

S

B

55

4

1

2

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/90

FURTHER:

DATE TURNED INTO OFFICE: 4/19/90

The Finance Committee considered

SB 542

"An Act including employment of officials at certain amateur sports events for coverage under the Employment Security Act; and providing for an effective date."

and recommended:

- replace with _____ CS _____ same title
 or adopt _____ CS _____ new title
 attached amendment(s) technical title change (HB only)
 _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

zero fiscal note(s) _____

to DOLabor 4/2/90

appropriation-no fiscal note

SIGNING ~~DO PASS~~:

OTHER RECOMMENDATIONS:

[Signature]

J. Duncan - NO Rec
[Signature] No Rec
[Signature] No Rec

1. *John B...* No Rec.

2. *[Signature]*

Co-Chairs: Signatures and Recommendations

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: SB 542
PUBLISH DATE: 4/3/90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act including employment of
officials at amateur sports events for coverage..." BRU: Employment Security
 Sponsor: Rules Committee Components: Employment Services
 Requestor: Governor Youth Employment Services
Unemployment Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: There is no fiscal impact in FY'90.

(see attached)

Prepared by: Judy Knight, Deputy Director Phone: 465-2711
 Division: Employment Security Date: 4/2/90
 Approved by Commissioner: Jim Sampson Date: 4/2/90
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Fiscal Note Analysis
for

"An Act including employment of officials at amateur sports events..."

AS 23.20.526(a)(23) excludes sports officials at amateur sporting events from coverage under the Employment Security Act for unemployment insurance. This exclusion presents an issue with the requirements of section 3304(a)(6)(A) of the Federal Unemployment Tax Act.

Conformity proceedings against Alaska are presently pending. A final ruling by the U.S. Department of Labor that Alaska's law is out of conformity with federal law carries the penalty of loss of FUTA credit to all Alaska's employers (5.4 percent of the first \$7,000 of wages for each employee). Additional sanctions would be the loss of federal administrative funds for Employment Services (including Youth Employment Services) and Unemployment Insurance programs as well as federal program funds for Title III, Job Training Partnership Act.

Introduced: 4/3/90
Referred: L&C and Finance

go00620s

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 542

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act including employment of officials at certain
7 amateur sports events for coverage under the
8 Employment Security Act; and providing for an
9 effective date."

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

11 * Section 1. AS 23.20.526(a)(23) is repealed.

12 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 3, 1990

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

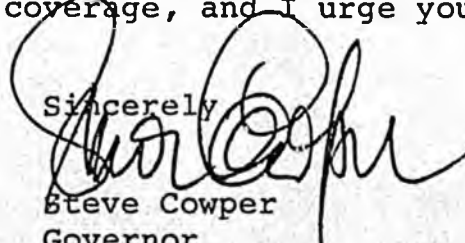
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that removes the exclusion of officials at amateur sports events from unemployment insurance.

In the final hours of the 1989 legislative session, SCS CS HB 147(L&C) was amended to exclude those officials from unemployment insurance. (Ch. 100, SLA 1989.) Section 26 of the final bill amended AS 23.20.526(a) by adding a new paragraph (23) to the list of exclusions. The U.S. Department of Labor (USDOL) subsequently advised the Alaska Department of Labor that this provision creates an issue of conformity with federal law.

The Federal Unemployment Tax Act (FUTA) requires that all employees of government entities and nonprofit organizations be covered for unemployment insurance. Therefore, the exclusion of sports officials working for a government or nonprofit entity presents an issue of noncompliance with the requirements of sec. 3304(a)(6)(A) of FUTA.

Conformity proceedings against Alaska are presently pending. A final ruling by the USDOL that Alaska's law is out of conformity with FUTA carries the penalty of loss of FUTA credit to all Alaska's employers (5.4 percent of the first \$7,000 of wages), plus the loss of administrative money for our employment security division (which is federal money) and Job Training Partnership Act, Title III money. To avoid these punitive measures, I recommend repeal of the 1989 provision that excludes sports officials from unemployment insurance coverage, and I urge your early passage of this bill.

Sincerely,


Steve Cowper
Governor