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**ARTICLE 14 SUBSTITUTE A**

RELATING TO EMPLOYMENT SECURITY JOB DEVELOPMENT FUND ASSESSMENT

SECTION 1. Section 28-42-84 of the General Laws in Chapter 28-42 entitled "Employment Security – General Provisions" is hereby amended to read as follows:

**28-42-84. Job development fund – Disbursements – Unexpended balance.** -- (a) The

moneys in the job development fund shall be used for the following purposes:

(1) To reimburse the department of labor and training for the loss of any federal funds resulting from the collection and maintenance of the fund by the department;

(2) To make refunds of contributions erroneously collected and deposited in the fund;

(3) To pay any administrative expenses incurred by the department of labor and training associated with the collection of the contributions for employers paid pursuant to section 28-43-8.5, and any other administrative expenses associated with the maintenance of the fund, including the payment of all premiums upon bonds required pursuant to section 28-42-85;

(4) To provide for job training, counseling and assessment services, and other related activities and services. Services will include, but are not limited to, research, development, coordination, and training activities to promote workforce development and business development as established by the human resource investment council;

(5) To support the state's job training for economic development;

(6)(i) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the twenty-one hundredths of one percent (0.21%) job development assessment paid pursuant to section 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

(ii) Beginning January 1, 2011, and ending in tax year 2015, two hundredths of one percent (0.02%) out of the fifty- one hundredths of one percent (0.51%) job development assessment paid pursuant to section 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

(7) Beginning January 1, 2011, and ending in tax year 2015, three tenths of one percent (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to section 28-43.8.5 shall be deposited into a restricted receipt account to be used solely

1 to pay the principal and/or interest due on Title XII advances received from the federal  
2 government in accordance with the provisions of Section 1201 of the Social Security Act;  
3 provided, however, that if the federal Title XII loans are repaid through a state revenue bond or  
4 other financing mechanism, then these funds may also be used to pay the principal and/or interest  
5 that accrues on that debt. Any remaining funds in the restricted receipt account, after the  
6 outstanding principal and interest due has been paid, shall be transferred to the employment  
7 security fund for the payment of benefits.

8 (b) The general treasurer shall pay all vouchers duly drawn by the council upon the fund,  
9 in any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the  
10 fund shall be referred to the controller within the department of administration. Upon receipt of  
11 those vouchers, the controller shall immediately record and sign them and shall promptly transfer  
12 those signed vouchers to the general treasurer. Those expenditures shall be used solely for the  
13 purposes specified in this section and its balance shall not lapse at any time but shall remain  
14 continuously available for expenditures consistent with this section. The general assembly shall  
15 annually appropriate the funds contained in the fund for the use of the human resource investment  
16 council and, in addition, for the use of the department of labor and training effective July 1, 2000,  
17 and for the payment of the principal and interest due on federal Title XII loans beginning July 1,  
18 2011; provided, however, that if the federal Title XII loans are repaid through a state revenue  
19 bond or other financing mechanism, then the funds may also be used to pay the principal and/or  
20 interest that accrues on that debt.

21 SECTION 2. Section 28-43-8.5 of the General Laws in Chapter 28-43 entitled  
22 "Employment Security – Contributions" is hereby amended to read as follows:

23 **28-43-8.5. Job development assessment.** -- For the tax ~~year~~ years 2011 through 2014,  
24 ~~and subsequent tax years~~ each employer subject to this chapter shall be required to pay a job  
25 development assessment of fifty-one hundredths of one percent (0.51%) of that employer's  
26 taxable payroll, in addition to any other payment which that employer is required to make under  
27 any other provision of this chapter; provided, that the assessment shall not be considered as part  
28 of the individual employer's contribution rate for the purpose of determining the individual  
29 employer's balancing charge pursuant to § 28-43-9. The tax rate for all employers subject to the  
30 contribution provisions of chapters 42 – 44 of this title shall be reduced by twenty-one hundredths  
31 of one percent (0.21%). For tax year 2015, each employer subject to this chapter shall be required  
32 to pay a job development assessment of fifty-one hundredths of one percent (0.51%) of that  
33 employer's taxable payroll, in addition to any other payment which that employer is required to  
34 make under any other provision of this chapter; provided, that the assessment shall not be

