

HCS HB 500 & 533 -- TRANSFER OF EMPLOYER ACCOUNTS (Faith)

COMMITTEE OF ORIGIN: Workforce Development and Workplace Safety

This substitute requires that the unemployment experience rate transfer with a business if both employers involved in the transfer have substantially common ownership, management, or control of the business and the transfer was made to lower the rating. The rate and liabilities of both employers will be recalculated. The rate does not transfer with the business if the employer acquiring the business is not an employer in the state at the time of the acquisition.

If an employer knowingly violates, attempts to violate, or knowingly advises another in a manner that results in a violation of the provisions relating to the determination of an unemployment experience rate, the employer's rate will be the greater of the maximum rate or the employer's rate plus 2% for the current year and the following three rate years.

Out-of-state employers will be subject to a civil penalty of up to \$5,000 that will be deposited into the Special Employment Security Fund. A person violating any provision relating to the unemployment experience rating is guilty of a class A misdemeanor for the first offense and a class D felony for any subsequent offense.

The substitute becomes effective January 1, 2006.

FISCAL NOTE: No impact on General Revenue Fund in FY 2006, FY 2007, and FY 2008. Estimated Income on Other State Funds of Unknown in FY 2006, FY 2007, and FY 2008. Expected to exceed \$100,000.