

2021 Regular Session

SENATE CONCURRENT RESOLUTION NO. 3

BY SENATOR REESE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

EMPLOYMENT. Suspends certain provisions of law relative to unemployment tax increases and benefit reductions.

1 A CONCURRENT RESOLUTION

2 To suspend until sixty days after final adjournment of the 2022 Regular Session of the
3 Legislature the provisions of R.S. 23:1474(C), (G)(3), and (H) providing for the
4 determination of the unemployment insurance taxable wage base, maximum weekly
5 benefit amount, and formula for the calculation of benefits for the 2022 calendar
6 year.

7 WHEREAS, present law requires that each September the Revenue Estimating
8 Conference meet to adopt a projected balance of the state's unemployment compensation
9 trust fund for one year into the future and for the secretary of the Louisiana Workforce
10 Commission to take the lower amount of that projection and the actual September first
11 balance in the current year to use in determining the taxable wage base, maximum weekly
12 benefit amount, and formula for calculating benefits for the upcoming calendar year; and

13 WHEREAS, as the balance in the state's unemployment compensation trust fund
14 declines, payroll taxes increase on businesses and benefits decrease for unemployed workers
15 and as the balance in the trust fund rises, payroll taxes decrease on businesses and benefits
16 increase for unemployed workers; and

17 WHEREAS, the state of Louisiana is still recovering from the serious blow dealt by
18 the unprecedented pandemic known as the novel coronavirus or COVID-19; and

1 WHEREAS, as a result of the COVID-19 pandemic, in January of this year
2 approximately one hundred ninety-seven thousand jobless Louisiana workers received
3 federal or state unemployment compensation benefits compared to about seventeen thousand
4 jobless workers in January of 2020, leaving a staggering economic impact on businesses and
5 residents statewide; and

6 WHEREAS, in an effort to slow the spread of the novel coronavirus, a series of
7 executive orders was issued that resulted in a statewide shutdown of nonessential businesses
8 and operations causing an increase in the number of individuals who have filed for
9 unemployment benefits; and

10 WHEREAS, the unemployment compensation trust fund balance was approximately
11 one billion fifty million dollars at the start of the COVID-19 pandemic, and had a balance
12 of only forty-eight million dollars as of September 25, 2020; and

13 WHEREAS, the state's unemployment compensation trust fund was insolvent by
14 October 5, 2020, and the commission is required to pay valid claims whether the fund is
15 solvent or not and has paid more than one billion dollars in claims since March 2020; and

16 WHEREAS, insolvency of the unemployment compensation trust fund will not stop
17 benefits to unemployed Louisiana workers and the fund's diminished capacity and
18 subsequent insolvency will, by law, trigger undesirable effects, including a drop in weekly
19 benefit payments to unemployed workers and an increase in taxes to businesses; and

20 WHEREAS, Louisiana businesses are recovering from the challenges presented by
21 this unprecedented health and economic crisis and continue to struggle to strengthen the
22 state's economy so workers can return to earning a living in the months ahead and into 2022;
23 and

24 WHEREAS, in an effort to stabilize unemployment taxes on businesses and
25 unemployment benefits to unemployed workers, it is necessary to temporarily suspend
26 present law procedures that trigger those consequences.

27 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends
28 the provisions of R.S. 23:1474(C), (G)(3), and (H) providing for the determination of the
29 unemployment insurance taxable wage base, maximum weekly benefit amount, and formula
30 for the calculation of benefits.

1 BE IT FURTHER RESOLVED that this suspension shall become effective upon
 2 adoption of this Resolution and shall extend through the sixtieth day after final adjournment
 3 of the 2022 Regular Session of the Legislature of Louisiana.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Yoursheka George.

DIGEST

SCR 3 Original

2021 Regular Session

Reese

Suspends present law that provides after the Revenue Estimating Conference's adoption of its official projection of the state unemployment trust fund balance for September first of the next calendar year, the administrator shall make certain determinations and thereafter apply the proper procedure, as set forth in present law, to the next calendar year beginning January first for maximum dollar amount of wages, maximum weekly benefit amount, with any applicable discounts, and the formula for the computation of benefits.

Suspends present law that requires the Revenue Estimating Conference, in September of each year, to adopt its official projection of the state unemployment trust fund balance for September first of the next calendar year and report to the La. Workforce Commission its official projection not later than September 30th.

Effective through the 60th day following the 2022 R.S.

(Suspends R.S. 23:1474(C), (G)(3), and (H))