

IN THE SENATE

SENATE BILL NO. 1288

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO EMPLOYMENT SECURITY LAW; AMENDING SECTION 72-1347B, IDAHO CODE,  
2 TO REMOVE LANGUAGE FOR TRANSFERRING TRAINING FUNDS TO THE EMPLOYMENT  
3 SECURITY RESERVE FUND, TO REVISE LANGUAGE DESCRIBING APPROPRIATE USES  
4 FOR THE TRAINING FUND, TO EXTEND THE SUNSET PROVISION, TO PROVIDE COR-  
5 RECT CODE REFERENCES AND TO MAKE A TECHNICAL CORRECTION.  
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 (47) 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) Any administrative costs related to the training fund that are due~~  
28 ~~and payable.~~

29 (2) All moneys in the training fund are ~~perpetually~~ appropriated to the  
30 ~~director~~ department of labor for expenditure in accordance with the provi-  
31 sions of this section. The purpose of the training fund is to provide or  
32 expand training and retraining opportunities in an expeditious manner that  
33 would not otherwise exist for Idaho's workforce. The training fund is in-  
34 tended to supplement, but not to supplant or compete with, money available  
35 through existing training programs. The moneys in the training fund shall be  
36 used for the following purposes:

37 (a) To provide training and retraining for skills necessary for spe-  
38 cific economic opportunities and industrial expansion initiatives;

39 (b) To provide training to upgrade the skills of currently employed  
40 workers at risk of being permanently laid off innovative training so-  
41 lutions to meet industry specific workforce needs or local workforce  
42 challenges;

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 consul-  
9 tation with the office of the governor, based on procedures, criteria and  
10 performance measures established by the council appointed pursuant to sec-  
11 tion 72-1336, Idaho Code. ~~The activities funded by the training fund will be~~  
12 ~~coordinated with similar activities funded by the state division of profes-~~  
13 ~~sional-technical education.~~

14 (4) Expenditures from the training fund for purposes authorized in  
15 paragraphs (c) and (d) of subsection (2) of this section shall be approved by  
16 the director. The director shall pay all approved expenditures as long as  
17 the training fund has a positive balance.

18 (5) The activities funded by the training fund will be coordinated with  
19 similar activities funded by the state division of professional-technical  
20 education.

21 (6) The council shall report annually to the governor and the joint fi-  
22 nance-appropriations committee the commitments and expenditures made from  
23 the training fund in the preceding fiscal year and the results of the activi-  
24 ties funded by the training fund.

25 (47) A training tax is hereby imposed on all covered employers required  
26 to pay contributions pursuant to section 72-1350, Idaho Code, with the ex-  
27 ception of deficit employers who have been assigned a taxable wage rate from  
28 rate class six pursuant to section 72-1350, Idaho Code. The training tax  
29 rate shall be equal to three percent (3%) of the taxable wage rate then in ef-  
30 fect for each eligible, standard-rated and deficit employer. The training  
31 tax shall be due and payable at the same time and in the same manner as contri-  
32 butions. This subsection is repealed effective January 1, 2018~~22~~, unless,  
33 prior to that date, the Idaho legislature approves the continuation of this  
34 subsection by repeal of this sunset clause.

35 (58) The provisions of this chapter which apply to the payment and  
36 collection of contributions also apply to the payment and collection of  
37 the training tax, including the same calculations, assessments, method of  
38 payment, penalties, interest, costs, liens, injunctive relief, collection  
39 procedures and refund procedures. In the administration of the provisions  
40 of this section, the director is granted all rights, authority, and pre-  
41 rogatives granted under the provisions of this chapter. Moneys collected  
42 from an employer delinquent in paying contributions, reserve taxes and the  
43 training tax shall first be applied to any penalty and interest imposed pur-  
44 suant to the provisions of this chapter and shall then be applied pro rata to  
45 delinquent contributions to the employment security fund, section 72-1346,  
46 Idaho Code, delinquent reserve taxes to the reserve fund, section 72-1347A,  
47 Idaho Code, and delinquent training taxes to the training fund. Any interest  
48 and penalties collected pursuant to this subsection shall be paid into the  
49 state employment security administrative and reimbursement fund, section  
50 72-1348, Idaho Code, and any interest or penalties refunded under this sub-

1 section shall be paid out of that same fund. Training taxes paid pursuant  
2 to this section shall not be credited to the employer's experience rating  
3 account and may not be deducted by any employer from the wages of individuals  
4 in its employ. All training taxes shall be deposited in the clearing account  
5 of the employment security fund, section 72-1346, Idaho Code, for clearance  
6 only and shall not become part of such fund. After clearance, the moneys  
7 shall be deposited in the training fund established in subsection (1) of this  
8 section.

9 (69) Administrative costs related to the training fund shall be paid  
10 from the training fund in accordance with subsection (34) of this section.