

ENROLLMENT(S)



(5)

COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 12-95

"Unemployment Compensation Tax Stabilization Second Temporary Amendment Act of 1998"

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 12-491, on first and second readings, December 16, 1997 and January 6, 1998, respectively. Following the signature of the Mayor on January 26, 1998, pursuant to Section 404(e) of "the Act", and was assigned Act No. 12-268, and published in the March 13, 1998, edition of the D.C. Register (Vol. 45 page1329) and transmitted to Congress on March 2, 1998 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 12-95, effective April 30, 1998.



LINDA W. CROPP
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

Mar. 2,3,4,5,6,9,10,11,12,13,16,17,18,19,20,23,24,25,26
 27,30,31

Apr. 1,21,22,23,24,27,28,29

AN ACT
D.C. ACT 12-268

*Codification
District of
Columbia
Code
1998 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JANUARY 26, 1998

To amend, on a temporary basis, the District of Columbia Unemployment Compensation Act to reduce the taxable wage base, lower the maximum weekly benefit amount, and eliminate the dependent's allowance.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Unemployment Compensation Tax Stabilization Second Temporary Amendment Act of 1998".

Sec. 2. The District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 946; D.C. Code § 46-101 *et seq.*), is amended as follows:

(a) Section 3(e) (D.C. Code § 46-103(e)) is amended by adding a new paragraph (6) to read as follows:

*Note, Section
46-103*

“(6) After January 1, 1997, the term wages shall not include any amount in excess of \$9,000 actually paid to any person arising out of employment in 1997 or in any succeeding calendar year.”.

(b) Section 7(b)(3)(B) (D.C. Code § 46-108(b)(3)(B)) is amended by designating the existing text as sub-subparagraph (i) and adding a new sub-subparagraph (ii) to read as follows:

*Note, Section
46-108*

“(ii) For benefit years commencing on or after January 5, 1997, the maximum weekly benefit amount shall be \$309.”.

(c) Section 7(f) (D.C. Code § 46-108(f)) is amended by striking the period at the end and inserting the phrase “provided, however, that this section shall not apply to claims for benefit years commencing on or after January 5, 1997.” in its place.

*Note, Section
46-108*

Sec. 3. Fiscal impact statement.

1. GENERAL STATEMENT

The proposed changes to the District of Columbia Unemployment Compensation Act will reduce the taxable wage base ("TWB") from \$10,000 to \$9,000, and reduce the maximum weekly benefit amount ("MWBA") from \$359 to \$309.

The current employer unemployment costs are based on a \$10,000 TWB which was

enacted in December 1992 and took effect on January 1993. The law was enacted at a time when the UI Trust Fund was insolvent due to inadequate revenues to maintain reserves from benefit payments and the Fund was forced to borrow money from the U.S. Treasury. Federal loans to the Trust Fund totaled more than \$40 million by April 1993. The additional revenues as well as benefit reductions implemented by the new law, enabled the Trust Fund to repay the entire \$40 million debt and to begin to build reserves beginning in 1994. The Trust Fund's recovery has been substantial and by the end of FY 1995, the Trust Fund had a positive balance of \$70 million and was estimated to reach \$100 million by the end of FY 1996.

Current estimates, based on current benefit outlays and estimated tax collections, project that the reserve balance in the Trust Fund will be sufficient to trigger the reduction in the TWB from \$10,000 to \$9,000, as proposed in the legislation. The proposed change in the reduction of the TWB will not have any effect on the operating or capital budgets of the District for the current and preceding 5 years.

If the proposed changes are enacted, it is projected that employers will save \$10 million in taxes. Under the current law, the tax revenue for employers is projected at \$100 million. In the proposed law, that revenue will be \$90 million.

The loss of revenue to the Trust Fund due to the reduction of the TWB is minimized by the reduction in the maximum weekly benefit amount from \$359 to \$309. With a tax wage base of \$9,000 and a maximum weekly benefit amount of \$309, the Fund balance as of September 30, 1997, was \$130.8 million and the projected balances as of September 30 for each year are as follows: (in millions) FY 1998 \$114.6; FY 1999 \$122.6; and FY 2000 \$130.2.

