

By: Senator(s) Robertson, Dawkins, Harden,
Jackson (11th), Jackson (32nd), Jordan,
Walls, White

To: Appropriations

SENATE BILL NO. 2645

1 AN ACT TO AMEND SECTION 71-5-359, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO
3 DETERMINE THE PERCENTAGE TO BE APPLIED TO THE AMOUNT OF COVERED
4 WAGES PAID INTO THE EMPLOYMENT COMPENSATION REVOLVING FUND BY
5 STATE AGENCIES; AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 71-5-359, Mississippi Code of 1972, is
8 amended as follows:

9 71-5-359. (1) (a) Before January 1, 1978, each state board
10 or other instrumentality of this state or one or more other states
11 covered under Section 71-5-11, subsection I(3), shall pay
12 contributions under the provisions of Sections 71-5-351 through
13 71-5-355 for all of the hospitals or institutions of higher
14 learning under its jurisdiction unless it elects, in the same
15 manner and under the same conditions as provided for nonprofit
16 organizations in subsections (a), (b) and (c) of Section 71-5-357,
17 to pay to the department for the unemployment fund an amount equal
18 to the regular benefits and one-half (1/2) of the extended
19 benefits paid that are attributable to service in the employ of
20 such hospitals or institutions. When an election is made, the
21 amounts required to be paid in lieu of contributions shall be
22 billed and payment made as provided in Section 71-5-357 with
23 respect to similar payments by nonprofit organizations. A state
24 board having jurisdiction over two (2) or more state-owned
25 hospitals or state-owned institutions of higher learning shall be
26 treated as a single employer for the employment in all of those
27 hospitals or institutions of higher learning for purposes of
28 computing contribution rates and payment of contributions, or for

29 purposes of reimbursing the fund, unless it elects, in accordance
30 with this section, to have one or more of those hospitals or
31 institutions of higher learning treated as a separate employer.

32 (b) A state board may elect to have one or more
33 state-owned hospitals or one or more state-owned institutions of
34 higher learning under its jurisdiction treated as a separate
35 employer for the purposes of this section, provided it files with
36 the department, not later than thirty (30) days prior to the
37 beginning of any tax year, a written notice of such election. Any
38 such election shall be effective throughout such tax year, and
39 shall continue in effect unless the state board files with the
40 department a written notice of termination of such election not
41 less than thirty (30) days prior to the beginning of the tax year
42 for which such termination is to be effective.

43 (2) (a) From January 1, 1978, through December 31, 1978,
44 the Commission of Budget and Accounting shall, in the manner
45 provided in subsection (2)(c) of this section, pay, upon warrant
46 issued by the State Auditor of Public Accounts, to the department
47 for the Unemployment Compensation Fund an amount equal to the
48 regular benefits and one-half (1/2) of the extended benefits paid
49 that are attributable to service in the employ of a state agency.
50 The amount required to be reimbursed by a certain agency shall be
51 billed to the Commission of Budget and Accounting and shall be
52 paid from the Employment Compensation Revolving Fund pursuant to
53 subsection (2)(c) of this section not later than thirty (30) days
54 after such bill was mailed, unless there has been an application
55 for review and redetermination in accordance with Section
56 71-5-357(b)(v).

57 (b) The Department of Finance and Administration shall,
58 in the manner provided in subsection (2)(c) of this section, pay,
59 upon warrant issued by the State Auditor, or the successor to
60 these duties, to the department for the Unemployment Compensation
61 Fund an amount equal to the regular benefits and the extended

62 benefits paid that are attributable to service in the employ of a
63 state agency. The amount required to be reimbursed by a certain
64 agency shall be billed to the Department of Finance and
65 Administration and shall be paid from the Employment Compensation
66 Revolving Fund pursuant to subsection (2)(c) of this section not
67 later than thirty (30) days after such bill was mailed, unless
68 there has been an application for review and redetermination in
69 accordance with Section 71-5-357(b)(v).

70 (c) Each agency of state government shall deposit
71 monthly for a period of twenty-four (24) months an amount equal to
72 one-twelfth of one percent (1/12 of 1%) of the first Six Thousand
73 Dollars (\$6,000.00) paid to each employee thereof during the next
74 preceding year into the Employment Compensation Revolving Fund
75 that is created in the State Treasury. The Department of Finance
76 and Administration shall determine the percentage to be applied to
77 the amount of covered wages paid in order to maintain a balance in
78 the revolving fund of not less than the amount determined by an
79 actuary through an annual actuarial evaluation. The State
80 Treasurer shall invest all funds in the Employment Compensation
81 Revolving Fund and all interest earned shall be credited to the
82 Employment Compensation Revolving Fund.

