a fiscal analysis
21 of the impact on the unemployment compensation fund for each evaluated reform
22 option under subsection A.

23 C. On or before October 1, 2011, the department of economic security
24 shall submit a report regarding the evaluation of reform options and fiscal
25 analysis to the governor, the president of the senate and the speaker of the
26 house of representatives and provide a copy of this report to the secretary
27 of state.

28 Sec. 6. Department of economic security; exemption from rule
29 making

30 The department of economic security is exempt from the rule making
31 requirements of title 41, chapter 6, Arizona Revised Statutes, for the
32 purposes of implementing this act.

33 Sec. 7. Retroactivity

34 Section 23-630, Arizona Revised Statutes, as amended by this act,
35 applies retroactively to from and after April 30, 2011.

36 Sec. 8. Emergency

37 This act is an emergency measure that is necessary to preserve the
38 public peace, health or safety and is operative immediately as provided by
39 law.