

CHAPTER 224**CONTRIBUTION RATE FOR UNEMPLOYMENT COMPENSATION***S.F. 383*

AN ACT relating to the establishment of a special unemployment compensation contribution rate for certain expanding employers.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 96.7A EXPANDING EMPLOYMENT INCENTIVE.

1. An employer qualified for an experience rating with a positive balance in the employer's account shall receive a reduction in the employer's average annual payroll due to an increase in employment if the employer's numerical increase in employment is equal to or greater than one under both paragraphs "a" and "b" and if the increase in the employer's average annual payroll is not totally disregarded under subsection 2 due to an increase in taxable wages under section 96.19, subsection 20 or due to the fact that the employer is a successor employer.

a. The employer's increase in employment, calculated by number of employees, equals the average mid-month employment reported by the employer for the calendar year immediately preceding the computation date minus the four-year average mid-month employment reported by the employer for the four calendar years preceding the calendar year which immediately precedes the computation date.

b. The employer's increase in employment, calculated by amount of taxable wages, equals the taxable wages reported by the employer for the calendar year immediately preceding the computation date minus the four-year average of the taxable wages reported by the employer for the four calendar years preceding the calendar year which immediately precedes the computation date, divided by the taxable wage base for the calendar year immediately preceding the computation date.

2. The reduction in the current average annual payroll of an employer qualified under subsection 1 equals fifty percent of any increase in the employer's current average annual payroll over the employer's average annual payroll for the previous year. However, in calculating the increase in the employer's average annual payroll any portion of that increase due to an increase or decrease in taxable wages under section 96.19, subsection 20, or due to the fact that the employer is a successor employer shall be disregarded. The employer's average annual payroll for the next two consecutive years shall each be reduced by the amount of the reduction in the employer's current average annual payroll, unless the employer is entitled to a greater reduction in the employer's average annual payroll as calculated under this section, in which case the greater reduction is applicable for three years unless a yet greater reduction is applicable.

3. The department shall use the employer's average annual payroll to compute the employer's percentage of excess, shall compute the employer's percentage of excess rank by ranking the employer's percentage of excess relative to all other employers' percentages of excess, shall recompute the employer's percentage of excess by using the employer's reduced average annual payroll, and shall assign the employer the contribution rate in the rate table

which corresponds to the employer's reduced percentage of excess rank without adjusting the total taxable wages in each rank and without reranking employers in the rate table.

Sec. 2. This Act takes effect on the first computation date after this Act's enactment on which the unemployment compensation fund's balance is positive. However, this Act is null and void from its effective date if the final decision of the United States Department of Labor holds that this Act places Iowa's unemployment compensation law out of conformity with federal law.

Approved May 30, 1985

CHAPTER 225

BONDS

S.F. 449

AN ACT relating to bonding by amending the definition of small business for purposes of the Iowa housing finance authority's program for which bonds may be issued, by removing the limits on the amount of bonds and notes of the Iowa housing finance authority that may be outstanding or used for certain programs, and by providing for allocation of the state ceiling on private activity bonds for tax exempt purposes and making the provisions effective upon publication.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 220.1, subsection 28, unnumbered paragraph 1, Code 1985, is amended to read as follows:

"Small business" means a profit or nonprofit business entity organized for profit, including but not limited to an individual, partnership, corporation, joint venture, association or cooperative, to which the following apply:

Sec. 2. Section 220.26, subsections 1 and 3, Code 1985, are amended to read as follows:

1. The authority may issue its negotiable bonds and notes in principal amounts as, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. ~~However, the authority shall not have a total principal amount of bonds and notes outstanding at any time in excess of six hundred fifty million dollars plus a total of fifty million dollars for property improvement loans to finance solar and other renewable energy systems in housing as authorized by section 220.37 and to finance loans to provide solar and other renewable energy systems for and to increase the energy efficiency of small businesses under the Iowa small business loan program. Two hundred fifty million dollars of the total principal amount of bonds and notes may be issued pursuant to the small business loan program. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.~~