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FISCAL IMPACT STATEMENT

LS 7016

BILL NUMBER: SB 321

NOTE PREPARED: Jan 19, 2006

BILL AMENDED:

SUBJECT: Unemployment Insurance.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill transfers numerous rulemaking and administrative duties of the Unemployment Insurance Board to the Department of Workforce Development.

The bill reduces from 150 to 30 days the time within which a successor employer is required to file an application to assume a predecessor employer's experience account.

The bill establishes civil penalties for an individual who fails to disclose or falsifies information to receive a benefit.

It provides additional circumstances in which an administrative law judge or the review board may hold hearings by telephone.

The bill repeals and restates provisions concerning an individual's failure to disclose earnings, witness fees, and the Unemployment Insurance Board's rulemaking authority.

The bill also makes technical corrections and conforming amendments.

Effective Date: Upon passage; July 1, 2006.

Explanation of State Expenditures: *Rulemaking and Administrative Duties:* Transferring some of the rulemaking and administrative duties from the Unemployment Insurance Board to the Department of Workforce Development should have no fiscal impact on the state.

150 Days to 30 Days: The provision to reduce the time for an employer to assume a predecessor employer's experience account from 150 to 30 days should have no state fiscal impact.

Administrative Law Judge: Allowing the expansion of hearings by telephone by an administrative law judge or the review board may reduce the cost of holding a hearing and reduce the time before a hearing can be held.

Explanation of State Revenues: *Civil Penalties:* The provision establishing civil penalties for an individual who fails to disclose or falsifies information to receive a benefit could increase revenue for the Special Employment and Training Fund.

The civil penalty is:

1. An amount equal to 25% of the benefit overpayment for the first instance.
2. An amount equal to 50% of the benefit overpayment for the second instance.
3. An amount equal to 100% of the benefit overpayment for the third and each subsequent instance.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development; Unemployment Insurance Board.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.