

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 74

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES ST. ONGE, HANAWAY, BEARDEN, HUNTER, MAY, FARES,
BYRD (Co-sponsors), COOPER (120), LOWE, BARNITZ, GEORGE AND JOHNSON (90).

Pre-filed December 10, 2002, and copies ordered printed.

Read 1st time January 8, 2003.

Read 2nd time January 9, 2003, and referred to the Committee on Workforce Development and Workplace Safety January, 16, 2003.

Reported from the Committee on Workforce Development and Workplace Safety February 10, 2003, with recommendation that the bill Do Pass.

Taken up for Perfection February 12, 2003. Bill ordered Perfected and printed.

STEPHEN S. DAVIS, Chief Clerk

0403L.01P

AN ACT

To amend chapter 288, RSMo, by adding thereto one new section relating to unemployment reimbursement for Indian tribes in compliance with federal mandate, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 288, RSMo, is amended by adding thereto one new section, to be
2 known as section 288.037, to read as follows:

**288.037. 1. The term "Indian tribe" shall have the meaning given to such term in
2 Section 3306 of the Federal Unemployment Tax Act (26 U.S.C. 3306).**

**3 2. The term "employer" shall include any Indian tribe for which service in
4 employment as defined in section 288.034 is performed.**

**5 3. The term "employment" shall include service performed in the employ of an
6 Indian tribe, provided such service is excluded from "employment" as defined in the
7 Federal Unemployment Tax Act solely by reason of Section 3306(c)(7) of the Federal
8 Unemployment Tax Act, and is not otherwise excluded from "employment" under this
9 chapter. For purposes of this section, the exclusions from employment in subsection 9 of
10 section 288.034 shall be applicable to services performed in the employ of an Indian tribe.**

**11 4. Benefits based on service in employment defined in this section shall be payable
12 in the same amount, on the same terms and subject to the same conditions as benefits
13 payable on the basis of other service subject to this chapter. The provisions of subsection**

14 **3 of section 288.040 pertaining to services performed at an educational institution while in**
15 **the employ of an "educational service agency" shall apply to services performed in an**
16 **educational institution or educational service agency wholly owned and operated by an**
17 **Indian tribe or tribal unit.**

18 **5. (1) Indian tribes or tribal units, including subdivisions, subsidiaries, or business**
19 **enterprises wholly owned by such Indian tribes, subject to this chapter shall pay**
20 **contributions under the same terms and conditions as all other subject employers, unless**
21 **they elect to pay into the state unemployment fund amounts equal to the amount of benefits**
22 **attributable to service in the employ of the Indian tribe. An Indian tribe and all tribal**
23 **units of such Indian tribe shall be jointly and severally liable for any and all contributions,**
24 **payments in lieu of contributions, interest, penalties, and surcharges owed by the Indian**
25 **tribe and all tribal units of such Indian tribe.**

26 **(2) Indian tribes electing to make payments in lieu of contributions must make such**
27 **election in the same manner and under the same conditions as provided in subsection 3 of**
28 **section 288.090 pertaining to state and local governments and nonprofit organizations**
29 **subject to this chapter. Indian tribes will determine if reimbursement for benefits paid will**
30 **be elected by the tribe as a whole, by individual tribal units, or by combinations of**
31 **individual tribal units. Termination of an Indian tribe's coverage pursuant to subdivision**
32 **(5) of this subsection shall terminate the election of such Indian tribe and any tribal units**
33 **of such Indian tribe to make payments in lieu of contributions.**

34 **(3) Any Indian tribe or tribal unit that elects to become liable for payments in lieu**
35 **of contributions will be billed for the full amount of benefits attributable to service in the**
36 **employ of the Indian tribe or tribal unit on the same schedule as other employing units that**
37 **have elected to make payments in lieu of contributions.**

