

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 189**  
**99TH GENERAL ASSEMBLY**

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Reported from the Committee on Small Business and Industry, February 2, 2017, with recommendation that the Senate Committee Substitute do pass.

0785S.02C

ADRIANE D. CROUSE, Secretary.

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**AN ACT**

To repeal sections 288.036, 288.060, 288.120, 288.122, and 288.330, as enacted by house bill no. 150, ninety-eighth general assembly, first regular session, sections 288.036, 288.120, and 288.122, as enacted by house bill no. 1456, ninety-third general assembly, second regular session, section 288.060 as enacted by house bill no. 163, ninety-sixth general assembly, first regular session, and section 288.330 as enacted by house bill no. 1075, ninety-fifth general assembly, first regular session, and to enact in lieu thereof five new sections relating to employment security.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 288.036, 288.060, 288.120, 288.122, and 288.330, as  
2 enacted by house bill no. 150, ninety-eighth general assembly, first regular  
3 session, sections 288.036, 288.120, and 288.122, as enacted by house bill no. 1456,  
4 ninety-third general assembly, second regular session, section 288.060 as enacted  
5 by house bill no. 163, ninety-sixth general assembly, first regular session, and  
6 section 288.330 as enacted by house bill no. 1075, ninety-fifth general assembly,  
7 first regular session, are repealed and five new sections enacted in lieu thereof,  
8 to be known as sections 288.036, 288.060, 288.120, 288.122, and 288.330, to read  
9 as follows:

[288.036. 1. "Wages" means all remuneration, payable or  
2 paid, for personal services including commissions and bonuses and,  
3 except as provided in subdivision (7) of this section, the cash value  
4 of all remuneration paid in any medium other than  
5 cash. Gratuities, including tips received from persons other than

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

the employing unit, shall be considered wages only if required to be reported as wages pursuant to the Federal Unemployment Tax Act, 26 U.S.C. Section 3306, and shall be, for the purposes of this chapter, treated as having been paid by the employing unit. Severance pay shall be considered as wages to the extent required pursuant to the Federal Unemployment Tax Act, 26 U.S.C. Section 3306(b). Vacation pay, termination pay, severance pay and holiday pay shall be considered as wages for the week with respect to which it is payable. The total amount of wages derived from severance pay, if paid to an insured in a lump sum, shall be prorated on a weekly basis at the rate of pay received by the insured at the time of termination for the purposes of determining unemployment benefits eligibility. The term "wages" shall not include:

(1) The amount of any payment made (including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment) to, or on behalf of, an individual under a plan or system established by an employing unit which makes provision generally for individuals performing services for it or for a class or classes of such individuals, on account of:

(a) Sickness or accident disability, but in case of payments made to an employee or any of the employee's dependents this paragraph shall exclude from the term wages only payments which are received pursuant to a workers' compensation law; or

(b) Medical and hospitalization expenses in connection with sickness or accident disability; or

(c) Death;

(2) The amount of any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employing unit to, or on behalf of, an individual performing services for it after the expiration of six calendar months following the last calendar month in which the individual performed services for such employing unit;

(3) The amount of any payment made by an employing unit

42 to, or on behalf of, an individual performing services for it or his or  
43 her beneficiary:

44 (a) From or to a trust described in 26 U.S.C. Section 401(a)  
45 which is exempt from tax pursuant to 26 U.S.C. Section 501(a) at  
46 the time of such payment unless such payment is made to an  
47 employee of the trust as remuneration for services rendered as  
48 such an employee and not as a beneficiary of the trust; or

49 (b) Under or to an annuity plan which, at the time of such  
50 payments, meets the requirements of Section 404(a)(2) of the  
51 Federal Internal Revenue Code (26 U.S.C.A. Section 404);

52 (4) The amount of any payment made by an employing unit  
53 (without deduction from the remuneration of the individual in  
54 employment) of the tax imposed pursuant to Section 3101 of the  
55 Federal Internal Revenue Code (26 U.S.C.A. Section 3101) upon an  
56 individual with respect to remuneration paid to an employee for  
57 domestic service in a private home or for agricultural labor;

58 (5) Remuneration paid in any medium other than cash to  
59 an individual for services not in the course of the employing unit's  
60 trade or business;

61 (6) Remuneration paid in the form of meals provided to an  
62 individual in the service of an employing unit where such  
63 remuneration is furnished on the employer's premises and at the  
64 employer's convenience, except that remuneration in the form of  
65 meals that is considered wages and required to be reported as  
66 wages pursuant to the Federal Unemployment Tax Act, 26 U.S.C.  
67 Section 3306 shall be reported as wages as required thereunder;

68 (7) For the purpose of determining wages paid for  
69 agricultural labor as defined in paragraph (b) of subdivision (1) of  
70 subsection 12 of section 288.034 and for domestic service as defined  
71 in subsection 13 of section 288.034, only cash wages paid shall be  
72 considered;

73 (8) Beginning on October 1, 1996, any payment to, or on  
74 behalf of, an employee or the employee's beneficiary under a  
75 cafeteria plan, if such payment would not be treated as wages  
76 pursuant to the Federal Unemployment Tax Act.

77 2. The increases or decreases to the state taxable wage base

78 for the remainder of calendar year 2004 shall be eight thousand  
79 dollars, and the state taxable wage base in calendar year 2005, and  
80 each calendar year thereafter, shall be determined by the  
81 provisions within this subsection. On January 1, 2005, the state  
82 taxable wage base for calendar year 2005, 2006, and 2007 shall be  
83 eleven thousand dollars. The taxable wage base for calendar year  
84 2008 shall be twelve thousand dollars. The state taxable wage  
85 base for each calendar year thereafter shall be determined by the  
86 average balance of the unemployment compensation trust fund of  
87 the four preceding calendar quarters (September thirtieth, June  
88 thirtieth, March thirty-first, and December thirty-first of the  
89 preceding calendar year), less any outstanding federal Title XII  
90 advances received pursuant to section 288.330, less the principal,  
91 interest, and administrative expenses related to any credit  
92 instrument issued under section 288.030, and less the principal,  
93 interest, and administrative expenses related to any financial  
94 agreements under subdivision (17) of subsection 2 of section  
95 288.330. When the average balance of the unemployment  
96 compensation trust fund of the four preceding quarters (September  
97 thirtieth, June thirtieth, March thirty-first, and December  
98 thirty-first of the preceding calendar year), as so determined is:

99 (1) Less than, or equal to, three hundred fifty million  
100 dollars, then the wage base shall increase by one thousand dollars;  
101 or

102 (2) Six hundred fifty million or more, then the state taxable  
103 wage base for the subsequent calendar year shall be decreased by  
104 five hundred dollars. In no event, however, shall the state taxable  
105 wage base increase beyond twelve thousand five hundred dollars,  
106 or decrease to less than seven thousand dollars. For calendar year  
107 2009, the tax wage base shall be twelve thousand five hundred  
108 dollars. For calendar year 2010 and each calendar year thereafter,  
109 in no event shall the state taxable wage base increase beyond  
110 thirteen thousand dollars, or decrease to less than seven thousand  
111 dollars.

112 For any calendar year, the state taxable wage base shall not be  
113 reduced to less than that part of the remuneration which is subject

114 to a tax under a federal law imposing a tax against which credit  
115 may be taken for contributions required to be paid into a state  
116 unemployment compensation trust fund. Nothing in this section  
117 shall be construed to prevent the wage base from increasing or  
118 decreasing by increments of five hundred dollars.]

288.036. 1. "Wages" means all remuneration, payable or paid, for  
2 personal services including commissions and bonuses and, except as provided in  
3 subdivision (7) of this section, the cash value of all remuneration paid in any  
4 medium other than cash. Gratuities, including tips received from persons other  
5 than the employing unit, shall be considered wages only if required to be reported  
6 as wages pursuant to the Federal Unemployment Tax Act, 26 U.S.C. Sec. 3306,  
7 and shall be, for the purposes of this chapter, treated as having been paid by the  
8 employing unit. Severance pay shall be considered as wages to the extent  
9 required pursuant to the Federal Unemployment Tax Act, 26 U.S.C. Section  
10 3306(b). Vacation pay, **termination pay, severance pay** and holiday pay shall  
11 be considered as wages for the week with respect to which it is payable. **The**  
12 **total amount of wages derived from severance pay, if paid to an insured**  
13 **in a lump sum, shall be pro-rated on a weekly basis at the rate of pay**  
14 **received by the insured at the time of termination for the purposes of**  
15 **determining unemployment benefits eligibility.** The term "wages" shall not  
16 include:

17 (1) The amount of any payment made (including any amount paid by an  
18 employing unit for insurance or annuities, or into a fund, to provide for any such  
19 payment) to, or on behalf of, an individual under a plan or system established by  
20 an employing unit which makes provision generally for individuals performing  
21 services for it or for a class or classes of such individuals, on account of:

22 (a) Sickness or accident disability, but in case of payments made to an  
23 employee or any of the employee's dependents this paragraph shall exclude from  
24 the term wages only payments which are received pursuant to a workers'  
25 compensation law; or

