

HB

621

HB 621

"An Act relating to unemployment insurance coverage for employees of the state and its political subdivisions; and providing for an effective date."

In 1977, Federal Public Law 94-566 determined that states and their political subdivisions must provide unemployment insurance coverage for their employees. If the state did not provide coverage, certain Federal funds would be withheld.

State of Alaska then passed Ch. 122 SLA 1977 (HCS for SB 116), enacting coverage for the state and its political subdivisions' employees. Ch. 122, Sec. 34 provides that if Congress <sup>Act 33</sup> repeals or the courts find PL 94-566 unconstitutional, Ch. 122 will ~~not~~ go into effect:

Sec. 32 - provides for suspension while in the courts

Sec. 33 - reverts to law the way it was before

HB 621 repeals Sections 32 -34; and the Senate State Affairs Amendment provides for municipalities to remain exempt from this - i.e. they still will come under Sec. 32 - 34:

Sec. 32 - repealed and reenacted to exclude municipalities

Sec. 33 - repealed and reenacted to exclude municipalities

*Bassal*  
4.18.78

A M E N D M E N T

Offered in the HOUSE

BY:

TO: HB 621

Page 1, line 10 delete all material and insert:

\* Sec. 1. Sections 32 and 33, ch. 122, SLA 1977 are repealed and reenacted to read:

\* Sec. 32. The application of sections 4, 5, 13, 15, 16, 21 and 22 of this Act, AS 23.20.525(a)(14) as enacted by sec. 18 of this Act, and the repeal of AS 23.20.526(a)(16) and (18) enacted in sec. 25 of this Act, to municipalities which have not enacted an ordinance providing that the municipality be included are suspended for the period in which an injunction issued by a federal court of competent jurisdiction prohibiting the enforcement of 26 U.S.C. 3304(a)(6) remains in effect.

\* Sec. 33. The application of sections 4, 5, 13, 15, 16, 21 and 22 of this Act, AS 23.20.525(a)(14) as enacted in sec. 18 of this Act, and the repeal of AS 23.20.526(a)(16) and (18) enacted in sec. 25 of this

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Act, to municipalities which have not enacted an ordinance providing that the municipality be included are repealed and the language of AS 23.20.278, 23.20.325(a), 23.20.520(12), 23.20.525(a)(4), (5), and (14), 23.20.526(a)(16) and (18) and 23.20.526(d), as it existed before January 1, 1978, is revived.

The attached was furnished by Jim Rolle of the Alaska  
Municipal League

Figures represent the listed municipalities' estimated  
cost of providing unemployment insurance to their employees  
under HB 621

# Alaska MUNICIPAL League

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## MATANUSKA-SUSITNA BOROUGH

General Government -----29,639  
School ----- 190,571

## CITY OF NORTH POLE

General Government -----10,000

## CITY AND BOROUGH OF SITKA

General Government -----45,000  
School -----20,000

## FAIRBANKS NORTH STAR BOROUGH

General Government -----52,700  
School ----- 200,000

These are just estimates of a few municipalities selected at random. There is no experience factor for these estimates. It also depends upon what comes out on the new unemployment compensation bills.

S/References

S C/R

S L/M

S Judiciary

5-10-78

NOTE FOR HB 621 FILE

Cherie Shelley, APEA, stopped by the office last week to ask if S C/RA would waive referral on the bill if State Affairs eliminated the coverage of municipal employees under the bill.

She said that it was never APEA's original intention to cover municipal employees...that its chief goal was for state coverage. As a result, the addition of municipal employees was essentially inadvertent, and could be dropped without problem.

bfh

H/STATE AFFAIRS - 3832

S/ " " 3835