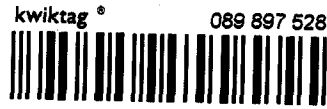


ENROLLMENT(S)



(5)

COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 12-2

"District of Columbia Unemployment Compensation Tax Stabilization Temporary Amendment Act of 1997".

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. 12-2, on first and second readings, January 7, 1997 and February 4, 1997, respectively. Following the signature of the Mayor on February 18, 1997, pursuant to Section 404(e) of "the Act", and was assigned Act No. 12-15, and published in the March 28, 1997, edition of the D.C. Register (Vol. 44 page 1751) and transmitted to Congress on March 6, 1997 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 12-2, effective May 7, 1997.



LINDA W. CROPP
Acting Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

Mar.	6,10,11,12,13,14,17,18,19,20,21
Apr.	7,8,9,10,14,15,16,17,21,22,23,24,25,28,29,30
May	1,5,6

ENROLLED ORIGINAL

AN ACT
D.C. ACT 12-15

*Codification
District of
Columbia
Code
1997 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
FEBRUARY 18, 1997

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 "District of Columbia Unemployment Compensation Tax Stabilization Temporary Amendment Act of 1997".

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 subsection (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

ENROLLED ORIGINAL

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 for 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 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 TWB will not have any effect on the operating or capital budgets of the District for the current and preceding five (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 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 maximum weekly benefit amount of \$309, the projected Fund balances as of September 30 of each year are as follows: (in millions) FY 1996 99.4; FY 1997 \$107; FY 1998 \$114.6; FY 1999 \$122.6; and FY 2000 \$130.2.

The projected savings from the reduction of the 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 D.C. 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 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:

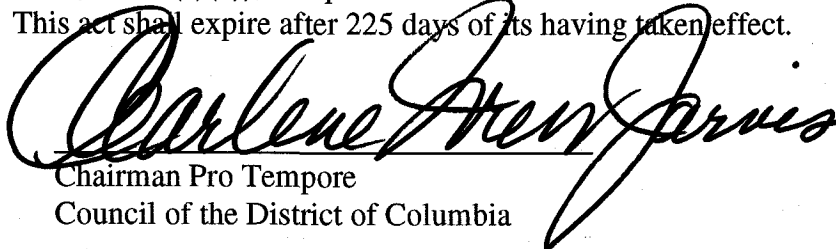
There is no fiscal impact on the current appropriations to finance the implementation of the proposed changes.

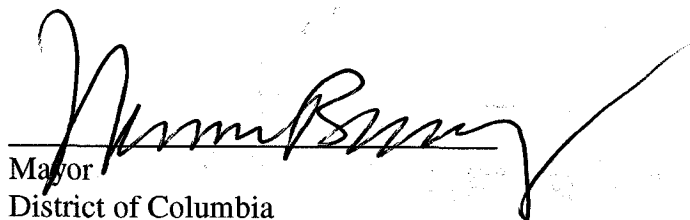
5. IDENTIFICATION OF THE SPECIFIC SOURCES OF REVENUES TO BE RECOMMENDED IN THE FORTHCOMING FISCAL YEARS TO IMPLEMENT THIS MEASURE:

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

Sec. 4. (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 Self-Government and Governmental Reorganization 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 Pro Tempore
Council of the District of Columbia


Mayor
District of Columbia

APPROVED: February 18, 1997



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD TWELVE

RECORD OF OFFICIAL COUNCIL VOTE

Docket No.

B12-2

| | ITEM ON CONSENT CALENDAR

☒ ACTION & DATE

ADOPTED FIRST READING, 1-7-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

CHAIRMAN CLARKE

ABSENT

| | ROLL CALL VOTE - Result

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

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

February 7, 1997
Date☒ ITEM ON CONSENT CALENDAR☒ ACTION & DATE

ADOPTED FINAL READING, 2-4-97

☒ VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

CHAIRMAN CLARKE

ABSENT

| | ROLL CALL VOTE - Result

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

X - Indicates no

AB - Absent

NV - Present not voting

CERTIFICATION RECORD

Secretary to the Council

February 7, 1997
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. Clarke					Evans					Thomas, Sr.				
Allen					Jarvis									
Brazil					Mason									
Chavous					Patterson									
Cropp					Schwartz									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date