

By: Representative Formby

To: Insurance;
Appropriations

HOUSE BILL NO. 1325

1 AN ACT TO AMEND SECTION 71-5-359, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE AMOUNT OF THE RESERVE REQUIRED TO BE MAINTAINED BY
3 STATE AGENCIES IN THE EMPLOYMENT COMPENSATION REVOLVING FUND; AND
4 FOR RELATED PURPOSES.

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

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

8 71-5-359. (1) (a) Before January 1, 1978, each state board
9 or other instrumentality of this state or one or more other states
10 covered under Section 71-5-11, subsection I(3), shall pay
11 contributions under the provisions of Sections 71-5-351 through
12 71-5-355 for all of the hospitals or institutions of higher
13 learning under its jurisdiction unless it elects, in the same
14 manner and under the same conditions as provided for nonprofit
15 organizations in subsections (a), (b) and (c) of Section 71-5-357,
16 to pay to the department for the unemployment fund an amount equal
17 to the regular benefits and one-half (1/2) of the extended
18 benefits paid that are attributable to service in the employ of
19 such hospitals or institutions. When an election is made, the
20 amounts required to be paid in lieu of contributions shall be
21 billed and payment made as provided in Section 71-5-357 with
22 respect to similar payments by nonprofit organizations. A state
23 board having jurisdiction over two (2) or more state-owned
24 hospitals or state-owned institutions of higher learning shall be
25 treated as a single employer for the employment in all of those
26 hospitals or institutions of higher learning for purposes of
27 computing contribution rates and payment of contributions, or for
28 purposes of reimbursing the fund, unless it elects, in accordance

29 with this section, to have one or more of those hospitals or
30 institutions of higher learning treated as a separate employer.

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

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

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

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

69 (c) Each agency of state government shall deposit
70 monthly for a period of twenty-four (24) months an amount equal to
71 one-twelfth of one percent (1/12 of 1%) of the first Six Thousand
72 Dollars (\$6,000.00) paid to each employee thereof during the next
73 preceding year into the Employment Compensation Revolving Fund
74 that is created in the State Treasury. The Department of Finance
75 and Administration shall determine the percentage to be applied to
76 the amount of covered wages paid in order to maintain a balance
77 in the revolving fund that is determined sufficient by the fund's
78 actuary to be actuarially sound. The State Treasurer shall invest
79 all funds in the Employment Compensation Revolving Fund and all
80 interest earned shall be credited to the Employment Compensation
81 Revolving Fund.

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

92 (d) From January 1, 1978, through December 31, 1978,
93 any political subdivision of this state shall pay to the
94 department for the unemployment fund an amount equal to the

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

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

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

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

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

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

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

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

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

166 **SECTION 2.** This act shall take effect and be in force from
167 and after July 1, 2005.