1 considered as part of the individual employer's contribution rate for the purpose of determining  
2 the individual employer's balancing charge pursuant to section 28-43-9. However, upon full  
3 repayment of any outstanding principal and/or interest due on Title XII advances received from  
4 the federal government in accordance with the provisions of section 1201 of the Social Security  
5 Act, including any principal and/or interest that accrues on debt from a state revenue bond or  
6 other financing mechanism used to repay the Title XII advances, then the job development  
7 assessment shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax  
8 quarter after the full repayment occurs.

9 SECTION 3. Section 28-44-57 of the General Laws in Chapter 28-44 entitled  
10 "Employment Security - Benefits" is hereby amended to read as follows:

11 **28-44-57. Fees and costs chargeable.** -- (a) No individual claiming benefits shall be  
12 charged fees of any kind by the director or his or her representative, or by the board of review or  
13 its representatives, in any proceeding under chapters 42 -- 44 of this title. Any individual claiming  
14 benefits in any proceeding or court action may be represented by counsel or other duly authorized  
15 agent. The director shall have the authority to fix the fees of that counsel or other duly authorized  
16 agent, but no counsel or agent shall together be allowed to charge or receive for those services  
17 more than ten percent (10%) of the maximum benefits at issue in that proceeding or court action  
18 but not less than fifty dollars (\$50.00) except as specifically allowed by the superior court.

19 (b) In any case in which either an employer appeals from a determination in favor of the  
20 claimant or a claimant successfully appeals ~~from~~ a decision unfavorable to the claimant to an  
21 appeals body other than a court of law and the claimant retains an attorney-at-law to represent  
22 him or her, the attorney shall be entitled to a counsel fee of ~~fifteen percent (15%)~~ ten percent  
23 (10%) of the amount of benefits at issue before the appeals body but not less than fifty dollars  
24 (\$50.00), which shall be paid by the director out of the employment security administrative funds,  
25 within thirty (30) days of the date of his or her appearance.

26 (c) (1) An attorney-at-law who represents an individual claiming benefits on an appeal to  
27 the courts shall be entitled to counsel fees upon final disposition of the case and necessary court  
28 costs and printing disbursements as fixed by the court.

29 (2) The director shall pay those counsel fees, costs, and disbursements, out of the  
30 employment security administrative funds in each of the following cases:

31 (i) Any court appeal taken by a party other than the claimant from an administrative or  
32 judicial decision favorable in whole or in part to the claimant;

33 (ii) Any court appeal by a claimant from a decision denying or reducing benefits  
34 awarded under a prior administrative or judicial decision;

1 (iii) Any court appeal as a result of which the claimant is awarded benefits.

2 SECTION 4. Section 28-42-18 of the General Laws in Chapter 28-42 entitled  
3 "Employment Security - General Provisions" is hereby amended to read as follows:

4 **28-42-18. Establishment of fund. --** (a) There is created the employment security fund,  
5 to be administered by the director without liability on the part of the state beyond the amounts  
6 paid into and earned by the fund. This fund shall consist of:

7 (1) All contributions paid pursuant to sections 28-43-16 -- 28-43-22;

8 (2) All other moneys paid into and received by the fund;

9 (3) Property and securities acquired by and through the use of moneys belonging to the  
10 fund;

11 (4) Interest earned upon the money belonging to the fund; and

12 (5) All money credited to this state's account in the unemployment trust fund pursuant to  
13 42 U.S.C. section 1103.

14 (6) Advances from the general fund, authorized by the governor and the director of  
15 administration, for the purpose of repaying loans outstanding from the federal government in a  
16 given fiscal year. However, all such advances made to the fund shall be repaid to the general  
17 fund, with interest as determined by the general treasurer, within the same fiscal year.

18 (b) All moneys in the fund shall be mingled and undivided.

19 SECTION 5. This article shall take effect upon passage.