State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HOUSE BILL 2108

AN ACT

AMENDING SECTIONS 23-634.01, 23-771, 23-773 AND 23-776, ARIZONA REVISED STATUTES; RELATING TO EMPLOYMENT SECURITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 23-634.01, Arizona Revised Statutes, is amended to read:

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

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

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

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

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

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

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

E. For the purposes of this section, an individual shall be treated as actively engaged in seeking work during any week if the department finds from tangible evidence provided by the individual that he THE INDIVIDUAL has engaged in a systematic and sustained effort to obtain work during such week.

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

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

1. The gross average weekly wages payable for the work exceed the sum of the individual's weekly benefit amount plus the amount of any supplemental unemployment benefits payable to the individual for such week.
2. The wages for the work are at least equal to the higher of:
   (a) The minimum wages provided by section 6(a)(1) of the fair labor standards act of 1938, without regard to any exemption.
   (b) The state or local minimum wage.

Sec. 2. Section 23-771, Arizona Revised Statutes, is amended to read:

23-771. Eligibility for benefits
A. An unemployed individual is eligible to receive benefits with respect to any week only if the department finds that the individual:
   1. Has registered for work at and thereafter has continued to report at an employment office in accordance with the regulations prescribed by the department.
   2. Has made a claim for benefits in accordance with section 23-772.
   3. Is able to work.
   4. IS AVAILABLE FOR WORK.

‡ 5. Except for an individual who is applying for shared work benefits pursuant to article 5.1 of this chapter, IS AVAILABLE FOR WORK and both of the following apply:
   (a) The individual has engaged in a systematic and sustained effort to obtain work during at least four days of the week.
   (b) The individual has made at least one job contact per day on four different days of the week. ACTIVELY SEeks AND APPLIES For SUITABLE WORK AND:
       (a) Conducts at least five work search actions each week in order to qualify as actively seeking and applying for suitable work. the actions shall include any of the following:
           (i) Submitting resumes.
           (ii) Completing job applications.
           (iii) Attending job fairs.
           (iv) Attending interviews with potential employers.
           (v) Attending a department-approved training program, which shall count as one work search action for the week the individual attended the training program.
       (b) If the individual is applying for a weekly benefit, provides a weekly report to the department that details the individual's work search actions for every week a benefit is sought.

6. Has been unemployed for a waiting period of one week. A week is not counted as a week of unemployment for the purpose of this paragraph:
   (a) Unless it occurs within the benefit year that includes the week with respect to which the individual claims payment of benefits.
   (b) Unless the individual was eligible for benefits with respect to the week as provided in this section and sections 23-775, 23-776 and 23-777.
   (c) If benefits have been paid in respect to the week.
6. 7. Has met one of the following requirements:
   (a) Has been paid wages for insured work during the individual's base period equal to at least one and one-half times the wages paid to the individual in the calendar quarter of the individual's base period in which the wages were highest, and the individual has been paid wages for insured work in one calendar quarter of the individual's base period equal to an amount that is equal to at least three hundred ninety times the minimum wage prescribed by section 23-363 that is in effect when the individual files a claim for benefits.
   (b) For a benefit year beginning on or after September 2, 1984, has been paid wages for insured work during at least two quarters of the individual's base period and the amount of the wages paid in one quarter would be sufficient to qualify the individual for the maximum weekly benefit amount payable under this chapter and the total of the individual's base-period wages is equal to or greater than the taxable limit as specified in section 23-622, subsection B, paragraphs 1 and 2.

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

B. If an unemployed individual cannot establish a benefit year as defined in section 23-609 due to receipt during the base period of compensation for a temporary total disability pursuant to chapter 6 of this title, or any similar federal law, the individual's base period shall be the first four of the last five completed calendar quarters immediately preceding the first day of the calendar week in which the disability began. Wages previously used to establish a benefit year may not be reused. This subsection does not apply unless all of the following occur:
   1. The individual has filed a claim for benefits not later than the fourth calendar week of unemployment after the end of the period of disability.
   2. The claim is filed within two years after the period of disability begins.
   3. The individual meets the requirements of subsection A of this section.
4. The individual has attempted to return to the employment where the temporary total disability occurred.

C. If an unemployed individual is a member of the national guard or other reserve component of the United States armed forces, the individual is not considered to be either employed or unavailable for work by reason of the individual's participation in drill, training or other national guard or reserve activity that occurs on not more than one weekend per month or in lieu of a weekend drill or the equivalent.

D. The department shall not disqualify an individual from receiving benefits under this chapter on the basis of the individual's separation from employment if the individual is a victim of domestic violence and leaves employment due to a documented case involving domestic violence pursuant to section 13-3601 or 13-3601.02. Benefits paid to an individual pursuant to this subsection shall not be charged against an employer's account pursuant to section 23-727, subsection G.