26 (b) Medical and hospitalization expenses in connection with sickness or  
27 accident disability; or

28 (c) Death;

29 (2) The amount of any payment on account of sickness or accident  
30 disability, or medical or hospitalization expenses in connection with sickness or  
31 accident disability, made by an employing unit to, or on behalf of, an individual

32 performing services for it after the expiration of six calendar months following the  
33 last calendar month in which the individual performed services for such  
34 employing unit;

35 (3) The amount of any payment made by an employing unit to, or on  
36 behalf of, an individual performing services for it or his or her beneficiary:

37 (a) From or to a trust described in 26 U.S.C. 401(a) which is exempt from  
38 tax pursuant to 26 U.S.C. 501(a) at the time of such payment unless such  
39 payment is made to an employee of the trust as remuneration for services  
40 rendered as such an employee and not as a beneficiary of the trust; or

41 (b) Under or to an annuity plan which, at the time of such payments,  
42 meets the requirements of Section 404(a)(2) of the Federal Internal Revenue Code  
43 (26 U.S.C.A. Sec. 404);

44 (4) The amount of any payment made by an employing unit (without  
45 deduction from the remuneration of the individual in employment) of the tax  
46 imposed pursuant to Section 3101 of the Federal Internal Revenue Code (26  
47 U.S.C.A. Sec. 3101) upon an individual with respect to remuneration paid to an  
48 employee for domestic service in a private home or for agricultural labor;

49 (5) Remuneration paid in any medium other than cash to an individual  
50 for services not in the course of the employing unit's trade or business;

51 (6) Remuneration paid in the form of meals provided to an individual in  
52 the service of an employing unit where such remuneration is furnished on the  
53 employer's premises and at the employer's convenience, except that remuneration  
54 in the form of meals that is considered wages and required to be reported as  
55 wages pursuant to the Federal Unemployment Tax Act, 26 U.S.C. Sec. 3306 shall  
56 be reported as wages as required thereunder;

57 (7) For the purpose of determining wages paid for agricultural labor as  
58 defined in paragraph (b) of subdivision (1) of subsection 12 of section 288.034 and  
59 for domestic service as defined in subsection 13 of section 288.034, only cash  
60 wages paid shall be considered;

61 (8) Beginning on October 1, 1996, any payment to, or on behalf of, an  
62 employee or the employee's beneficiary under a cafeteria plan, if such payment  
63 would not be treated as wages pursuant to the Federal Unemployment Tax Act.

64 2. The increases or decreases to the state taxable wage base for the  
65 remainder of calendar year 2004 shall be eight thousand dollars, and the state  
66 taxable wage base in calendar year 2005, and each calendar year thereafter, shall  
67 be determined by the provisions within this subsection. On January 1, 2005, the

68 state taxable wage base for calendar year 2005, 2006, and 2007 shall be eleven  
69 thousand dollars. The taxable wage base for calendar year 2008 shall be twelve  
70 thousand dollars. The state taxable wage base for each calendar year thereafter  
71 shall be determined by the average balance of the unemployment compensation  
72 trust fund of the four preceding calendar quarters (September thirtieth, June  
73 thirtieth, March thirty-first, and December thirty-first of the preceding calendar  
74 year), less any outstanding federal Title XII advances received pursuant to  
75 section 288.330, less the principal, interest, and administrative expenses related  
76 to any credit instrument issued under section 288.030, and less the principal,  
77 interest, and administrative expenses related to any financial agreements under  
78 subdivision (17) of subsection 2 of section 288.330. When the average balance of  
79 the unemployment compensation trust fund of the four preceding quarters  
80 (September thirtieth, June thirtieth, March thirty-first, and December thirty-first  
81 of the preceding calendar year), as so determined is:

82 (1) Less than, or equal to, three hundred fifty million dollars, then the  
83 wage base shall increase by one thousand dollars; or

84 (2) Six hundred fifty million or more, then the state taxable wage base for  
85 the subsequent calendar year shall be decreased by five hundred dollars. In no  
86 event, however, shall the state taxable wage base increase beyond twelve  
87 thousand five hundred dollars, or decrease to less than seven thousand  
88 dollars. For calendar year 2009, the tax wage base shall be twelve thousand five  
89 hundred dollars. For calendar year 2010 and each calendar year thereafter, in  
90 no event shall the state taxable wage base increase beyond thirteen thousand  
91 dollars, or decrease to less than seven thousand dollars. For any calendar year,  
92 the state taxable wage base shall not be reduced to less than that part of the  
93 remuneration which is subject to a tax under a federal law imposing a tax against  
94 which credit may be taken for contributions required to be paid into a state  
95 unemployment compensation trust fund. Nothing in this section shall be  
96 construed to prevent the wage base from increasing or decreasing by increments  
97 of five hundred dollars.

[288.060. 1. All benefits shall be paid through employment  
2 offices in accordance with such regulations as the division may  
3 prescribe.

4 2. Each eligible insured worker who is totally unemployed  
5 in any week shall be paid for such week a sum equal to his or her  
6 weekly benefit amount.

3. Each eligible insured worker who is partially unemployed in any week shall be paid for such week a partial benefit. Such partial benefit shall be an amount equal to the difference between his or her weekly benefit amount and that part of his or her wages for such week in excess of twenty dollars, and, if such partial benefit amount is not a multiple of one dollar, such amount shall be reduced to the nearest lower full dollar amount. For calendar year 2007 and each year thereafter, such partial benefit shall be an amount equal to the difference between his or her weekly benefit amount and that part of his or her wages for such week in excess of twenty dollars or twenty percent of his or her weekly benefit amount, whichever is greater, and, if such partial benefit amount is not a multiple of one dollar, such amount shall be reduced to the nearest lower full dollar amount. Pay received by an eligible insured worker who is a member of the organized militia for training or duty authorized by Section 502(a)(1) of Title 32, United States Code, shall not be considered wages for the purpose of this subsection.

4. The division shall compute the wage credits for each individual by crediting him or her with the wages paid to him or her for insured work during each quarter of his or her base period or twenty-six times his or her weekly benefit amount, whichever is the lesser. In addition, if a claimant receives wages in the form of termination pay or severance pay and such payment appears in a base period established by the filing of an initial claim, the claimant may, at his or her option, choose to have such payment included in the calendar quarter in which it was paid or choose to have it prorated equally among the quarters comprising the base period of the claim. For the purpose of this section, wages shall be counted as wage credits for any benefit year, only if such benefit year begins subsequent to the date on which the employing unit by whom such wages were paid has become an employer. The wage credits of an individual earned during the period commencing with the end of a prior base period and ending on the date on which he or she filed an allowed initial claim shall not be available for benefit purposes in a subsequent benefit year unless, in addition



thereto, such individual has subsequently earned either wages for insured work in an amount equal to at least five times his or her current weekly benefit amount or wages in an amount equal to at least ten times his or her current weekly benefit amount.

5. The duration of benefits payable to any insured worker during any benefit year shall be limited to:

(1) Twenty weeks if the Missouri average unemployment rate is nine percent or higher;

(2) Nineteen weeks if the Missouri average unemployment rate is between eight and one-half percent and nine percent;

(3) Eighteen weeks if the Missouri average unemployment rate is eight percent up to and including eight and one-half percent;

(4) Seventeen weeks if the Missouri average unemployment rate is between seven and one-half percent and eight percent;

(5) Sixteen weeks if the Missouri average unemployment rate is seven percent up to and including seven and one-half percent;

(6) Fifteen weeks if the Missouri average unemployment rate is between six and one-half percent and seven percent;

(7) Fourteen weeks if the Missouri average unemployment rate is six percent up to and including six and one-half percent;

(8) Thirteen weeks if the Missouri average unemployment rate is below six percent.

As used in this subsection, the phrase "Missouri average unemployment rate" means the average of the seasonally adjusted statewide unemployment rates as published by the United States Department of Labor, Bureau of Labor Statistics, for the time periods of January first through March thirty-first and July first through September thirtieth. The average of the seasonally adjusted statewide unemployment rates for the time period of January first through March thirty-first shall be effective on and after July first of each year and shall be effective through December thirty-first. The average of the seasonally adjusted statewide unemployment rates for the time period of July first through September thirtieth shall be effective on and after January

79 first of each year and shall be effective through June thirtieth; and

80 (9) The provisions of this subsection shall become effective  
81 January 1, 2016.

82 6. In the event that benefits are due a deceased person and  
83 no petition has been filed for the probate of the will or for the  
84 administration of the estate of such person within thirty days after  
85 his or her death, the division may by regulation provide for the  
86 payment of such benefits to such person or persons as the division  
87 finds entitled thereto and every such payment shall be a valid  
88 payment to the same extent as if made to the legal representatives  
89 of the deceased.

90 7. The division is authorized to cancel any benefit warrant  
91 remaining outstanding and unpaid one year after the date of its  
92 issuance and there shall be no liability for the payment of any such  
93 benefit warrant thereafter.

