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IN THE HOUSE

BY MR. KERTTULA

HOUSE BILL NO. 235

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to employment security contributions owed by nonprofit hospitals; amending Art. V, Ch. 5, ESLA 1955 as last amended by Secs. 7, 8, 9, 10 and 11 of Ch. 60, SLA 1960; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. STATEMENT OF PURPOSE. The legislature finds that nonpayment by certain nonprofit hospitals of old liabilities for employment security contributions incurred under a former management cripples such hospitals by rendering them subject to the highest current contribution rates and that payment of such contributions would jeopardize the service of these hospitals to the communities and would therefore endanger the health and welfare of the residents of those communities. The legislature therefore enacts this measure under the police power of the state.

Sec. 2. Art. V, Ch. 5, ESLA 1955 as last amended by Secs. 7, 8, 9, 10 and 11 of Ch. 60, SLA 1960, is amended by adding a new section to read as follows:

Sec. 501.1. Employer contributions due from a nonprofit hospital on the effective date of this Act shall be deemed paid and no longer an asset of the unemployment compensation fund if the Commissioner finds that (a) such contributions have continued due and unpaid for more than three years on

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the effective date of this Act, and (b) payment of such contributions would jeopardize the service of the hospital to the community it serves. For purposes of Sec. 555, such contributions shall be deemed to have been never delinquent.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.