83 The reimbursement of benefits paid by the Mississippi
84 Department of Employment Security shall be paid by the Department
85 of Finance and Administration from the Employment Compensation
86 Revolving Fund upon warrants issued by the State Auditor of Public
87 Accounts, or the successor to these duties; and the auditor shall
88 issue his warrants upon requisitions signed by the Department of
89 Finance and Administration. However, the Department of Finance
90 and Administration may, if it so elects, contract for the
91 performance of the duties prescribed by subsection (2)(b) and (c),
92 and other duties necessarily related thereto.

93 (d) From January 1, 1978, through December 31, 1978,
94 any political subdivision of this state shall pay to the

95 department for the unemployment fund an amount equal to the
96 regular benefits and one-half (1/2) of the extended benefits paid
97 that are attributable to service in the employ of such political
98 subdivision unless it elects to make contributions to the
99 unemployment fund as provided in subsection (2)(j) of this
100 section. The amount required to be reimbursed shall be billed and
101 shall be paid as provided in Section 71-5-357, with respect to
102 similar payments for nonprofit organizations.

103 (e) On and after January 1, 1979, any political
104 subdivision of this state shall pay to the department for the
105 unemployment fund an amount equal to the regular benefits and the
106 extended benefits paid that are attributable to service in the
107 employ of such political subdivision unless it elects to make
108 contributions to the unemployment fund as provided in subsection
109 (2)(j) of this section. The amount required to be reimbursed
110 shall be billed and shall be paid as provided in Section 71-5-357,
111 with respect to similar payments for nonprofit organizations.

112 (f) Each political subdivision unless it elects to make
113 contributions to the unemployment fund as provided in subsection
114 (2)(j) of this section, shall establish a revolving fund and
115 deposit therein monthly for a period of twenty-four (24) months an
116 amount equal to one-twelfth of one percent (1/12 of 1%) of the
117 first Six Thousand Dollars (\$6,000.00) paid to each employee
118 thereof during the next preceding year plus an amount each month
119 equal to one-third (1/3) of any reimbursement paid to the
120 department for the next preceding quarter. After January 1, 1980,
121 the balance in the revolving fund shall be maintained at an amount
122 not less than two percent (2%) of the covered wages paid during
123 the next preceding year. However, the department shall by
124 regulation establish a procedure to allow reimbursing political
125 subdivisions to elect to maintain the balance in the revolving
126 fund as required under this paragraph or to annually execute a
127 surety bond to be approved by the department in an amount not less

128 than two percent (2%) or the covered wages paid during the next
129 preceding year.

130 (g) In the event any political subdivision becomes
131 delinquent in payments due under this chapter, upon due notice,
132 and upon certification of the delinquency by the department to the
133 Department of Finance and Administration, the State Tax
134 Commission, the Department of Environmental Quality and the
135 Department of Insurance, or any of them, such agencies shall
136 direct the issuance of warrants which in the aggregate shall be
137 the amount of such delinquency payable to the department and drawn
138 upon any funds in the State Treasury which may be available to
139 such political subdivision in satisfaction of any such
140 delinquency. This remedy shall be in addition to any other
141 collection remedies in this chapter or otherwise provided by law.

142 (h) Payments made by any political subdivision under
143 the provisions of this section shall not be deducted or
144 deductible, in whole or in part, from the remuneration of
145 individuals in the employ of the organization.

146 (i) Any governmental entity shall not be liable to make
147 payments to the unemployment fund with respect to the benefits
148 paid to any individual whose base-period wages include wages for
149 previously uncovered services as defined in Section 71-5-511,
150 subsection (e), to the extent that the Unemployment Compensation
151 Fund is reimbursed for such benefits pursuant to Section 121 of
152 Public Law 94-566.

153 (j) Any political subdivision of this state may elect
154 to make contributions to the unemployment fund instead of making
155 reimbursement for benefits paid as provided in subsection (2)(d),
156 (e) and (f) of this section. A political subdivision which makes
157 this election shall so notify the department, not later than July
158 1, 1978; and shall be subject to the provisions of Section
159 71-5-351, with regard to the payment of contributions. A
160 political subdivision which makes this election shall pay

161 contributions equal to two percent (2%) of wages paid by it during
162 each calendar quarter it is subject to this chapter. The
163 department shall by regulation establish a procedure to allow
164 political subdivisions the option periodically to elect either the
165 reimbursement or the contribution method of financing unemployment
166 compensation coverage.

167 **SECTION 2.** This act shall take effect and be in force from
168 and after July 1, 2007.