94 8. The division may establish an electronic funds transfer  
95 system to transfer directly to claimants' accounts in financial  
96 institutions benefits payable to them pursuant to this chapter. To  
97 receive benefits by electronic funds transfer, a claimant shall  
98 satisfactorily complete a direct deposit application form authorizing  
99 the division to deposit benefit payments into a designated checking  
100 or savings account. Any electronic funds transfer system created  
101 pursuant to this subsection shall be administered in accordance  
102 with regulations prescribed by the division.

103 9. The division may issue a benefit warrant covering more  
104 than one week of benefits.

105 10. Prior to January 1, 2005, the division shall institute  
106 procedures including, but not limited to, name, date of birth, and  
107 Social Security verification matches for remote claims filing via the  
108 use of telephone or the internet in accordance with such  
109 regulations as the division shall prescribe. At a minimum, the  
110 division shall verify the Social Security number and date of birth  
111 when an individual claimant initially files for unemployment  
112 insurance benefits. If verification information does not match what  
113 is on file in division databases to what the individual is stating, the  
114 division shall require the claimant to submit a division-approved

115 form requesting an affidavit of eligibility prior to the payment of  
116 additional future benefits. The division of employment security  
117 shall cross-check unemployment compensation applicants and  
118 recipients with Social Security Administration data maintained by  
119 the federal government at least weekly. The division of  
120 employment security shall cross-check at least monthly  
121 unemployment compensation applicants and recipients with  
122 department of revenue drivers license databases.]

288.060. 1. All benefits shall be paid through employment offices in  
2 accordance with such regulations as the division may prescribe.

3 2. Each eligible insured worker who is totally unemployed in any week  
4 shall be paid for such week a sum equal to his or her weekly benefit amount.

5 3. Each eligible insured worker who is partially unemployed in any week  
6 shall be paid for such week a partial benefit. Such partial benefit shall be an  
7 amount equal to the difference between his or her weekly benefit amount and  
8 that part of his or her wages for such week in excess of twenty dollars, and, if  
9 such partial benefit amount is not a multiple of one dollar, such amount shall be  
10 reduced to the nearest lower full dollar amount. For calendar year 2007 and each  
11 year thereafter, such partial benefit shall be an amount equal to the difference  
12 between his or her weekly benefit amount and that part of his or her wages for  
13 such week in excess of twenty dollars or twenty percent of his or her weekly  
14 benefit amount, whichever is greater, and, if such partial benefit amount is not  
15 a multiple of one dollar, such amount shall be reduced to the nearest lower full  
16 dollar amount. [Termination pay, severance pay or] Pay received by an eligible  
17 insured worker who is a member of the organized militia for training or duty  
18 authorized by Section 502(a)(1) of Title 32, United States Code, shall not be  
19 considered wages for the purpose of this subsection.

20 4. The division shall compute the wage credits for each individual by  
21 crediting him or her with the wages paid to him or her for insured work during  
22 each quarter of his or her base period or twenty-six times his or her weekly  
23 benefit amount, whichever is the lesser. In addition, if a claimant receives wages  
24 in the form of termination pay or severance pay and such payment appears in a  
25 base period established by the filing of an initial claim, the claimant may, at his  
26 or her option, choose to have such payment included in the calendar quarter in  
27 which it was paid or choose to have it prorated equally among the quarters  
28 comprising the base period of the claim. [The maximum total amount of benefits

29 payable to any insured worker during any benefit year shall not exceed twenty  
30 times his or her weekly benefit amount, or thirty-three and one-third percent of  
31 his or her wage credits, whichever is the lesser.] For the purpose of this section,  
32 wages shall be counted as wage credits for any benefit year, only if such benefit  
33 year begins subsequent to the date on which the employing unit by whom such  
34 wages were paid has become an employer. The wage credits of an individual  
35 earned during the period commencing with the end of a prior base period and  
36 ending on the date on which he or she filed an allowed initial claim shall not be  
37 available for benefit purposes in a subsequent benefit year unless, in addition  
38 thereto, such individual has subsequently earned either wages for insured work  
39 in an amount equal to at least five times his or her current weekly benefit  
40 amount or wages in an amount equal to at least ten times his or her current  
41 weekly benefit amount.

42       **5. The duration of benefits payable to any insured worker during**  
43 **any benefit year shall be limited to:**

44       **(1) Twenty weeks if the Missouri average unemployment rate is**  
45 **nine percent or higher;**

46       **(2) Nineteen weeks if the Missouri average unemployment rate**  
47 **is between eight and one half percent and nine percent;**

48       **(3) Eighteen weeks if the Missouri average unemployment rate**  
49 **is eight percent up to and including eight and one half percent;**

50       **(4) Seventeen weeks if the Missouri average unemployment rate**  
51 **is between seven and one half percent and eight percent;**

52       **(5) Sixteen weeks if the Missouri average unemployment rate is**  
53 **seven percent up to and including seven and one half percent;**

54       **(6) Fifteen weeks if the Missouri average unemployment rate is**  
55 **between six and one half percent and seven percent;**

56       **(7) Fourteen weeks if the Missouri average unemployment rate**  
57 **is six percent up to and including six and one half percent;**

58       **(8) Thirteen weeks if the Missouri average unemployment rate**  
59 **is below six percent.**

60 As used in this subsection, the phrase "Missouri average unemployment  
61 rate" means the average of the seasonally adjusted statewide  
62 unemployment rates as published by the United States Department of  
63 Labor, Bureau of Labor Statistics, for the time periods of January first  
64 through March thirty-first and July first through September

65 **thirtieth. The average of the seasonally adjusted statewide**  
66 **unemployment rates for the time period of January first through March**  
67 **thirty-first shall be effective on and after July first of each year and**  
68 **shall be effective through December thirty-first. The average of the**  
69 **seasonally adjusted statewide unemployment rates for the time period**  
70 **of July first through September thirtieth shall be effective on and after**  
71 **January first of each year and shall be effective through June thirtieth;**  
72 **and**

73 **(9) The provisions of this subsection shall become effective**  
74 **January 1, 2018.**

75 **6.** In the event that benefits are due a deceased person and no petition  
76 has been filed for the probate of the will or for the administration of the estate  
77 of such person within thirty days after his or her death, the division may by  
78 regulation provide for the payment of such benefits to such person or persons as  
79 the division finds entitled thereto and every such payment shall be a valid  
80 payment to the same extent as if made to the legal representatives of the  
81 deceased.

82 **[6.] 7.** The division is authorized to cancel any benefit warrant remaining  
83 outstanding and unpaid one year after the date of its issuance and there shall be  
84 no liability for the payment of any such benefit warrant thereafter.

85 **[7.] 8.** The division may establish an electronic funds transfer system to  
86 transfer directly to claimants' accounts in financial institutions benefits payable  
87 to them pursuant to this chapter. To receive benefits by electronic funds transfer,  
88 a claimant shall satisfactorily complete a direct deposit application form  
89 authorizing the division to deposit benefit payments into a designated checking  
90 or savings account. Any electronic funds transfer system created pursuant to this  
91 subsection shall be administered in accordance with regulations prescribed by the  
92 division.

93 **[8.] 9.** The division may issue a benefit warrant covering more than one  
94 week of benefits.

95 **[9.] 10.** Prior to January 1, 2005, the division shall institute procedures  
96 including, but not limited to, name, date of birth, and Social Security verification  
97 matches for remote claims filing via the use of telephone or the internet in  
98 accordance with such regulations as the division shall prescribe. At a minimum,  
99 the division shall verify the Social Security number and date of birth when an  
100 individual claimant initially files for unemployment insurance benefits. If

101 verification information does not match what is on file in division databases to  
 102 what the individual is stating, the division shall require the claimant to submit  
 103 a division-approved form requesting an affidavit of eligibility prior to the payment  
 104 of additional future benefits. The division of employment security shall  
 105 cross-check unemployment compensation applicants and recipients with Social  
 106 Security Administration data maintained by the federal government at least  
 107 weekly. The division of employment security shall cross-check at least monthly  
 108 unemployment compensation applicants and recipients with department of  
 109 revenue drivers license databases.