E. The department shall not disqualify an individual from receiving benefits under this chapter on the basis of the individual's separation from employment if the individual was terminated from employment for not receiving a COVID-19 vaccine or COVID-19 booster shot required by the employer. Benefits paid to an individual pursuant to this subsection shall not be charged against an employer's account pursuant to section 23-727 if the employer's requirement that employees receive the COVID-19 vaccine or COVID-19 booster shot is required by law.

F. For the purposes of subsection A, paragraph 6 of this section, wages shall be counted as wages for insured work for benefit purposes with respect to any benefit year only if that benefit year begins subsequent to the date on which the employing unit by which those wages were paid has become an employer subject to this chapter.

Sec. 3. Section 23-773, Arizona Revised Statutes, is amended to read:

23-773. Examination and determination of claims
A. A representative designated by the department as a deputy shall promptly examine any claim for benefits and, on the basis of the facts found by the deputy, shall determine whether or not the claim is valid. If the claim is valid, the deputy shall also determine the week with respect to which the benefit year shall commence, the weekly benefit amount payable and the maximum duration of the benefit.

B. The deputy shall promptly notify the claimant and any other interested parties of the determination and the reasons for the determination. Except as provided in subsection D of this section, unless the claimant or an interested party, within seven calendar days after the delivery of notification, or within fifteen calendar days after notification was mailed to the claimant's or interested party's last known address, files an appeal from the determination, it shall become final, and benefits shall be paid or denied in accordance with the determination.
The department shall adopt rules to allow an appeal to be filed in writing, electronically or by telephone. If an appeal tribunal affirms a determination of the deputy allowing benefits, or the appeals board affirms a determination or decision allowing benefits, the benefits shall be paid regardless of any appeal that may thereafter be taken, but if that decision is finally reversed, no employer's account shall be charged with benefits so paid.

C. On receipt of a request from an interested party for information about a deputy's determination made pursuant to this section or section 23-673, the department shall make available by memorandum or other written document within five days after receipt of the request the following information:

1. The facts considered and the facts relied on in making the determination.
2. The specific statutes, regulations or other authority relied on in making the determination.
3. The reasoning applied in making the determination.

D. Before the time for appeal as prescribed in subsection B of this section has expired, an interested party may request a reconsidered determination. The department shall examine the request and, within seven calendar days, deny the request or issue a reconsidered determination. The interested party may prove that a response was timely filed by using evidence of fax records that documents the date and time when a faxed response was transmitted and received by the department. A request for reconsideration that is denied shall be treated as an appeal, and the same procedure shall be followed as provided for in case of appeal from the original determination. If a reconsidered determination is issued, the time for appeal shall run from the date of issuance of the reconsidered determination. The employer and the claimant shall each be permitted no more than one request for reconsideration on each case.

E. Before the actual filing of an appeal under subsection B of this section, but not later than the time permitted to appeal, the department on its own motion may issue a reconsidered determination. After the time for appeal has expired, but within one year after the issuance of the original determination, the department with authorization of the unemployment insurance program administrator may issue a reconsidered determination, on the basis of newly discovered evidence that by due diligence could not have been previously discovered, if no administrative or judicial review has occurred or is pending on the original determination. If a redetermination is based on fraud, the one-year limitation on the issuance of redeterminations does not apply.
F. Prompt notice in writing of any reconsidered determination under subsection E of this section and the reasons for reconsideration shall be given to all interested parties. An interested party may appeal within the time prescribed under subsection B of this section, and the same procedure shall be followed as provided for in case of an appeal from the original determination.

G. IN DETERMINING THE VALIDITY OF CLAIMS PURSUANT TO SUBSECTION A OF THIS SECTION, THE DEPARTMENT MAY NOT PAY BENEFITS FOR AN INITIAL OR ONGOING CLAIM UNTIL THE INITIAL CLAIM IS CROSS-CHECKED, OR AN ONGOING CLAIM IS CROSS-CHECKED ON A WEEKLY BASIS, AGAINST THE FOLLOWING DATA SETS:

1. THE NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES' INTEGRITY DATA HUB.

2. THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES NATIONAL DIRECTORY OF NEW HIRES.

3. THE DEPARTMENT OF ECONOMIC SECURITY'S NEW HIRE REPORTING SYSTEM.

4. THE STATE DEPARTMENT OF CORRECTIONS INMATE DATABASES.

5. THE SOCIAL SECURITY ADMINISTRATION'S PRISONER UPDATE PROCESSING SYSTEM.

6. THE CENTERS FOR DISEASE CONTROL AND PREVENTION'S NATIONAL VITAL STATISTICS SYSTEM'S DEATH RECORDS DATABASE.

7. THE DEPARTMENT OF HEALTH SERVICES BUREAU OF VITAL RECORDS DEATH RECORDS DATABASE.

H. IF A CROSS-CHECK PURSUANT TO SUBSECTION G OF THIS SECTION RESULTS IN INFORMATION INDICATING THAT A CLAIM IS INELIGIBLE OR FRAUDULENT, THAT CLAIM MAY NOT BE PAID, AND THE CLAIMANT SHALL BE DISQUALIFIED FROM RECEIVING BENEFITS PURSUANT TO SECTION 23-778 AND REFERRED FOR PROSECUTION.

