

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: H4/15/21
A Bill

HOUSE BILL 1676

By: Representative McCollum

By: Senators Hester, Gilmore, Irvin

For An Act To Be Entitled

AN ACT TO PROTECT THE SOLVENCY OF THE UNEMPLOYMENT
COMPENSATION FUND; TO ENHANCE ECONOMIC
COMPETITIVENESS AND FINANCIAL STABILITY BY INDEXING
UNEMPLOYMENT BENEFITS TO THE STATE UNEMPLOYMENT RATE;
TO AMEND THE MAXIMUM BENEFIT AMOUNT UNDER THE
DIVISION OF WORKFORCE SERVICES LAW; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND LAWS RELEVANT TO UNEMPLOYMENT
BENEFITS UNDER THE DIVISION OF WORKFORCE
SERVICES LAW.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) The Unemployment Compensation Fund of the State of Arkansas has suffered due to the coronavirus 2019 (COVID-19) pandemic and the resulting public health emergency;

(2) The resulting public health emergency caused by the coronavirus 2019 (COVID-19) pandemic has dramatically increased unemployment;

(3) The increase in unemployment in the State of Arkansas necessitates public policy solutions to improve the solvency and financial stability of the fund;

(4) The State of Arkansas and its government have a strong



commitment to maintaining the solvency and financial stability of the fund;

(5) Other states that index unemployment benefits to state economic conditions have improved outcomes for solvency, unemployment program costs, unemployment taxes, and job creation compared to states that do not index unemployment benefits to state economic conditions; and

(6) Public policies that foster economic growth and reward work are more crucial than ever at a time when the State of Arkansas, like every other state in the United States, is seeking a strong recovery from the coronavirus 2019 (COVID-19) pandemic and resulting public health emergency.

SECTION 2. Arkansas Code § 11-10-504(a), concerning the maximum unemployment benefits payable, is amended to read as follows:

(a) For initial claims filed on or after ~~January 1, 2018~~ January 1, 2023, the maximum potential benefits of an insured worker in a benefit year shall be the amount equal to the lesser of:

(1) ~~Sixteen (16) times his or her weekly benefit amount~~ Twelve (12) times his or her weekly benefit amount if the state unemployment rate is at or below five and five-tenths percent (5.5%); ~~or~~

(2) Thirteen (13) times his or her weekly benefit amount if the state unemployment rate is at or below six percent (6%);

(3) Fourteen (14) times his or her weekly benefit amount if the state unemployment rate is at or below six and five-tenths percent (6.5%);

(4) Fifteen (15) times his or her weekly benefit amount if the state unemployment rate is at or below seven percent (7%);

(5) Sixteen (16) times his or her weekly benefit amount if the state unemployment rate is above seven percent (7%); or

(6) One-third (1/3) of his or her wages for insured work in his or her base period.

SECTION 3. Effective date.

This act shall be effective on and after January 1, 2023.

SECTION 4. DO NOT CODIFY. TEMPORARY LANGUAGE.

(a) The Division of Workforce Services shall promulgate rules necessary to implement this act.

(b) When adopting the initial rules to implement this act, the final

rule shall be filed with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before January 1, 2023; or

(2) If approval under § 10-3-309 has not occurred by January 1, 2023, as soon as practicable after approval under § 10-3-309.

(c) The Division of Workforce Services shall file the proposed rule with the Legislative Council under § 10-3-309(c) sufficiently in advance of January 1, 2023, so that the Legislative Council may consider the rule for approval before January 1, 2023.

/s/McCollum