[288.120. 1. On each June thirtieth, or within a reasonable  
 2 time thereafter as may be fixed by regulation, the balance of an  
 3 employer's experience rating account, except an employer  
 4 participating in a shared work plan under section 288.500, shall  
 5 determine his contribution rate for the following calendar year as  
 6 determined by the following table:

| Percentage the Employer's Experience Rating<br>Account is to that Employer's Average Annual Payroll |           |                   |  |
|---|-----------|-------------------|--|
| Equals or Exceeds   | Less Than | Contribution Rate |  |
| - -   | -12.0     | 6.0%              |  |
| -12.0   | -11.0     | 5.8%              |  |
| -11.0   | -10.0     | 5.6%              |  |
| -10.0   | -9.0      | 5.4%              |  |
| -9.0  | -8.0      | 5.2%              |  |
| -8.0  | -7.0      | 5.0%              |  |
| -7.0  | -6.0      | 4.8%              |  |
| -6.0  | -5.0      | 4.6%              |  |
| -5.0  | -4.0      | 4.4%              |  |
| -4.0 -  | 3.0       | 4.2%              |  |
| -3.0  | -2.0      | 4.0%              |  |
| -2.0  | -1.0      | 3.8%              |  |
| -1.0  | 0         | 3.6%              |  |
| 0   | 2.5       | 2.7%              |  |
| 2.5   | 3.5       | 2.6%              |  |
| 3.5   | 4.5       | 2.5%              |  |
| 4.5   | 5.0       | 2.4%              |  |
| 5.0   | 5.5       | 2.3%              |  |

|    |      |      |      |
|----|------|------|------|
| 28 | 5.5  | 6.0  | 2.2% |
| 29 | 6.0  | 6.5  | 2.1% |
| 30 | 6.5  | 7.0  | 2.0% |
| 31 | 7.0  | 7.5  | 1.9% |
| 32 | 7.5  | 8.0  | 1.8% |
| 33 | 8.0  | 8.5  | 1.7% |
| 34 | 8.5  | 9.0  | 1.6% |
| 35 | 9.0  | 9.5  | 1.5% |
| 36 | 9.5  | 10.0 | 1.4% |
| 37 | 10.0 | 10.5 | 1.3% |
| 38 | 10.5 | 11.0 | 1.2% |
| 39 | 11.0 | 11.5 | 1.1% |
| 40 | 11.5 | 12.0 | 1.0% |
| 41 | 12.0 | 12.5 | 0.9% |
| 42 | 12.5 | 13.0 | 0.8% |
| 43 | 13.0 | 13.5 | 0.6% |
| 44 | 13.5 | 14.0 | 0.4% |
| 45 | 14.0 | 14.5 | 0.3% |
| 46 | 14.5 | 15.0 | 0.2% |
| 47 | 15.0 | - -  | 0.0% |

2. Using the same mathematical principles used in constructing the table provided in subsection 1 of this section, the following table has been constructed. The contribution rate for the following calendar year of any employer participating in a shared work plan under section 288.500 during the current calendar year or any calendar year during a prior three-year period shall be determined from the balance in such employer's experience rating account as of the previous June thirtieth, or within a reasonable time thereafter as may be fixed by regulation, from the following table:

| Percentage the Employer's Experience Rating          |           |                   |  |
|--|-----------|-------------------|--|
| Account is to that Employer's Average Annual Payroll |           |                   |  |
| Equals or Exceeds                                    | Less Than | Contribution Rate |  |
| - -  | -27.0     | 9.0%              |  |
| -27.0  | -26.0     | 8.8%              |  |
| -26.0  | -25.0     | 8.6%              |  |

|    |       |       |      |
|----|-------|-------|------|
| 64 | -25.0 | -24.0 | 8.4% |
| 65 | -24.0 | -23.0 | 8.2% |
| 66 | -23.0 | -22.0 | 8.0% |
| 67 | -22.0 | -21.0 | 7.8% |
| 68 | -21.0 | -20.0 | 7.6% |
| 69 | -20.0 | -19.0 | 7.4% |
| 70 | -19.0 | -18.0 | 7.2% |
| 71 | -18.0 | -17.0 | 7.0% |
| 72 | -17.0 | -16.0 | 6.8% |
| 73 | -16.0 | -15.0 | 6.6% |
| 74 | -15.0 | -14.0 | 6.4% |
| 75 | -14.0 | -13.0 | 6.2% |
| 76 | -13.0 | -12.0 | 6.0% |
| 77 | -12.0 | -11.0 | 5.8% |
| 78 | -11.0 | -10.0 | 5.6% |
| 79 | -10.0 | -9.0  | 5.4% |
| 80 | -9.0  | -8.0  | 5.2% |
| 81 | -8.0  | -7.0  | 5.0% |
| 82 | -7.0  | -6.0  | 4.8% |
| 83 | -6.0  | -5.0  | 4.6% |
| 84 | -5.0  | -4.0  | 4.4% |
| 85 | -4.0  | -3.0  | 4.2% |
| 86 | -3.0  | -2.0  | 4.0% |
| 87 | -2.0  | -1.0  | 3.8% |
| 88 | -1.0  | 0     | 3.6% |
| 89 | 0     | 2.5   | 2.7% |
| 90 | 2.5   | 3.5   | 2.6% |
| 91 | 3.5   | 4.5   | 2.5% |
| 92 | 4.5   | 5.0   | 2.4% |
| 93 | 5.0   | 5.5   | 2.3% |
| 94 | 5.5   | 6.0   | 2.2% |
| 95 | 6.0   | 6.5   | 2.1% |
| 96 | 6.5   | 7.0   | 2.0% |
| 97 | 7.0   | 7.5   | 1.9% |
| 98 | 7.5   | 8.0   | 1.8% |
| 99 | 8.0   | 8.5   | 1.7% |



|     |      |      |      |
|-----|------|------|------|
| 100 | 8.5  | 9.0  | 1.6% |
| 101 | 9.0  | 9.5  | 1.5% |
| 102 | 9.5  | 10.0 | 1.4% |
| 103 | 10.0 | 10.5 | 1.3% |
| 104 | 10.5 | 11.0 | 1.2% |
| 105 | 11.0 | 11.5 | 1.1% |
| 106 | 11.5 | 12.0 | 1.0% |
| 107 | 12.0 | 12.5 | 0.9% |
| 108 | 12.5 | 13.0 | 0.8% |
| 109 | 13.0 | 13.5 | 0.6% |
| 110 | 13.5 | 14.0 | 0.4% |
| 111 | 14.0 | 14.5 | 0.3% |
| 112 | 14.5 | 15.0 | 0.2% |
| 113 | 15.0 | - -  | 0.0% |

114           3. Notwithstanding the provisions of subsection 2 of section  
115 288.090, any employer participating in a shared work plan under  
116 section 288.500 who has not had at least twelve calendar months  
117 immediately preceding the calculation date throughout which his  
118 account could have been charged with benefits shall have a  
119 contribution rate equal to the highest contribution rate in the table  
120 in subsection 2 of this section, until such time as his account has  
121 been chargeable with benefits for the period of time sufficient to  
122 enable him to qualify for a computed rate on the same basis as  
123 other employers participating in shared work plans.

124           4. Employers who have been taxed at the maximum rate  
125 pursuant to this section for two consecutive years shall have a  
126 surcharge of one-quarter percent added to their contribution rate  
127 calculated pursuant to this section. In the event that an employer  
128 remains at the maximum rate pursuant to this section for a third  
129 or subsequent year, an additional surcharge of one-quarter percent  
130 shall be annually assessed, but in no case shall the surcharge  
131 authorized in this subsection cumulatively exceed one  
132 percent. Additionally, if an employer continues to remain at the  
133 maximum rate pursuant to this section an additional surcharge of  
134 one-half percent shall be assessed. In no case shall the total  
135 surcharge assessed to any employer exceed one and one-half

136 percent in any given year.

137 5. For a period of sixty days beginning October 16, 2015,  
 138 an employer who reasonably believes that he or she has been  
 139 assigned an erroneous experience rating as a result of the purchase  
 140 of a company shall have the right to file a timely appeal for  
 141 recovery of overpayments for the last five years due to such  
 142 erroneous assignment.]

288.120. 1. On each June thirtieth, or within a reasonable time thereafter  
 2 as may be fixed by regulation, the balance of an employer's experience rating  
 3 account, except an employer participating in a shared work plan under section  
 4 288.500, shall determine his contribution rate for the following calendar year as  
 5 determined by the following table:

| Percentage the Employer's Experience Rating          |           |                   |
|--|-----------|-------------------|
| Account is to that Employer's Average Annual Payroll |           |                   |
| 8 Equals or Exceeds                                  | Less Than | Contribution Rate |
| 9 - -  | -12.0     | 6.0%              |
| 10 -12.0   | -11.0     | 5.8%              |
| 11 -11.0   | -10.0     | 5.6%              |
| 12 -10.0   | -9.0      | 5.4%              |
| 13 -9.0  | -8.0      | 5.2%              |
| 14 -8.0  | -7.0      | 5.0%              |
| 15 -7.0  | -6.0      | 4.8%              |
| 16 -6.0  | -5.0      | 4.6%              |
| 17 -5.0  | -4.0      | 4.4%              |
| 18 -4.0  | -3.0      | 4.2%              |
| 19 -3.0  | -2.0      | 4.0%              |
| 20 -2.0  | -1.0      | 3.8%              |
| 21 -1.0  | 0         | 3.6%              |
| 22 0   | 2.5       | 2.7%              |
| 23 2.5   | 3.5       | 2.6%              |
| 24 3.5   | 4.5       | 2.5%              |
| 25 4.5   | 5.0       | 2.4%              |
| 26 5.0   | 5.5       | 2.3%              |
| 27 5.5   | 6.0       | 2.2%              |
| 28 6.0   | 6.5       | 2.1%              |
| 29 6.5   | 7.0       | 2.0%              |

|    |      |      |      |
|----|------|------|------|
| 30 | 7.0  | 7.5  | 1.9% |
| 31 | 7.5  | 8.0  | 1.8% |
| 32 | 8.0  | 8.5  | 1.7% |
| 33 | 8.5  | 9.0  | 1.6% |
| 34 | 9.0  | 9.5  | 1.5% |
| 35 | 9.5  | 10.0 | 1.4% |
| 36 | 10.0 | 10.5 | 1.3% |
| 37 | 10.5 | 11.0 | 1.2% |
| 38 | 11.0 | 11.5 | 1.1% |
| 39 | 11.5 | 12.0 | 1.0% |
| 40 | 12.0 | 12.5 | 0.9% |
| 41 | 12.5 | 13.0 | 0.8% |
| 42 | 13.0 | 13.5 | 0.6% |
| 43 | 13.5 | 14.0 | 0.4% |
| 44 | 14.0 | 14.5 | 0.3% |
| 45 | 14.5 | 15.0 | 0.2% |
| 46 | 15.0 | - -  | 0.0% |