I. THE DEPARTMENT SHALL EXAMINE ANY INITIAL CLAIM FOR BENEFITS AND CONFIRM ITS VALIDITY BEFORE BENEFITS ARE PAID IF THE INITIAL CLAIM:

1. WAS SUBMITTED ELECTRONICALLY THROUGH AN INTERNET PROTOCOL ADDRESS LOCATED OUTSIDE OF THIS STATE OR THE UNITED STATES.

2. REFERENCES A MAILING ADDRESS OR RESIDENTIAL ADDRESS FOR WHICH ANOTHER CURRENT CLAIM WAS SUBMITTED.

3. IS ASSOCIATED WITH A DIRECT DEPOSIT FOR A BANK ACCOUNT ALREADY USED FOR ANOTHER CURRENT CLAIM.

J. IF A FRAUDULENT CLAIM WAS FILED, THE DEPARTMENT MAY REFER THE MATTER FOR PROSECUTION.

Sec. 4. Section 23-776, Arizona Revised Statutes, is amended to read:

23-776. Disqualification from benefits for failure to accept suitable work or actively seek work; exceptions

A. An individual shall be disqualified for benefits if the department finds the individual has failed without cause either to apply for available, suitable work, when so directed by the employment office or the department, to actively engage in seeking work, to accept suitable
work when offered or to return to the individual's customary self-employment when so directed by the department. TO ACTIVELY SEEK AND APPLY FOR SUITABLE WORK, TO ACCEPT AN OFFER OF SUITABLE WORK OR TO ACCEPT REEMPLOYMENT AT THE SAME EMPLOYER, IF OFFERED. The disqualification shall begin with the week in which the failure occurred and shall continue for the duration of the individual's unemployment and until the individual has earned wages in an amount equivalent to eight times the individual's weekly benefit amount otherwise payable.

B. AN EMPLOYER SHALL REPORT TO THE DEPARTMENT WHEN AN INDIVIDUAL WHO WAS PREVIOUSLY EMPLOYED WITH THAT EMPLOYER DOES ANY OF THE FOLLOWING:

1. REFUSES TO RETURN TO WORK.
2. REFUSES TO ACCEPT AN OFFER OF SUITABLE WORK.
3. FAILS, WITHOUT CAUSE, TO APPEAR FOR A SCHEDULED INTERVIEW.
4. FAILS TO RESPOND TO AN OFFER OF EMPLOYMENT.

C. THE DEPARTMENT SHALL ALLOW EMPLOYERS TO SUBMIT THE REPORTS PURSUANT TO SUBSECTION B OF THIS SECTION DIGITALLY OR THROUGH EMAIL AND SHALL CONDUCT AN INDEPENDENT REVIEW OF EACH REPORT TO DETERMINE WHETHER AN INDIVIDUAL SHOULD BE DISQUALIFIED FROM RECEIVING BENEFITS.

B. D. In determining whether or not work is suitable for an individual:

1. During the first four weeks of a benefit period, the department shall consider the degree of risk involved to the individual's health, safety and morals, the individual's physical fitness and prior training, the individual's experience and prior earnings, the individual's length of unemployment and prospects for securing local work in the individual's customary occupation and the distance of the available work from the individual's residence.

2. After the first four weeks of a benefit period, the department shall consider any employment offer that pays one hundred twenty percent of the individual's weekly benefit amount to be suitable work.

C. E. Notwithstanding any other provisions of this chapter, work shall not be deemed suitable and benefits shall not be denied under this chapter to an otherwise eligible individual for refusing to accept new work under any of the following conditions:

1. The position offered is vacant due directly to a strike, lockout or other labor dispute.

2. The wages, hours or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality.

3. As a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining a bona fide labor organization.

D. F. An individual is considered to have refused an offer of suitable work under subsection A of this section if an offer of work is withdrawn by an employer after an individual either:
1. Tests positive for drugs after a drug test given pursuant to chapter 2, article 14 of this title by or on behalf of a prospective employer as a condition of an offer of employment.

2. Refuses, without good cause, to submit to a drug test that is required by a prospective employer as a condition of an offer of employment.