

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001

*As Engrossed: H3/28/01*

## A Bill

SENATE BILL 438

4  
5 By: Senator P. Malone  
6  
7

### For An Act To Be Entitled

9 AN ACT TO AMEND SECTIONS OF THE EMPLOYMENT  
10 SECURITY LAW PERTAINING TO FUTURE RATES; AND FOR  
11 OTHER PURPOSES.

### Subtitle

12  
13 AN ACT TO AMEND SECTIONS OF THE  
14 EMPLOYMENT SECURITY LAW PERTAINING TO  
15 FUTURE RATES.  
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18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code 11-10-704(b)(1)(A), pertaining to employers'  
22 unemployment contribution rates, is hereby amended to read as follows:

23 (A)(i) No employer's rate shall be less than two and nine-  
24 tenths percent (2.9%) unless and until there shall have been three (3) years  
25 immediately preceding the computation date throughout which an individual in  
26 his employ could have received benefits if eligible. Provided, however, an  
27 employer who, at the time of establishing an account, is in business in  
28 another state or states and not currently doing business in Arkansas may elect  
29 to receive a beginning contribution rate of two and nine tenths percent (2.9%)  
30 or a contribution rate based on the rate schedule at §11-10-705(b)(1),  
31 whichever is lower, but in no event less than one percent (1%), provided:

32 (a) The employer has been in operation in the other  
33 state or states for at least three (3) years immediately preceding the date of  
34 becoming a liable employer in Arkansas, throughout which an individual in his  
35 employ could have received benefits if eligible; and

36 (b) The employer must provide the authenticated

1 account history from information accumulated from operations in all the other  
2 state or states to compute a current Arkansas rate; and

3 (c) The employer's business operations established in  
4 Arkansas are of the same nature as conducted in the other state or states, as  
5 defined by the North American Industry Classification system.

6 (ii) The election authorized in subdivision (b)(1)(A)(i)  
7 must be made in writing within thirty (30) days after receiving notice of  
8 Arkansas liability. A two and nine tenths percent (2.9%) rate will be  
9 assigned unless a timely election has been made.

10 (iii) If the election is made timely, the employer's  
11 account will receive the rate elected for the remainder of that rate year.  
12 The rate assigned for the next and subsequent years will be determined by the  
13 condition of the account on the computation date.

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15 SECTION 2. Emergency clause. It is hereby found and determined by the  
16 Eighty-third General Assembly that this act should go into effect as soon as  
17 possible in order to bring the Arkansas Employment Security Law into  
18 conformity with the Federal Unemployment Tax Act, as amended, so that Arkansas  
19 employers may continue to receive the tax credits accorded by the Federal  
20 Unemployment Tax Act and the Arkansas workers may receive unemployment  
21 benefits when they are unemployed. Therefore, an emergency is declared to  
22 exist and this act being immediately necessary for the preservation of the  
23 public peace, health and safety shall become effective on the date of its  
24 approval by the Governor. If the bill is neither approved nor vetoed by the  
25 Governor, it shall become effective on the expiration of the period of time  
26 during which the Governor may veto the bill. If the bill is vetoed by the  
27 Governor and the veto is overridden, it shall become effective on the date the  
28 last house overrides the veto.

29 */s/ P. Malone*