47        2. Using the same mathematical principles used in constructing the table  
 48 provided in subsection 1 of this section, the following table has been  
 49 constructed. The contribution rate for the following calendar year of any  
 50 employer participating in a shared work plan under section 288.500 during the  
 51 current calendar year or any calendar year during a prior three-year period shall  
 52 be determined from the balance in such employer's experience rating account as  
 53 of the previous June thirtieth, or within a reasonable time thereafter as may be  
 54 fixed by regulation, from the following table:

| Percentage the Employer's Experience Rating<br>Account is to that Employer's Average Annual Payroll |           |                   |
|---|-----------|-------------------|
| 57 Equals or Exceeds  | Less Than | Contribution Rate |
| 58 - -  | -27.0     | 9.0%              |
| 59 -27.0  | -26.0     | 8.8%              |
| 60 -26.0  | -25.0     | 8.6%              |
| 61 -25.0  | -24.0     | 8.4%              |
| 62 -24.0  | -23.0     | 8.2%              |
| 63 -23.0  | -22.0     | 8.0%              |
| 64 -22.0  | -21.0     | 7.8%              |
| 65 -21.0  | -20.0     | 7.6%              |

|     |       |       |      |
|-----|-------|-------|------|
| 66  | -20.0 | -19.0 | 7.4% |
| 67  | -19.0 | -18.0 | 7.2% |
| 68  | -18.0 | -17.0 | 7.0% |
| 69  | -17.0 | -16.0 | 6.8% |
| 70  | -16.0 | -15.0 | 6.6% |
| 71  | -15.0 | -14.0 | 6.4% |
| 72  | -14.0 | -13.0 | 6.2% |
| 73  | -13.0 | -12.0 | 6.0% |
| 74  | -12.0 | -11.0 | 5.8% |
| 75  | -11.0 | -10.0 | 5.6% |
| 76  | -10.0 | -9.0  | 5.4% |
| 77  | -9.0  | -8.0  | 5.2% |
| 78  | -8.0  | -7.0  | 5.0% |
| 79  | -7.0  | -6.0  | 4.8% |
| 80  | -6.0  | -5.0  | 4.6% |
| 81  | -5.0  | -4.0  | 4.4% |
| 82  | -4.0  | -3.0  | 4.2% |
| 83  | -3.0  | -2.0  | 4.0% |
| 84  | -2.0  | -1.0  | 3.8% |
| 85  | -1.0  | 0     | 3.6% |
| 86  | 0     | 2.5   | 2.7% |
| 87  | 2.5   | 3.5   | 2.6% |
| 88  | 3.5   | 4.5   | 2.5% |
| 89  | 4.5   | 5.0   | 2.4% |
| 90  | 5.0   | 5.5   | 2.3% |
| 91  | 5.5   | 6.0   | 2.2% |
| 92  | 6.0   | 6.5   | 2.1% |
| 93  | 6.5   | 7.0   | 2.0% |
| 94  | 7.0   | 7.5   | 1.9% |
| 95  | 7.5   | 8.0   | 1.8% |
| 96  | 8.0   | 8.5   | 1.7% |
| 97  | 8.5   | 9.0   | 1.6% |
| 98  | 9.0   | 9.5   | 1.5% |
| 99  | 9.5   | 10.0  | 1.4% |
| 100 | 10.0  | 10.5  | 1.3% |
| 101 | 10.5  | 11.0  | 1.2% |

|     |      |      |      |
|-----|------|------|------|
| 102 | 11.0 | 11.5 | 1.1% |
| 103 | 11.5 | 12.0 | 1.0% |
| 104 | 12.0 | 12.5 | 0.9% |
| 105 | 12.5 | 13.0 | 0.8% |
| 106 | 13.0 | 13.5 | 0.6% |
| 107 | 13.5 | 14.0 | 0.4% |
| 108 | 14.0 | 14.5 | 0.3% |
| 109 | 14.5 | 15.0 | 0.2% |
| 110 | 15.0 | - -  | 0.0% |

111        3. Notwithstanding the provisions of subsection 2 of section 288.090, any  
 112 employer participating in a shared work plan under section 288.500 who has not  
 113 had at least twelve calendar months immediately preceding the calculation date  
 114 throughout which his account could have been charged with benefits shall have  
 115 a contribution rate equal to the highest contribution rate in the table in  
 116 subsection 2 of this section, until such time as his account has been chargeable  
 117 with benefits for the period of time sufficient to enable him to qualify for a  
 118 computed rate on the same basis as other employers participating in shared work  
 119 plans.

120        4. Employers who have been taxed at the maximum rate pursuant to this  
 121 section for two consecutive years shall have a surcharge of one-quarter percent  
 122 added to their contribution rate calculated pursuant to this section. In the event  
 123 that an employer remains at the maximum rate pursuant to this section for a  
 124 third or subsequent year, an additional surcharge of one-quarter percent shall be  
 125 annually assessed, but in no case shall the surcharge authorized in this  
 126 subsection cumulatively exceed one percent. Additionally, if an employer  
 127 continues to remain at the maximum rate pursuant to this section an additional  
 128 surcharge of one-half percent shall be assessed. In no case shall the total  
 129 surcharge assessed to any employer exceed one and one-half percent in any given  
 130 year.

131        **5. For a period of sixty days beginning with the effective date of**  
 132 **this act, an employer who reasonably believes that he or she has been**  
 133 **assigned an erroneous experience rating as a result of the purchase of**  
 134 **a company shall have the right to file a timely appeal for recovery of**  
 135 **overpayments for the last five years due to such erroneous assignment.**

2                    [288.122. On October first of each calendar year, if the  
 average balance, less any federal advances, of the unemployment

3 compensation trust fund of the four preceding quarters (September  
4 thirtieth, June thirtieth, March thirty-first and December  
5 thirty-first of the preceding calendar year) is more than seven  
6 hundred twenty million dollars, then each employer's contribution  
7 rate calculated for the four calendar quarters of the succeeding  
8 calendar year shall be decreased by the percentage determined  
9 from the following table:

| Balance in Trust Fund |                       | Percentage  |
|-----------------------|-----------------------|-------------|
| More Than             | Equal to or Less Than | of Decrease |
| \$720,000,000         | \$870,000,000         | 7%          |
| \$870,000,000         |                       | 12%.        |

15 Notwithstanding the table in this section, if the balance in the  
16 unemployment insurance compensation trust fund as calculated in  
17 this section is more than eight hundred seventy million dollars, the  
18 percentage of decrease of the employer's contribution rate  
19 calculated for the four calendar quarters of the succeeding calendar  
20 year shall be no greater than ten percent for any employer whose  
21 calculated contribution rate under section 288.120 is six percent or  
22 greater.]

288.122. On October first of each calendar year, if the average balance,  
2 less any federal advances, of the unemployment compensation trust fund of the  
3 four preceding quarters (September thirtieth, June thirtieth, March thirty-first  
4 and December thirty-first of the preceding calendar year) is more than [six]  
5 **seven** hundred **twenty** million dollars, then each employer's contribution rate  
6 calculated for the four calendar quarters of the succeeding calendar year shall be  
7 decreased by the percentage determined from the following table:

| Balance in Trust Fund                   |   | Percentage  |
|---|---|-------------|
| More Than                               | Equal to or Less Than                   | of Decrease |
| 11 [\$600,000,000] <b>\$720,000,000</b> | 11 [\$750,000,000] <b>\$870,000,000</b> | 7%          |
| 12 [\$750,000,000] <b>\$870,000,000</b> |   | 12%.        |

13 Notwithstanding the table in this section, if the balance in the unemployment  
14 insurance compensation trust fund as calculated in this section is more than  
15 [seven] **eight** hundred [fifty] **seventy** million dollars, the percentage of decrease  
16 of the employer's contribution rate calculated for the four calendar quarters of the

17 succeeding calendar year shall be no greater than ten percent for any employer  
18 whose calculated contribution rate under section 288.120 is six percent or greater.

[288.330. 1. Benefits shall be deemed to be due and  
2 payable only to the extent that moneys are available to the credit  
3 of the unemployment compensation fund and neither the state nor  
4 the division shall be liable for any amount in excess of such  
5 sums. The governor is authorized to apply for an advance to the  
6 state unemployment fund and to accept the responsibility for the  
7 repayment of such advance in order to secure to this state and its  
8 citizens the advantages available under the provisions of federal  
9 law.