The projected savings from the reduction of maximum weekly benefit amount is projected to save the Trust Fund \$7.6 million annually.

If the proposed changes are enacted, the D.C. Unemployment Compensation Fund (BH-100) is projected to save between \$300,000 and \$400,000 annually, based on the current amount being paid to former District government employees who are eligible to receive weekly benefits between \$310 and \$359.

2. QUANTITATIVE ESTIMATE OF THE EXPENDITURES NEEDED TO IMPLEMENT THE MEASURE:

The department does not anticipate that the District will incur any expenditures as a result of these proposed changes.

3. IDENTIFICATION OF REVENUE AND FUNDS CURRENTLY AVAILABLE FROM EXISTING REVENUE SOURCES TO IMPLEMENT THE MEASURE:

No current revenue or other funds are required to implement the proposed changes to the Unemployment Compensation Act.

4. EXTENT TO WHICH CURRENT APPROPRIATIONS ARE AVAILABLE TO FINANCE

THE IMPLEMENTATION OF THE PROPOSED CHANGES:

There is no fiscal impact on the current appropriations to finance the implementation of the proposed changes.

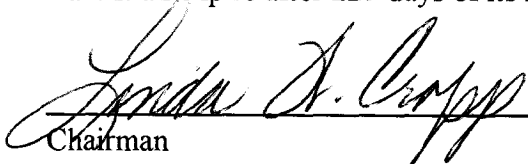
5. IDENTIFICATION OF THE SPECIFIC SOURCES OF REVENUES TO BE RECOMMENDED IN THE FORTHCOMING FISCAL YEARS TO IMPLEMENT THIS MEASURE.

There will be no additional sources of revenue recommended in the forthcoming fiscal years to implement these proposed changes.

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.


Chairman
Council of the District of Columbia


Mayor
District of Columbia

APPROVED: January 26, 1998



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD TWELVE

RECORD OF OFFICIAL COUNCIL VOTE

B12-491

Docket No. _____

☒ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FIRST READING, 12-16-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ABSENT

ALL PRESENT

| | ROLL CALL VOTE - Result

| Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB |
|---------------|-----|-----|----|----|---------------|-----|-----|----|----|---------------|-----|-----|----|----|
| Chmn. Cropp | | | | | Chavous | | | | | Schwartz | | | | |
| Allen | | | | | Evans | | | | | Smith, Jr. | | | | |
| Ambrose | | | | | Jarvis | | | | | Thomas, Sr. | | | | |
| Brazil | | | | | Mason | | | | | | | | | |
| Catania | | | | | Patterson | | | | | | | | | |

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

January 8, 1998

Date

☒ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FINAL READING, 1-6-98

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

ALL PRESENT

ABSENT

| | ROLL CALL VOTE - Result

| Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB |
|---------------|-----|-----|----|----|---------------|-----|-----|----|----|---------------|-----|-----|----|----|
| Chmn. Cropp | | | | | Chavous | | | | | Schwartz | | | | |
| Allen | | | | | Evans | | | | | Smith, Jr. | | | | |
| Ambrose | | | | | Jarvis | | | | | Thomas, Sr. | | | | |
| Brazil | | | | | Mason | | | | | | | | | |
| Catania | | | | | Patterson | | | | | | | | | |

X - Indicates Vote

AB - Absent

NV - Present not voting

CERTIFICATION RECORD

Secretary to the Council

January 8, 1998

Date

| | ITEM ON CONSENT CALENDAR

| | ACTION & DATE

| | VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT

| | ROLL CALL VOTE - Result

| Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB |
|---------------|-----|-----|----|----|---------------|-----|-----|----|----|---------------|-----|-----|----|----|
| Chmn. Cropp | | | | | Chavous | | | | | Schwartz | | | | |
| Allen | | | | | Evans | | | | | Smith, Jr. | | | | |
| Ambrose | | | | | Jarvis | | | | | Thomas, Sr. | | | | |
| Brazil | | | | | Mason | | | | | | | | | |
| Catania | | | | | Patterson | | | | | | | | | |

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CERTIFICATION RECORD

Secretary to the Council

Date