

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 79

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE EMPLOYMENT SECURITY LAW; AMENDING SECTION 72-1347B, IDAHO  
2 CODE, TO DELETE LANGUAGE REGARDING AMOUNTS THAT HAVE BEEN OBLIGATED  
3 PURSUANT TO LETTERS OF INTENT FOR PROPOSED JOB TRAINING PROJECTS THAT IS  
4 USED IN CALCULATING THE FUND BALANCE OF THE TRAINING FUND AND TO EXTEND  
5 THE SUNSET PROVISION TO JANUARY 1, 2018.  
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 72-1347B, Idaho Code, be, and the same is hereby  
9 amended to read as follows:

10 72-1347B. WORKFORCE DEVELOPMENT TRAINING FUND. (1) There is estab-  
11 lished in the state treasury a special trust fund, separate and apart from  
12 all other public funds of this state, to be known as the workforce develop-  
13 ment training fund, hereinafter "training fund." Except as provided herein,  
14 all proceeds from the training tax defined in subsection (4) of this sec-  
15 tion shall be paid into the training fund. The state treasurer shall be the  
16 custodian of the training fund and shall invest said moneys in accordance  
17 with law. Any interest earned on the moneys in the training fund shall be  
18 deposited in the training fund. Moneys in the training fund shall be dis-  
19 bursed in accordance with the directions of the director. In any month when  
20 the unencumbered balance in the training fund exceeds six million dollars  
21 (\$6,000,000), the excess amount over six million dollars (\$6,000,000) shall  
22 be transferred to the employment security reserve fund, section 72-1347A,  
23 Idaho Code. For the purposes of this subsection (1), the unencumbered bal-  
24 ance in the training fund is the balance in such fund reduced by the sum of:

25 (a) The amounts that have been obligated pursuant to fully-executed  
26 workforce development training fund contracts; and

27 ~~(b) The amounts that have been obligated pursuant to letters of intent  
28 for proposed job training projects; and~~

29 ~~(c) Any administrative costs related to the training fund that are due  
30 and payable.~~

31 (2) All moneys in the training fund are perpetually appropriated to the  
32 director for expenditure in accordance with the provisions of this section.  
33 The purpose of the training fund is to provide or expand training and re-  
34 training opportunities in an expeditious manner that would not otherwise ex-  
35 ist for Idaho's workforce. The training fund is intended to supplement, but  
36 not to supplant or compete with, money available through existing training  
37 programs. The moneys in the training fund shall be used for the following  
38 purposes:

39 (a) To provide training for skills necessary for specific economic op-  
40 portunities and industrial expansion initiatives;

41 (b) To provide training to upgrade the skills of currently employed  
42 workers at risk of being permanently laid off;

1 (c) For refunds of training taxes erroneously collected and deposited  
2 in the workforce training fund;

3 (d) For all administrative expenses incurred by the department associ-  
4 ated with the collection of the training tax and any other administra-  
5 tive expenses associated with the training fund.

6 (3) Expenditures from the training fund for purposes authorized in  
7 paragraphs (a) and (b) of subsection (2) of this section shall be approved  
8 by the director, and the director of the department of commerce, in con-  
9 sultation with the office of the governor, based on procedures, criteria  
10 and performance measures established by the council appointed pursuant to  
11 section 72-1336, Idaho Code. The activities funded by the training fund  
12 will be coordinated with similar activities funded by the state division  
13 of professional-technical education. Expenditures from the training fund  
14 for purposes authorized in paragraphs (c) and (d) of subsection (2) of this  
15 section shall be approved by the director. The director shall pay all ap-  
16 proved expenditures as long as the training fund has a positive balance. The  
17 council shall report annually to the governor and the joint finance-appro-  
18 priations committee the commitments and expenditures made from the training  
19 fund in the preceding fiscal year and the results of the activities funded by  
20 the training fund.

21 (4) A training tax is hereby imposed on all covered employers required  
22 to pay contributions pursuant to section 72-1350, Idaho Code, with the ex-  
23 ception of deficit employers who have been assigned a taxable wage rate from  
24 rate class six pursuant to section 72-1350, Idaho Code. The training tax  
25 rate shall be equal to three percent (3%) of the taxable wage rate then in ef-  
26 fect for each eligible, standard-rated and deficit employer. The training  
27 tax shall be due and payable at the same time and in the same manner as con-  
28 tributions. This subsection is repealed effective January 1, 2012~~8~~, unless,  
29 prior to that date, the Idaho legislature approves the continuation of this  
30 subsection by repeal of this sunset clause.

31 (5) The provisions of this chapter which apply to the payment and col-  
32 lection of contributions also apply to the payment and collection of the  
33 training tax, including the same calculations, assessments, method of pay-  
34 ment, penalties, interest, costs, liens, injunctive relief, collection  
35 procedures and refund procedures. In the administration of the provisions  
36 of this section, the director is granted all rights, authority, and pre-  
37 rogatives granted under the provisions of this chapter. Moneys collected  
38 from an employer delinquent in paying contributions, reserve taxes and the  
39 training tax shall first be applied to any penalty and interest imposed pur-  
40 suant to the provisions of this chapter and shall then be applied pro rata to  
41 delinquent contributions to the employment security fund, section 72-1346,  
42 Idaho Code, delinquent reserve taxes to the reserve fund, section 72-1347A,  
43 Idaho Code, and delinquent training taxes to the training fund. Any interest  
44 and penalties collected pursuant to this subsection shall be paid into the  
45 state employment security administrative and reimbursement fund, section  
46 72-1348, Idaho Code, and any interest or penalties refunded under this sub-  
47 section shall be paid out of that same fund. Training taxes paid pursuant  
48 to this section shall not be credited to the employer's experience rating  
49 account and may not be deducted by any employer from the wages of individuals  
50 in its employ. All training taxes shall be deposited in the clearing account

1 of the employment security fund, section 72-1346, Idaho Code, for clearance  
2 only and shall not become part of such fund. After clearance, the moneys  
3 shall be deposited in the training fund established in subsection (1) of this  
4 section.

5 (6) Administrative costs related to the training fund shall be paid  
6 from the training fund in accordance with subsection (3) of this section.