10 2. (1) The purpose of this subsection is to provide a method  
11 of providing funds for the payment of unemployment benefits or  
12 maintaining an adequate fund balance in the unemployment  
13 compensation fund, and as an alternative to borrowing or obtaining  
14 advances from the federal unemployment trust fund or for  
15 refinancing those loans or advances.

16 (2) For the purposes of this subsection, "credit instrument"  
17 means any type of borrowing obligation issued under this section,  
18 including any bonds, commercial line of credit note, tax  
19 anticipation note or similar instrument.

20 (3) (a) There is hereby created for the purposes of  
21 implementing the provisions of this subsection a body corporate  
22 and politic to be known as the "Board of Unemployment Fund  
23 Financing". The powers of the board shall be vested in five board  
24 members who shall be the governor, lieutenant governor, attorney  
25 general, director of the department of labor and industrial  
26 relations, and the commissioner of administration. The board shall  
27 have all powers necessary to effectuate its purposes including,  
28 without limitation, the power to provide a seal, keep records of its  
29 proceedings, and provide for professional services. The governor  
30 shall serve as chair, the lieutenant governor shall serve as vice  
31 chair, and the commissioner of administration shall serve as  
32 secretary. Staff support for the board shall be provided by the  
33 commissioner of administration.

34 (b) Notwithstanding the provisions of any other law to the

35 contrary:

36 a. No officer or employee of this state shall be deemed to  
37 have forfeited or shall forfeit his or her office or employment by  
38 reason of his or her acceptance of an appointment as a board  
39 member or for his or her service to the board;

40 b. Board members shall receive no compensation for the  
41 performance of their duties under this subsection, but each  
42 commissioner shall be reimbursed from the funds of the  
43 commission for his or her actual and necessary expenses incurred  
44 in carrying out his or her official duties under this subsection.

45 (c) In the event that any of the board members or officers  
46 of the board whose signatures or facsimile signatures appear on  
47 any credit instrument shall cease to be board members or officers  
48 before the delivery of such credit instrument, their signatures or  
49 facsimile signatures shall be valid and sufficient for all purposes  
50 as if such board members or officers had remained in office until  
51 delivery of such credit instrument.

52 (d) Neither the board members executing the credit  
53 instruments of the board nor any other board members shall be  
54 subject to any personal liability or accountability by reason of the  
55 issuance of the credit instruments.

56 (4) The board is authorized, by offering for public  
57 negotiated sale, to issue, sell, and deliver credit instruments,  
58 bearing interest at a fixed or variable rate as shall be determined  
59 by the board, which shall mature no later than ten years after  
60 issuance, in the name of the board in an amount determined by the  
61 board. Such credit instruments may be issued, sold, and delivered  
62 for the purposes set forth in subdivision (1) of this  
63 subsection. Such credit instrument may only be issued upon the  
64 approval of a resolution authorizing such issuance by a simple  
65 majority of the members of the board, with no other proceedings  
66 required.

67 (5) The board shall provide for the payment of the principal  
68 of the credit instruments, any redemption premiums, the interest  
69 on the credit instruments, and the costs attributable to the credit  
70 instruments being issued or outstanding as provided in this



chapter. Unless the board directs otherwise, the credit instrument shall be repaid in the same time frame and in the same amounts as would be required for loans issued pursuant to 42 U.S.C. Section 1321; however, in no case shall credit instruments be outstanding for more than ten years.

(6) The board may irrevocably pledge money received from the credit instrument and financing agreement repayment surcharge under subsection 3 of section 288.128, and other money legally available to it, which is deposited in an account authorized for credit instrument repayment in the special employment security fund, provided that the general assembly has first appropriated moneys received from such surcharge and other moneys deposited in such account for the payment of credit instruments.

(7) Credit instruments issued under this section shall not constitute debts of this state or of the board or any agency, political corporation, or political subdivision of this state and are not a pledge of the faith and credit of this state, the board or of any of those governmental entities and shall not constitute an indebtedness within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness. The credit instruments are payable only from revenue provided for under this chapter. The credit instruments shall contain a statement to the effect that:

(a) Neither the state nor the board nor any agency, political corporation, or political subdivision of the state shall be obligated to pay the principal or interest on the credit instruments except as provided by this section; and

(b) Neither the full faith and credit nor the taxing power of the state nor the board nor any agency, political corporation, or political subdivision of the state is pledged to the payment of the principal, premium, if any, or interest on the credit instruments.

(8) The board pledges and agrees with the owners of any credit instruments issued under this section that the state will not limit or alter the rights vested in the board to fulfill the terms of any agreements made with the owners or in any way impair the rights and remedies of the owners until the credit instruments are

107 fully discharged.

108 (9) The board may prescribe the form, details, and incidents  
109 of the credit instruments and make such covenants that in its  
110 judgment are advisable or necessary to properly secure the  
111 payment thereof. If such credit instruments shall be authenticated  
112 by the bank or trust company acting as registrar for such by the  
113 manual signature of a duly authorized officer or employee thereof,  
114 the duly authorized officers of the board executing and attesting  
115 such credit instruments may all do so by facsimile signature  
116 provided such signatures have been duly filed as provided in the  
117 uniform facsimile signature of public officials law, sections 105.273  
118 to 105.278, when duly authorized by resolution of the board, and  
119 the provisions of section 108.175 shall not apply to such credit  
120 instruments. The board may provide for the flow of funds and the  
121 establishment and maintenance of separate accounts within the  
122 special employment security fund, including the interest and  
123 sinking account, the reserve account, and other necessary accounts,  
124 and may make additional covenants with respect to the credit  
125 instruments in the documents authorizing the issuance of credit  
126 instruments including refunding credit instruments. The  
127 resolutions authorizing the issuance of credit instruments may also  
128 prohibit the further issuance of credit instruments or other  
129 obligations payable from appropriated moneys or may reserve the  
130 right to issue additional credit instruments to be payable from  
131 appropriated moneys on a parity with or subordinate to the lien  
132 and pledge in support of the credit instruments being issued and  
133 may contain other provisions and covenants as determined by the  
134 board, provided that any terms, provisions or covenants provided  
135 in any resolution of the board shall not be inconsistent with the  
136 provisions of this section.

137 (10) The board may issue credit instruments to refund all  
138 or any part of the outstanding credit instruments issued under this  
139 section including matured but unpaid interest. As with other  
140 credit instruments issued under this section, such refunding credit  
141 instruments may bear interest at a fixed or variable rate as  
142 determined by the board.

143           (11) The credit instruments issued by the board, any  
144 transaction relating to the credit instruments, and profits made  
145 from the sale of the credit instruments are free from taxation by  
146 the state or by any municipality, court, special district, or other  
147 political subdivision of the state.

148           (12) As determined necessary by the board the proceeds of  
149 the credit instruments less the cost of issuance shall be placed in  
150 the state's unemployment compensation fund and may be used for  
151 the purposes for which that fund may otherwise be used. If those  
152 net proceeds are not placed immediately in the unemployment  
153 compensation fund they shall be held in the special employment  
154 security fund in an account designated for that purpose until they  
155 are transferred to the unemployment compensation fund provided  
156 that the proceeds of refunding credit instruments may be placed in  
157 an escrow account or such other account or instrument as  
158 determined necessary by the board.

159           (13) The board may enter into any contract or agreement  
160 deemed necessary or desirable to effectuate cost-effective financing  
161 hereunder. Such agreements may include credit enhancement,  
162 credit support, or interest rate agreements including, but not  
163 limited to, arrangements such as municipal bond insurance; surety  
164 bonds; tax anticipation notes; liquidity facilities; forward  
165 agreements; tender agreements; remarketing agreements; option  
166 agreements; interest rate swap, exchange, cap, lock or floor  
167 agreements; letters of credit; and purchase agreements. Any fees  
168 or costs associated with such agreements shall be deemed  
169 administrative expenses for the purposes of calculating the credit  
170 instrument and financing agreement repayment surcharge under  
171 subsection 3 of section 288.128. The board, with consideration of  
172 all other costs being equal, shall give preference to  
173 Missouri-headquartered financial institutions, or those  
174 out-of-state-based financial institutions with at least one hundred  
175 Missouri employees.

176           (14) To the extent this section conflicts with other laws the  
177 provisions of this section prevail. This section shall not be subject  
178 to the provisions of sections 23.250 to 23.298.

179           (15) If the United States Secretary of Labor holds that a  
180           provision of this subsection or of any provision related to the levy  
181           or use of the credit instrument and financial agreement repayment  
182           surcharge does not conform with a federal statute or would result  
183           in the loss to the state of any federal funds otherwise available to  
184           it the board, in cooperation with the department of labor and  
185           industrial relations, may administer this subsection, and other  
186           provisions related to the credit instrument and financial agreement  
187           repayment surcharge, to conform with the federal statute until the  
188           general assembly meets in its next regular session and has an  
189           opportunity to amend this subsection or other sections, as  
190           applicable.

