

**House File 2274 - Introduced**

HOUSE FILE 2274

BY CARLSON

**A BILL FOR**

1 An Act relating to employing units acquired through judicial  
2 repossession, foreclosure action, or bankruptcy for purposes  
3 of the unemployment insurance program.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 96.19, subsection 16, paragraph b, Code  
2 2018, is amended to read as follows:

3 b. Any employing unit, whether or not an employing unit  
4 at the time of acquisition, which acquired the organization,  
5 trade, or business, or substantially all of the assets thereof,  
6 of another employing unit which at the time of such acquisition  
7 was an employer subject to this chapter, or which acquired  
8 a part of the organization, trade, or business of another  
9 employing unit which at the time of such acquisition was an  
10 employer subject to this chapter. Provided, that such other  
11 employing unit would have been an employer under paragraph "a",  
12 if such part had constituted its entire organization, trade,  
13 or business. This paragraph does not apply to an acquisition  
14 through a judicial repossession, foreclosure action, or  
15 bankruptcy.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill provides that acquisition by an employing unit  
20 of another employing unit through a judicial repossession,  
21 foreclosure action, or bankruptcy shall not cause the acquiring  
22 employing unit to be considered an employer for purposes of  
23 Code chapter 96, relating to unemployment insurance taxes and  
24 benefits, with respect to the acquired employing unit. An  
25 employing unit for purposes of Code chapter 96 is an entity  
26 that employs one or more individuals performing services for  
27 the entity in Iowa.