

Committee on Commerce and Tourism

CS/HB 7027 — Unemployment Compensation

by Economic Affairs Committee; Business and Consumer Affairs Subcommittee; and Reps. Holder and Campbell (CS/CS/HB 1416 Budget Subcommittee on Transportation, Tourism, and Economic Development Appropriations; Commerce and Tourism; and Senator Bogdanoff)

This bill rebrands the state's unemployment compensation program in ch. 443, F.S., as the "reemployment assistance program."

Related to Benefits

The bill makes several changes related to benefits, including:

- Requiring the Department of Economic Opportunity (DEO) to establish a numeric score on the initial skills review which demonstrates a minimum proficiency in workforce skills. Individuals who fall below the minimum score may elect to take workforce skills training, and DEO is required to develop best practices, evaluate the training, and report findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2013;
- Clarifying that individuals who are non-Florida residents, on temporary layoffs, union members, or participating in short-time compensation plans are not required to complete the initial skills review;
- Reducing the number of required work search contacts from 5 to 3 to individuals who live in small counties;
- Clarifying work search requirements for union members and individuals on temporary layoffs or participating in short-time compensation plans;
- Increasing the period of disqualification for making a fraudulent claim from the time that the fraudulent claim was made until 1 year after DEO discovers the fraud or until all fraudulent overpayments are repaid in full;
- Applying certain restrictions on the payment of benefits to an individual employed by an educational institution to an individual who provides services to an educational institution through a contract between the individual's employer and the institution (effective July 1, 2013);
- Extending the statute of limitations related to the collection of overpayments by providing that the commencement of collections must be initiated within 7 years after the redetermination or decision;
- Authorizing DEO to noncharge the accounts of employers that are forced to lay off workers due to a man-made disaster of national significance;
- Clarifying what constitutes prima facie evidence that a person claimed and received benefits; and
- Incorporating federal provisions relating to the release of confidential information.

Further, the bill codifies Executive Order 12-03 extending the temporary state extended benefits program.

Related to Employer Contributions

The bill makes several changes related to employer contributions, including:

- Providing tax relief to Florida employers through two changes. The bill lowers the wage base by \$500 from \$8,500 to \$8,000 for tax years 2012 through 2014. The bill also increases the recoupment period used in the calculation from 3 years to 5 years until tax year 2018.
- Creating a work group to study the contribution tax calculation and provide recommendations for changes to the calculation that ensure the long-term solvency of the reemployment assistance program while promoting equitable, minimal tax burdens on Florida employers. The work group must report back to the Legislature with recommendations by December 31, 2012.
- Allowing employee leasing companies to make a one-time decision to change from reporting leased employees under their company account to reporting the employees under their respective clients' accounts, an option that could result in lower taxes for those companies choosing to change.

The bill provides budget authority for the Department of Revenue (DOR) to implement the bill provisions. DOR is allocated \$346,463 in FY 2011-12, and \$100,884 in FY 2012-13 from the federal administrative funds for the unemployment program.

If approved by the Governor, these provisions take effect at different times. The temporary state extended benefits program is effective retroactive back to January 4, 2012, and expires January 5, 2013. The issues relating to the employer contributions take effect upon becoming law, retroactive back to June 29, 2011. The budget authority for DOR takes effect upon becoming law. All other provisions take effect July 1, 2012.

Vote: Senate 39-1; House 108-11