191           (16) Nothing in this chapter shall be construed to prohibit  
192           the officials of the state from borrowing from the government of the  
193           United States in order to pay unemployment benefits under  
194           subsection 1 of this section or otherwise.

195           (17) (a) As used in this subdivision the term "lender"  
196           means any state or national bank.

197           (b) The board is authorized to enter financial agreements  
198           with any lender for the purposes set forth in subdivision (1) of this  
199           subsection, or to refinance other financial agreements in whole or  
200           in part, upon the approval of the simple majority of the members  
201           of the board of a resolution authorizing such financial agreements,  
202           with no other proceedings required. In no instance shall the  
203           outstanding obligation under any financial agreement continue for  
204           more than ten years. Repayment of obligations to lenders shall be  
205           made from the special employment security fund, section 288.310,  
206           subject to appropriation by the general assembly.

207           (c) Financial agreements entered into under this  
208           subdivision shall not constitute debts of this state or of the board  
209           or any agency, political corporation, or political subdivision of this  
210           state and are not a pledge of the faith and credit of this state, the  
211           board or of any of those governmental entities and shall not  
212           constitute an indebtedness within the meaning of any  
213           constitutional or statutory limitation upon the incurring of  
214           indebtedness. The financial agreements are payable only from

215 revenue provided for under this chapter. The financial agreements  
216 shall contain a statement to the effect that:

217 a. Neither the state nor the board nor any agency, political  
218 corporation, or political subdivision of the state shall be obligated  
219 to pay the principal or interest on the financial agreements except  
220 as provided by this section; and

221 b. Neither the full faith and credit nor the taxing power of  
222 the state nor the board nor any agency, political corporation, or  
223 political subdivision of the state is pledged to the payment of the  
224 principal, premium, if any, or interest on the financial agreements.

225 (d) Neither the board members executing the financial  
226 agreements nor any other board members shall be subject to any  
227 personal liability or accountability by reason of the execution of  
228 such financial agreements.

229 (e) The board may prescribe the form, details and incidents  
230 of the financing agreements and make such covenants that in its  
231 judgment are advisable or necessary to properly secure the  
232 payment thereof provided that any terms, provisions or covenants  
233 provided in any such financing agreement shall not be inconsistent  
234 with the provisions of this section. If such financing agreements  
235 shall be authenticated by the bank or trust company acting as  
236 registrar for such by the manual signature of a duly authorized  
237 officer or employee thereof, the duly authorized officers of the board  
238 executing and attesting such financing agreements may all do so  
239 by facsimile signature provided such signatures have been duly  
240 filed as provided in the uniform facsimile signature of public  
241 officials law, sections 105.273 to 105.278, when duly authorized by  
242 resolution of the board and the provisions of section 108.175 shall  
243 not apply to such financing agreements.

244 (18) The commission may issue credit instruments to refund  
245 all or any part of the outstanding borrowing issued under this  
246 section including matured but unpaid interest.

247 (19) The credit instruments issued by the commission, any  
248 transaction relating to the credit instruments, and profits made  
249 from the issuance of credit are free from taxation by the state or by  
250 any municipality, court, special district, or other political

251 subdivision of the state.

252 3. In event of the suspension of this law, any unobligated  
253 funds in the unemployment compensation fund, and returned by  
254 the United States Treasurer because such Federal Social Security  
255 Act is inoperative, shall be held in custody by the treasurer and  
256 under supervision of the division until the legislature shall provide  
257 for the disposition thereof. In event no disposition is made by the  
258 legislature at the next regular meeting subsequent to suspension  
259 of said law, then all unobligated funds shall be returned ratably to  
260 those who contributed thereto.

261 4. Notwithstanding any other law to the contrary, in the  
262 event that the amount of moneys owed by the fund for total  
263 advancements by the federal government exceeds three hundred  
264 million dollars, the board shall be required to meet to consider  
265 authorizing the issuance, sale, and delivery of credit instruments  
266 pursuant to this section for the entire amount of the debt owed.

267 5. If credit instruments are issued under subsection 4 of  
268 this section, the interest assessment required under section  
269 288.128 shall continue to be paid and used to fully finance such  
270 instruments and shall be paid at the same rate applicable at the  
271 time of issuance for all subsequent years until the credit  
272 instruments are fully financed.]

288.330. 1. Benefits shall be deemed to be due and payable only to the  
2 extent that moneys are available to the credit of the unemployment compensation  
3 fund and neither the state nor the division shall be liable for any amount in  
4 excess of such sums. The governor is authorized to apply for an advance to the  
5 state unemployment fund and to accept the responsibility for the repayment of  
6 such advance in order to secure to this state and its citizens the advantages  
7 available under the provisions of federal law.

8 2. (1) The purpose of this subsection is to provide a method of providing  
9 funds for the payment of unemployment benefits or maintaining an adequate fund  
10 balance in the unemployment compensation fund, and as an alternative to  
11 borrowing or obtaining advances from the federal unemployment trust fund or for  
12 refinancing those loans or advances.

13 (2) For the purposes of this subsection, "credit instrument" means any  
14 type of borrowing obligation issued under this section, including any bonds,

15 commercial line of credit note, tax anticipation note or similar instrument.

16 (3) (a) There is hereby created for the purposes of implementing the  
17 provisions of this subsection a body corporate and politic to be known as the  
18 "Board of Unemployment Fund Financing". The powers of the board shall be  
19 vested in five board members who shall be the governor, lieutenant governor,  
20 attorney general, director of the department of labor **and industrial relations**,  
21 and the commissioner of administration. The board shall have all powers  
22 necessary to effectuate its purposes including, without limitation, the power to  
23 provide a seal, keep records of its proceedings, and provide for professional  
24 services. The governor shall serve as chair, the lieutenant governor shall serve  
25 as vice chair, and the commissioner of administration shall serve as  
26 secretary. Staff support for the board shall be provided by the commissioner of  
27 administration.

28 (b) Notwithstanding the provisions of any other law to the contrary:

29 a. No officer or employee of this state shall be deemed to have forfeited  
30 or shall forfeit his or her office or employment by reason of his or her acceptance  
31 of an appointment as a board member or for his or her service to the board;

32 b. Board members shall receive no compensation for the performance of  
33 their duties under this subsection, but each commissioner shall be reimbursed  
34 from the funds of the commission for his or her actual and necessary expenses  
35 incurred in carrying out his or her official duties under this subsection.

36 (c) In the event that any of the board members or officers of the board  
37 whose signatures or facsimile signatures appear on any credit instrument shall  
38 cease to be board members or officers before the delivery of such credit  
39 instrument, their signatures or facsimile signatures shall be valid and sufficient  
40 for all purposes as if such board members or officers had remained in office until  
41 delivery of such credit instrument.

42 (d) Neither the board members executing the credit instruments of the  
43 board nor any other board members shall be subject to any personal liability or  
44 accountability by reason of the issuance of the credit instruments.

45 (4) The board is authorized, by offering for public negotiated sale, to issue,  
46 sell, and deliver credit instruments, bearing interest at a fixed or variable rate  
47 as shall be determined by the board, which shall mature no later than ten years  
48 after issuance, in the name of the board in an amount determined by the  
49 board. Such credit instruments may be issued, sold, and delivered for the  
50 purposes set forth in subdivision (1) of this subsection. Such credit instrument

51 may only be issued upon the approval of a resolution authorizing such issuance  
52 by a simple majority of the members of the board, with no other proceedings  
53 required.

54 (5) The board shall provide for the payment of the principal of the credit  
55 instruments, any redemption premiums, the interest on the credit instruments,  
56 and the costs attributable to the credit instruments being issued or outstanding  
57 as provided in this chapter. Unless the board directs otherwise, the credit  
58 instrument shall be repaid in the same time frame and in the same amounts as  
59 would be required for loans issued pursuant to 42 U.S.C. Section 1321; however,  
60 in no case shall credit instruments be outstanding for more than ten years.

61 (6) The board may irrevocably pledge money received from the credit  
62 instrument and financing agreement repayment surcharge under subsection 3 of  
63 section 288.128, and other money legally available to it, which is deposited in an  
64 account authorized for credit instrument repayment in the special employment  
65 security fund, provided that the general assembly has first appropriated moneys  
66 received from such surcharge and other moneys deposited in such account for the  
67 payment of credit instruments.

68 (7) Credit instruments issued under this section shall not constitute debts  
69 of this state or of the board or any agency, political corporation, or political  
70 subdivision of this state and are not a pledge of the faith and credit of this state,  
71 the board or of any of those governmental entities and shall not constitute an  
72 indebtedness within the meaning of any constitutional or statutory limitation  
73 upon the incurring of indebtedness. The credit instruments are payable only from  
74 revenue provided for under this chapter. The credit instruments shall contain a  
75 statement to the effect that:

76 (a) Neither the state nor the board nor any agency, political corporation,  
77 or political subdivision of the state shall be obligated to pay the principal or  
78 interest on the credit instruments except as provided by this section; and

79 (b) Neither the full faith and credit nor the taxing power of the state nor  
80 the board nor any agency, political corporation, or political subdivision of the  
81 state is pledged to the payment of the principal, premium, if any, or interest on  
82 the credit instruments.

