

LFC Requester:	Kelly Klundt
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**AGENCY BILL ANALYSIS
2016 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original <input type="checkbox"/>	Amendment <input type="checkbox"/>	Date <u>2/10/2016</u>
Correction <input type="checkbox"/>	Substitute <input checked="" type="checkbox"/>	Bill No: <u>HB 283</u>

Sponsor: <u>Committee Substitute</u>	Agency Code: <u>305</u>
Short <u>Unemployment Compensation</u>	Person Writing <u>Susan Sullivan AAG</u>
<u>Contribution Rates</u>	Phone: <u>827-6070</u> Email <u>ssullivan@nmag.gov</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

Synopsis:

HB 283, House Business and Employment Committee Substitute, enacts a provision to amend Section 51-1-11, NMSA 1978.

The substitution for HB 283 removes the temporary nature of the original bill. It provides an adjustment to the employer’s contribution rate for each year beginning with third-quarter reporting for 2016 and removes the termination date of 2018.

HB 283 substitution maintains the substance of the original bill which is to enact changes to the formula used in calculating employers’ unemployment tax rates. It changes the language related to employer’s reserve to clarify that that the immediately preceding fiscal years can be considered up to a maximum of three fiscal years.

HB 283 substitution maintains the provision to limit an employer’s total potential rate increase to no more than 2% from one calendar year to the next.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo. The contribution rate will be determined pursuant to the existing formula.

AMENDMENTS