HCS SCS SB 495 -- UNEMPLOYMENT COMPENSATION

SPONSOR: Griesheimer (Fisher, 125)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Workforce Development and Workplace Safety by a vote of 7 to 2.

This substitute changes the laws regarding unemployment compensation. It its main provisions, the substitute:

(1) Removes the $450 million cap on the total amount of outstanding obligations the Board of Unemployment Fund Financing within the Office of Administration may incur at any one time when providing funds for the payment of unemployment benefits or maintaining an adequate fund balance in the Unemployment Compensation Fund;

(2) Specifies that a claimant for unemployment compensation will be ineligible to receive benefits or waiting week credit if he or she has an outstanding penalty that was assessed based upon a previous overpayment of benefits;

(3) Specifies that a claimant for unemployment compensation benefits will be deemed to have been discharged from employment for misconduct and will be disqualified for waiting week credit and benefits if he or she provided false information on his or her employment application regarding felony convictions or training, licensure, certification, or educational job qualifications; and

(4) Authorizes additional options that the Division of Employment Security within the Department of Labor and Industrial Relations may take to collect unpaid contributions, interest, or penalties from an employer imposed under the Unemployment Compensation Law. The division may serve the employer a notice of assessment for these amounts by certified or registered mail at the last known address of the employer or file a certificate of lien for their payment with the recorder of deeds in the county in which the employer owns property or has a place of business.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on General Revenue Fund in FY 2010, FY 2011, and FY 2012. Estimated Income on Other State Funds of Unknown up to $166,390 in FY 2010, FY 2011, and FY 2012.

PROPONENTS: Supporters say that removing the cap on the total amount of outstanding obligations the board may incur is of critical importance to Missouri employers because financing the

Unemployment Compensation Fund short fall is preferable to borrowing from the federal government because it will result in a lower interest rate on the borrowed money, a longer period to repay the loan thereby taking less money from employers during the current economic slowdown, and Missouri employers would not be penalized by the federal government for failure to maintain an adequate fund balance.

Testifying for the bill were Senator Griesheimer; Missouri Chamber of Commerce and Industry; Associated Industries of Missouri; Missouri AFL-CIO; Associated General Contractors of Missouri; Missouri Retailers Association; Missouri Grocers' Association; Department of Labor and Industrial Relations; and National Federation of Independent Business.

OPPONENTS: There was no opposition voiced to the committee.