

OFFICE OF FISCAL ANALYSIS

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HB-5266

AN ACT AMENDING THE TIME TO PROTEST BENEFIT CHARGES
ON AN EMPLOYER'S UNEMPLOYMENT INSURANCE
QUARTERLY STATEMENT.

As Amended by House "A" (LCO 5421)

House Calendar No.: 71

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Labor Dept.	UITF - See Below	Minimal	Minimal

Note: UITF=Unemployment Insurance Trust Fund

Municipal Impact: None

Explanation

The bill, which shortens the time an employer can protest any unemployment benefits they contend have been improperly charged to their unemployment insurance quarterly statements from 60 to 40 days, results in a minimal net impact to the Unemployment Insurance Trust Fund.

To the extent the bill results in charges that otherwise would be contested, this would result in an increase in the employer experience rate and therefore result in a minimal revenue gain due to higher taxes paid by employers. Alternatively, the bill could also result in a higher volume of fraudulent claims not being caught via employer's due diligence, which would have a minimal cost to the Unemployment Insurance Trust Fund.

House "A" exempts certain mutual associations from a workers' compensation requirement to recalculate a member's prior year

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5/6/24

premiums as a result of subrogation recoveries. This has no fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employer's compliance levels to the 40-day deadline to protest unemployment benefits improperly charged to their unemployment insurance quarterly statements.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.