

HB 475 -- EMPLOYEES

CO-SPONSORS: Yates, Hunter, Schneider, Goodman, Bearden, Jetton, Byrd, Smith (118)

COMMITTEE ACTION: Voted "do pass" by the Committee on Workforce Development and Workplace Safety by a vote of 9 to 7.

This bill makes several changes to the law concerning employees. The bill:

(1) Requires the Division of Employment Security to cross-check unemployment compensation recipients against the federal new hire database monthly;

(2) Exempts unemployment insurance claimants from the "seeking work" requirement if they are participating in a state-approved drug or alcohol treatment program;

(3) Defines "misconduct" in connection with work as including acts of wanton or willful disregard of the employer's interest, deliberate violation of rules, disregard of standards of behavior, excessive negligence, and a positive test on a professionally administered chemical test for controlled substances and alcohol in excess of .08%. The employer must have a written policy on drugs and alcohol;

(4) Requires that if a deputy determines that an unemployment insurance claimant has been discharged due to misconduct in connection with work that the claimant be disqualified from waiting week credit and benefits. Current law allows deputies to consider the seriousness of the misconduct in each case and disqualify claimants for not less than four and not more than 16 weeks;

(5) Requires the division to recalculate the contribution rate of a newly acquired business on the first day of the next calendar quarter after acquisition instead of as of the date of acquisition; and

(6) Prohibits the disclosure of confidential information related to employment security. Unlawful disclosure is a class D felony.

FISCAL NOTE: Estimated Net Savings to Unemployment Compensation Trust Fund of Less than \$36,000,000 in FY 2004, FY 2005, and FY 2006.

PROPOSERS: Supporters say that the bill provides more frequent cross-checks in order to minimize wrongful payments; protects confidentiality; defines "misconduct"; allows people in drug

treatment to receive benefits; and protects employers.

Testifying for the bill were Representatives Yates and Smith (118); Patty Penny; Wainwright Industries; Associated Builders and Contractors; Recycle Missouri, Inc.; Associated Industries of Missouri; Missouri Chamber of Commerce; Missouri Retailers' Association; and Missouri Grocers' Association.

OPPONENTS: Those who oppose the bill say that it does not come close to addressing the solvency issue with the fund or adjusting the taxable wage base and that the insolvency of the fund is forcing the state to borrow money from the federal government that employers will have to pay back.

Testifying against the bill were United Steelworkers of America, District 11; AFL-CIO; St. Louis Area Contractors; and Missouri Laborers.

Mark Pioli, Legislative Analyst