

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4665-02
Bill No.: HB 2362
Subject: Unemployment Compensation; Employees - Employers
Type: Original
Date: March 14, 2008

Bill Summary: This proposal changes laws relating to unemployment compensation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
UC Administration Fund	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
Total Estimated Net Effect on <u>All</u> Federal Funds	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations** assume Sections 288.040 and 288.042 would not impact state revenue. Section 288.070 would result in a small unknown savings to the state in processing mailing charges for notices no longer required. Section 288.070.11 would reduce printing and mailing costs for the Division of Employment Security. These savings would be to the UC Administration Fund and is Unknown but expected to be less than \$100,000.

Officials at the **Department of Public Safety, Office of the Attorney General, Missouri Veterans Commission** and the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
UC ADMINISTRATION FUND			
<u>Savings</u> - Department of Labor reduction of mailing costs	<u>Unknown less</u> <u>than \$100,000</u>	<u>Unknown less</u> <u>than \$100,000</u>	<u>Unknown less</u> <u>than \$100,000</u>
ESTIMATED NET EFFECT ON UC ADMINISTRATION FUND	<u>Unknown less</u> <u>than \$100,000</u>	<u>Unknown less</u> <u>than \$100,000</u>	<u>Unknown less</u> <u>than \$100,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies provisions relating to unemployment compensation.

This act requires individuals to make a claim within 14 days from the last day of the week being claimed and report to an employment office to participate in a reemployment assessment and reemployment services in order to qualify for unemployment benefits unless these requirements are waived for good cause.

A Missouri resident who is a member of a reserve unit outside of Missouri may qualify as a war on terror veteran for the purposes of receiving veterans' unemployment compensation benefits.

Overpayment for veterans' unemployment compensation benefits shall be recovered through billing, setoffs against tax refunds, intercepts of lottery winnings, and other collection efforts authorized under Missouri law for the recovery of overpayment of regular unemployment compensation benefits.

The Department of Employment Security is exempted from notifying contributing base period employers of an initial claim if the employer paid the individual \$400 or less in the individual's base period.

An employer is considered an interested party for the purposes of a separation issue when the claimant was separated from the employer during a week claimed.

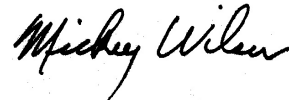
The act stipulates when an employer is an interested party to a refusal of work when the refusal occurs other than at a time when the initial claim is filed or a claim is renewed. An employer is an interested party in an ability to work or an availability to work issue that arises during any week the claimant claims benefits.

The act allows the Department of Employment Security to deliver notices electronically upon a claimant's or employer's request.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Office of the Attorney General
Missouri Veterans Commission
Office of the State Treasurer
Department of Labor and Industrial Relations

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 14, 2008