

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2201 **STATUS:** Original
SUBJECT: Relating to the unemployment insurance administration
GOVERNMENT UNIT AFFECTED: Employment Department
PREPARED BY: Robin LaMonte
REVIEWED BY: Michelle Deister
DATE: January 23, 2009

EXPENDITURES:	<u>2009-2011</u>	<u>2011-2013</u>
	\$ _____	\$ _____
 REVENUES:	 <u>2009-2011</u>	 <u>2011-2013</u>
Unemployment Insurance Trust Fund – Other Funds	\$ 266,743	711,319
Unemployment Insurance Trust Fund – Interest Other Funds	6,700	62,900
Unemployment Insurance Trust Fund – Total Other Funds	273,443	774,219
Penalty & Interest – Other Funds	\$ 323,499	\$ 802,126
Other Funds Total	\$ 596,942	\$ 1,576,345

POSITIONS / FTE:

EFFECTIVE DATE: January 1, 2010.

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2201 extends the time that family-owned corporations can exclude corporate officers from unemployment insurance tax by one quarter. It also provides that limited liability company members must own at least 10% of the company in order to qualify for the exclusion.

The fiscal impact of this bill relates to Section 3, which enables the Department to hold officers, members, partners and employees of corporations, limited liability companies, or limited liability partnerships, who are required to perform the actions required by the bill, to be personally liable unpaid unemployment insurance taxes. The Employment Department assumes an increase of 321 collections biennially from the provisions of this bill. The Department is able to absorb this additional collections workload with existing staff.