38 **(4) Any Indian tribe or tribal unit that elects to become liable for payments in lieu**
39 **of contributions shall be required, prior to the effective date of its election, to post with the**
40 **division a surety bond issued by a corporate surety authorized to do business in Missouri**
41 **in an amount equivalent to the contributions or payments in lieu of contributions for which**
42 **the Indian tribe or tribal unit was liable in the last calendar year in which it accrued**
43 **contributions or payments in lieu of contributions, or one hundred thousand dollars,**
44 **whichever amount is the greater, to ensure prompt payment of contributions or payments**
45 **in lieu of contributions, interest, penalties, and surcharges for which the Indian tribe or**
46 **tribal unit may be, or becomes, jointly and severally liable pursuant to this chapter.**

47 **(5) Failure of the Indian tribe or tribal unit to maintain the required surety bond,**
48 **including the posting of an additional surety bond or a replacement surety bond within**
49 **ninety days of being directed by the division, will cause services performed for such Indian**

50 tribe to not be treated as "employment" for purposes of subsection 3 of this section.

51 (6) The director may determine that any Indian tribe that loses coverage under
52 subdivision (5) of this subsection, may have services performed for such tribe again
53 included as "employment" for purposes of subsection 3 of this section if all contributions,
54 payments in lieu of contributions, penalties, and interest and surcharges have been paid.
55 Upon reinstatement of coverage under this subdivision, an Indian tribe or any tribal unit
56 may elect, in accordance with the provisions of this subsection, to make payments in lieu
57 of contributions.

58 (7) If an Indian tribe fails to maintain the required surety bond by posting an
59 additional surety bond or a replacement surety bond within ninety days of being directed
60 by the division, the director will immediately notify the United States Internal Revenue
61 Service and the United States Department of Labor.

62 (8) Notices of surety bond deficiency to Indian tribes or their tribal units shall
63 include information that failure to post an additional surety bond or a replacement surety
64 bond within the prescribed time frame:

65 (a) Will cause the Indian tribe to be liable for taxes under FUTA;

66 (b) Will cause the Indian tribe to be excepted from the definition of "employer",
67 as provided in subsection 2 of this section, and services in the employ of the Indian tribe,
68 as provided in subsection 3 of this section, to be excepted from "employment".

69 6. (1) Failure of the Indian tribe or tribal unit to make required payments,
70 including assessments of interest and penalty, within ninety days of receipt of the bill will
71 cause services performed for such Indian tribe to not be treated as "employment" for
72 purposes of subsection 3 of this section.

73 (2) The director may determine that any Indian tribe that loses coverage under
74 subdivision (1) of this subsection, may have services performed for such tribe again
75 included as "employment" for purposes of subsection 3 of this section if all contributions,
76 payments in lieu of contributions, penalties, and interest have been paid.

77 (3) If an Indian tribe fails to make payments required under this section, including
78 assessments of interest and penalty, within ninety days of a final notice of delinquency, the
79 director will immediately notify the United States Internal Revenue Service and the United
80 States Department of Labor.

81 7. Notices of payment and reporting delinquency to Indian tribes or their tribal
82 units shall include information that failure to make full payment within the prescribed
83 time frame:

84 (1) Will cause the Indian tribe to be liable for taxes under FUTA;

85 (2) Will cause the Indian tribe to be excepted from the definition of "employer",

86 **as provided in subsection 2 of this section, and services in the employ of the Indian tribe,**
87 **as provided in subsection 3 of this section, to be excepted from "employment".**

88 **8. Extended benefits paid that are attributable to service in the employ of an Indian**
89 **tribe and not reimbursed by the federal government shall be financed in their entirety by**
90 **such Indian tribe.**

Section B. Because immediate action is necessary to remove federal sanctions upon the
2 state of Missouri, section A of this act is deemed necessary for the immediate preservation of the
3 public health, welfare, peace, and safety, and is hereby declared to be an emergency act within
4 the meaning of the constitution, and section A of this act shall be in full force and effect on July
5 1, 2003, or upon its passage and approval, whichever later occurs.