83 (8) The board pledges and agrees with the owners of any credit  
84 instruments issued under this section that the state will not limit or alter the  
85 rights vested in the board to fulfill the terms of any agreements made with the  
86 owners or in any way impair the rights and remedies of the owners until the



87 credit instruments are fully discharged.

88           (9) The board may prescribe the form, details, and incidents of the credit  
89 instruments and make such covenants that in its judgment are advisable or  
90 necessary to properly secure the payment thereof. If such credit instruments  
91 shall be authenticated by the bank or trust company acting as registrar for such  
92 by the manual signature of a duly authorized officer or employee thereof, the duly  
93 authorized officers of the board executing and attesting such credit instruments  
94 may all do so by facsimile signature provided such signatures have been duly  
95 filed as provided in the uniform facsimile signature of public officials law,  
96 sections 105.273 to 105.278, when duly authorized by resolution of the board, and  
97 the provisions of section 108.175 shall not apply to such credit instruments. The  
98 board may provide for the flow of funds and the establishment and maintenance  
99 of separate accounts within the special employment security fund, including the  
100 interest and sinking account, the reserve account, and other necessary accounts,  
101 and may make additional covenants with respect to the credit instruments in the  
102 documents authorizing the issuance of credit instruments including refunding  
103 credit instruments. The resolutions authorizing the issuance of credit  
104 instruments may also prohibit the further issuance of credit instruments or other  
105 obligations payable from appropriated moneys or may reserve the right to issue  
106 additional credit instruments to be payable from appropriated moneys on a parity  
107 with or subordinate to the lien and pledge in support of the credit instruments  
108 being issued and may contain other provisions and covenants as determined by  
109 the board, provided that any terms, provisions or covenants provided in any  
110 resolution of the board shall not be inconsistent with the provisions of this  
111 section.

112           (10) The board may issue credit instruments to refund all or any part of  
113 the outstanding credit instruments issued under this section including matured  
114 but unpaid interest. As with other credit instruments issued under this section,  
115 such refunding credit instruments may bear interest at a fixed or variable rate  
116 as determined by the board.

117           (11) The credit instruments issued by the board, any transaction relating  
118 to the credit instruments, and profits made from the sale of the credit  
119 instruments are free from taxation by the state or by any municipality, court,  
120 special district, or other political subdivision of the state.

121           (12) As determined necessary by the board the proceeds of the credit  
122 instruments less the cost of issuance shall be placed in the state's unemployment

123 compensation fund and may be used for the purposes for which that fund may  
124 otherwise be used. If those net proceeds are not placed immediately in the  
125 unemployment compensation fund they shall be held in the special employment  
126 security fund in an account designated for that purpose until they are transferred  
127 to the unemployment compensation fund provided that the proceeds of refunding  
128 credit instruments may be placed in an escrow account or such other account or  
129 instrument as determined necessary by the board.

130 (13) The board may enter into any contract or agreement deemed  
131 necessary or desirable to effectuate cost-effective financing hereunder. Such  
132 agreements may include credit enhancement, credit support, or interest rate  
133 agreements including, but not limited to, arrangements such as municipal bond  
134 insurance; surety bonds; tax anticipation notes; liquidity facilities; forward  
135 agreements; tender agreements; remarketing agreements; option agreements;  
136 interest rate swap, exchange, cap, lock or floor agreements; letters of credit; and  
137 purchase agreements. Any fees or costs associated with such agreements shall  
138 be deemed administrative expenses for the purposes of calculating the credit  
139 instrument and financing agreement repayment surcharge under subsection 3 of  
140 section 288.128. The board, with consideration of all other costs being equal,  
141 shall give preference to Missouri-headquartered financial institutions, or those  
142 out-of-state-based financial institutions with at least one hundred Missouri  
143 employees.

144 (14) To the extent this section conflicts with other laws the provisions of  
145 this section prevail. This section shall not be subject to the provisions of sections  
146 23.250 to 23.298.

147 (15) If the United States Secretary of Labor holds that a provision of this  
148 subsection or of any provision related to the levy or use of the credit instrument  
149 and financial agreement repayment surcharge does not conform with a federal  
150 statute or would result in the loss to the state of any federal funds otherwise  
151 available to it the board, in cooperation with the department of labor and  
152 industrial relations, may administer this subsection, and other provisions related  
153 to the credit instrument and financial agreement repayment surcharge, to  
154 conform with the federal statute until the general assembly meets in its next  
155 regular session and has an opportunity to amend this subsection or other  
156 sections, as applicable.

157 (16) Nothing in this chapter shall be construed to prohibit the officials of  
158 the state from borrowing from the government of the United States in order to

159 pay unemployment benefits under subsection 1 of this section or otherwise.

160 (17) (a) As used in this subdivision the term "lender" means any state or  
161 national bank.

162 (b) The board is authorized to enter financial agreements with any lender  
163 for the purposes set forth in subdivision (1) of this subsection, or to refinance  
164 other financial agreements in whole or in part, upon the approval of the simple  
165 majority of the members of the board of a resolution authorizing such financial  
166 agreements, with no other proceedings required. In no instance shall the  
167 outstanding obligation under any financial agreement continue for more than ten  
168 years. Repayment of obligations to lenders shall be made from the special  
169 employment security fund, section 288.310, subject to appropriation by the  
170 general assembly.

171 (c) Financial agreements entered into under this subdivision shall not  
172 constitute debts of this state or of the board or any agency, political corporation,  
173 or political subdivision of this state and are not a pledge of the faith and credit  
174 of this state, the board or of any of those governmental entities and shall not  
175 constitute an indebtedness within the meaning of any constitutional or statutory  
176 limitation upon the incurring of indebtedness. The financial agreements are  
177 payable only from revenue provided for under this chapter. The financial  
178 agreements shall contain a statement to the effect that:

179 a. Neither the state nor the board nor any agency, political corporation,  
180 or political subdivision of the state shall be obligated to pay the principal or  
181 interest on the financial agreements except as provided by this section; and

182 b. Neither the full faith and credit nor the taxing power of the state nor  
183 the board nor any agency, political corporation, or political subdivision of the  
184 state is pledged to the payment of the principal, premium, if any, or interest on  
185 the financial agreements.

186 (d) Neither the board members executing the financial agreements nor  
187 any other board members shall be subject to any personal liability or  
188 accountability by reason of the execution of such financial agreements.

189 (e) The board may prescribe the form, details and incidents of the  
190 financing agreements and make such covenants that in its judgment are  
191 advisable or necessary to properly secure the payment thereof provided that any  
192 terms, provisions or covenants provided in any such financing agreement shall  
193 not be inconsistent with the provisions of this section. If such financing  
194 agreements shall be authenticated by the bank or trust company acting as

195 registrar for such by the manual signature of a duly authorized officer or  
196 employee thereof, the duly authorized officers of the board executing and  
197 attesting such financing agreements may all do so by facsimile signature provided  
198 such signatures have been duly filed as provided in the uniform facsimile  
199 signature of public officials law, sections 105.273 to 105.278, when duly  
200 authorized by resolution of the board and the provisions of section 108.175 shall  
201 not apply to such financing agreements.

202 (18) The commission may issue credit instruments to refund all or any  
203 part of the outstanding borrowing issued under this section including matured  
204 but unpaid interest.

205 (19) The credit instruments issued by the commission, any transaction  
206 relating to the credit instruments, and profits made from the issuance of credit  
207 are free from taxation by the state or by any municipality, court, special district,  
208 or other political subdivision of the state.

209 3. In event of the suspension of this law, any unobligated funds in the  
210 unemployment compensation fund, and returned by the United States Treasurer  
211 because such Federal Social Security Act is inoperative, shall be held in custody  
212 by the treasurer and under supervision of the division until the legislature shall  
213 provide for the disposition thereof. In event no disposition is made by the  
214 legislature at the next regular meeting subsequent to suspension of said law, then  
215 all unobligated funds shall be returned ratably to those who contributed thereto.

216 4. [For purposes of this section, as contained in senate substitute no. 2 for  
217 senate committee substitute for house substitute for house committee substitute  
218 for house bill nos. 1268 and 1211, ninety-second general assembly, second regular  
219 session, the revisor of statutes shall renumber subdivision (16) of subsection 2 of  
220 such section as subdivision (17) of such subsection and renumber subdivision (17)  
221 of subsection 2 of such section as subdivision (16) of such subsection.]  
222 **Notwithstanding any other law to the contrary, in the event that the**  
223 **amount of moneys owed by the fund for total advancements by the**  
224 **federal government exceeds three hundred million dollars, the board**  
225 **shall be required to meet to consider authorizing the issuance, sale, and**  
226 **delivery of credit instruments pursuant to this section for the entire**  
227 **amount of the debt owed.**

228 5. If credit instruments are issued under subsection 4 of this  
229 section, the interest assessment required under section 288.128 shall  
230 continue to be paid and used to fully finance such instruments and

231 shall be paid at the same rate applicable at the time of issuance for all  
232 subsequent years until the credit instruments are fully financed.

✓

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Bill

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