

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 154

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO THE EMPLOYMENT SECURITY LAW; AMENDING SECTION 72-1372, IDAHO CODE, TO PROVIDE A CIVIL PENALTY FOR PROFESSIONAL EMPLOYERS WHO FAILED TO FILE QUARTERLY WAGE REPORTS AND TO MAKE A TECHNICAL CORRECTION.

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

SECTION 1. That Section 72-1372, Idaho Code, be, and the same is hereby amended to read as follows:

72-1372. CIVIL PENALTIES. (1) The following civil penalties shall be assessed by the director:

(a) If a determination is made finding that an employer willfully filed a false report, a monetary penalty equal to one hundred percent (100%) of the amount that would be due if the employer had filed a correct report or two hundred fifty dollars (\$250), whichever is greater, shall be added to the liability of the employer for each quarter for which the employer willfully filed a false report. For the purposes of this section, a false report includes, but is not limited to, a report for a period wherein an employer pays remuneration for personal services which meets the definition of "wages" under section 72-1328, Idaho Code, and the payment is concealed, hidden, or otherwise not reported to the department.

(b) If a determination is made finding that an employer willfully failed to file the employer's quarterly unemployment insurance tax report when due, the director shall assess a monetary penalty equal to:

(i) Seventy-five dollars (\$75.00) or twenty-five percent (25%) of the amount that would be due if the employer had filed a timely quarterly report, whichever is greater, if the employer had not been found in any previous determination to have willfully failed to file a timely quarterly report for any of the sixteen (16) preceding consecutive calendar quarters; or

(ii) One hundred fifty dollars (\$150) or fifty percent (50%) of the amount that would be due if the employer had filed a timely quarterly report, whichever is greater, if the employer had been found in any previous determination to have willfully failed to file a timely quarterly report for no more than one (1) of the sixteen (16) preceding consecutive calendar quarters; or

(iii) Two hundred fifty dollars (\$250) or one hundred percent (100%) of the amount that would be due if the employer had filed a timely quarterly report, whichever is greater, if the employer had been found in any previous determination or determinations to have willfully failed to file a timely quarterly report for two (2) or more of the sixteen (16) preceding consecutive calendar quarters.

1 (c) If a determination is made finding that an employer, or any offi-
2 cer or agent or employee of the employer with the employer's knowledge,
3 willfully made a false statement or representation or willfully failed
4 to report a material fact when submitting facts to the department
5 concerning a claimant's separation from the employer, a penalty in
6 an amount equal to ten (10) times the weekly benefit amount of such
7 claimant shall be added to the liability of the employer.

8 (d) If a determination is made finding that an employer has induced, so-
9 licited, coerced or colluded with an employee or former employee to file
10 a false or fraudulent claim for benefits under this chapter, a penalty
11 in an amount equal to ten (10) times the weekly benefit amount of such
12 employee or former employee shall be added to the liability of the em-
13 ployer.

14 (e) If a determination is made finding that an employer failed to com-
15 plete and submit an Idaho business registration form when due, as re-
16 quired by section 72-1337(1), Idaho Code, a penalty of five hundred dol-
17 lars (\$500) shall be assessed against the employer.

18 (f) For purposes of paragraphs (c) and (d) of this subsection (1), the
19 term "weekly benefit amount" means the amount calculated pursuant to
20 section 72-1367(2), Idaho Code.

21 (g) If a determination is made finding that a person has made any unau-
22 thorized disclosure of employment security information in violation of
23 the provisions of chapter 3, title 9, Idaho Code, or section 72-1342,
24 Idaho Code, or rules promulgated thereunder, a penalty of five hundred
25 dollars (\$500) for each act of unauthorized disclosure shall be as-
26 sessed against the person.

27 (h) If a determination is made finding that a professional employer
28 failed to submit a separate quarterly wage report for each client as
29 required in section 72-1349B(4), Idaho Code, the director shall assess
30 a monetary penalty equal to one hundred dollars (\$100) for each client
31 not separately reported by the professional employer; provided that the
32 maximum penalty for any quarter shall not exceed five thousand dollars
33 (\$5,000).

34 (2) At the discretion of the director, the department may waive all or
35 any part of the penalties imposed pursuant to subsections (1)~~(a) through~~
36 ~~(1)(f)~~ of this section if the employer shows to the satisfaction of the di-
37 rector that it had good cause for failing to comply with the requirements of
38 this chapter and rules promulgated thereunder.

39 (3) Determinations imposing civil penalties pursuant to this section
40 shall be served in accordance with section 72-1368(5), Idaho Code. Penal-
41 ties imposed pursuant to this section shall be due and payable twenty (20)
42 days after the date the determination was served unless an appeal is filed
43 in accordance with section 72-1368, Idaho Code, and rules promulgated there-
44 under. Such appeals shall be conducted in accordance with section 72-1368,
45 Idaho Code, and rules promulgated thereunder.

46 (4) Civil penalties imposed by this section shall be in addition to any
47 other penalties authorized by this chapter. The provisions of this chap-
48 ter that apply to the collection of contributions, and the rules promulgated
49 thereunder, shall also apply to the collection of penalties imposed pursuant
50 to this section. Amounts collected pursuant to this section shall be paid

1 into the state employment security administrative and reimbursement fund as
2 established by section 72-1348, Idaho Code.