

FEB 25 2003
ECONOMIC GROWTH

HOUSE FILE 292

BY THOMAS, LENSING, STEVENS, SWAIM,
MILLER, D. OLSON, MASCHER, WISE,
OLDSON, REASONER, MURPHY, OSTERHAUS
SHOULTZ, JOCHUM, HUSER, WHITAKER,
KUHN, HUNTER, CONNORS, HEDDENS,
BELL, LYKAM, COHOON, BUKTA, MYERS,
QUIRK, WENDT, GASKILL, BERRY,
WINCKLER, MERTZ, FREVERT, GREIMANN,
WHITEAD, T. TAYLOR, and D. TAYLOR

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the employment security administrative
2 contribution surcharge, and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5
6
7
8
9
10
11
12
13
14
15
16
17

HF 292

1 Section 1. Section 96.7, subsection 12, paragraph a, Code
2 2003, is amended to read as follows:

3 a. An employer other than a governmental entity or a
4 nonprofit organization, subject to this chapter, shall pay an
5 administrative contribution surcharge equal in amount to one-
6 tenth of one percent of federal taxable wages, as defined in
7 section 96.19, subsection 37, paragraph "b", subject to the
8 surcharge formula to be developed by the department under this
9 paragraph. The department shall develop a surcharge formula
10 that provides a target revenue level of no greater than six
11 million five hundred twenty-five thousand dollars annually.
12 The department shall reduce the administrative contribution
13 surcharge established for any calendar year proportionate to
14 any federal government funding that provides an increased
15 allocation of moneys for workforce development offices, under
16 the federal employment services financing reform legislation.
17 Any administrative contribution surcharge revenue that is
18 collected in any calendar year 2002 in excess of six million
19 five hundred twenty-five thousand dollars shall be deducted
20 from the amount to be collected in the subsequent calendar
21 year 2003 before the department establishes the administrative
22 contribution surcharge. The department shall recompute the
23 amount as a percentage of taxable wages, as defined in section
24 96.19, subsection 37, and shall add the percentage surcharge
25 to the employer's contribution rate determined under this
26 section. The percentage surcharge shall be capped at a
27 maximum of seven dollars per employee. The department shall
28 adopt rules prescribing the manner in which the surcharge will
29 be collected. Interest shall accrue on all unpaid surcharges
30 under this subsection at the same rate as on regular
31 contributions and shall be collectible in the same manner.
32 Interest accrued and collected under this paragraph and
33 interest earned and credited to the fund under paragraph "b"
34 shall be used by the department only for the purposes set
35 forth in paragraph "c".

1 Sec. 2. Section 96.7, subsection 12, paragraph d, Code
2 2003, is amended to read as follows:

3 d. This subsection is repealed July 1, ~~2003~~ 2008, and the
4 repeal is applicable to contribution rates for calendar year
5 ~~2004~~ 2009 and subsequent calendar years.

6 Sec. 3. 2001 Iowa Acts, First Extraordinary Session,
7 chapter 2, section 2, unnumbered paragraph 4, is amended to
8 read as follows:

9 The department shall submit a report of its annual
10 departmental offices review to the governor and general
11 assembly by December 21, 2001, by December 21, 2002, and by
12 December 21, ~~2003~~ of each subsequent calendar year through
13 December 21, 2008.

14 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
15 immediate importance, takes effect upon enactment.

16 EXPLANATION

17 This bill extends the repeal of the employment security
18 administrative contribution surcharge from July 1, 2003, to
19 July 1, 2008. In addition, the bill extends the requirement
20 to submit an annual review of rural and satellite departmental
21 offices through 2008.

22 The bill takes effect upon enactment.

23
24
25
26
27
28
29
30
31
32
33
34
35