

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE DRS75523-LR-212 (5/16)

Short Title: Employment Security/Funds.

(Public)

Sponsors: Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED

AN ACT RELATING TO THE EMPLOYMENT SECURITY LAWS OF NORTH
CAROLINA AND APPROPRIATING FUNDS TO THE EMPLOYMENT
SECURITY COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated from the Employment Security Commission Reserve Fund to the Employment Security Commission of North Carolina the sum of seven million three hundred thousand dollars (\$7,300,000) for the 2006-2007 fiscal year to be allocated as follows:

- (1) \$7,000,000 for the operation and support of local offices.
- (2) \$200,000 for the State Occupational Information Coordinating Committee to develop and operate an interagency system to track former participants in State education and training programs.
- (3) \$100,000 to maintain compliance with Chapter 96 of the General Statutes regarding maintenance of the Common Follow-Up Management Information System to evaluate the effectiveness of the State's job training, education, and placement programs.

SECTION 2. Funds from the Employment Security Commission Reserve Fund (Reserve) shall be available to the Employment Security Commission to use as collateral to secure federal funds and to pay the administrative costs associated with the collection of the Employment Security Commission Reserve Fund surcharge. The total administrative costs paid with funds from the Reserve shall not exceed the total administrative costs paid in fiscal year 2005-2006.

SECTION 3. G.S. 96-9(b)(3)j. reads as rewritten:

- "j. A tax is imposed upon contributions at the rate of twenty percent (20%) of the amount of contributions due. The tax is due and payable at the time and in the same manner as the

1 contributions. The tax does not apply in a calendar year if, as of
2 August 1 of the preceding year, either of the following
3 conditions was met; (i) the amount in the Reserve Fund equals
4 or exceeds one hundred sixty-three million three hundred
5 forty-nine thousand dollars (\$163,349,000), which is one
6 percent (1%) of taxable wages for calendar year 1984; or (ii) the
7 balance in the Unemployment Insurance Fund established by
8 G.S. 96-6(a) is five hundred million (\$500,000,000) or less. The
9 collection of this tax, the assessment of interest and penalties on
10 unpaid taxes, the filing of judgment liens, and the enforcement
11 of the liens for unpaid taxes is governed by the provisions of
12 G.S. 96-10 where applicable. Upon receipt of taxes collected
13 under this sub-subdivision, ninety-five percent (95%) shall be
14 credited to the Employment Security Commission Reserve
15 Fund, and refunds of the taxes shall be paid from the same Fund
16 and five percent (5%) shall be credited to the Employment
17 Security Administration Fund. Taxes collected under this
18 subpart shall be credited to the Employment Security
19 Commission Reserve Fund, and refunds of the taxes shall be
20 paid from the same Fund. The clear proceeds of any civil
21 penalties collected under this subpart shall be remitted to the
22 Civil Penalty and Forfeiture Fund in accordance with
23 G.S. 115C-457.2. Any interest collected on unpaid taxes shall
24 be credited to the Special Employment Security Administration
25 Fund, and any interest refunded on taxes imposed by this
26 subpart shall be paid from the same Fund."

27 **SECTION 4.** This act is effective when it becomes law, except:

- 28 (1) Sections 1 and 2 of this act become effective July 1, 2006.
29 (2) Section 3 of this act becomes effective January 1, 2007, and expires
30 December 31, 2010.