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CHAPTER 33.

EMPLOYMENT SECURITY‑‑FUNDS

ARTICLE 1.

UNEMPLOYMENT COMPENSATION FUND

**SECTION 41‑33‑10.** Creation and content of unemployment compensation fund.

There is established a special fund, to be known as the unemployment compensation fund, which shall be administered separate and apart from all public moneys or funds of the State. This fund shall consist of:

(1) All contributions and payments in lieu of contributions collected under Chapters 27 through 41 of this Title;

(2) Interest earned upon any moneys in the fund;

(3) Any property or securities acquired through the use of moneys belonging to the fund;

(4) All earnings of such property or securities;

(5) All money credited to this State’s account in the unemployment trust fund pursuant to Section 903 of the Social Security Act, as amended;

(6) All money received from the Federal Government as reimbursements pursuant to Section 204 of the Federal‑State Extended Compensation Act of 1970; and

(7) All money received for the fund from any other source. All money in the fund shall be commingled and undivided.

**SECTION 41‑33‑20.** Commission shall control fund.

Subject to the provisions of Chapters 27 through 41 of this Title the Commission is invested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts, whether or not herein specifically designated, which are necessary or convenient in the administration thereof consistent with the provisions of such Chapters.

**SECTION 41‑33‑30.** State Treasurer shall handle fund and issue warrants upon it.

The State Treasurer shall be ex officio treasurer and custodian of the fund and he shall administer the fund in accordance with the directions of the Commission and shall issue his warrants upon it in accordance with such regulations as the Commission shall prescribe.

**SECTION 41‑33‑40.** Three separate accounts; collections credited to clearing account.

All moneys in the fund shall be mingled and undivided, but the State Treasurer shall maintain within the fund three separate accounts: (a) A clearing account, (b) an unemployment trust fund account and (c) a benefit account. All moneys payable to the fund shall, upon receipt thereof by the Commission be forwarded to the State Treasurer who shall immediately credit them to the clearing account.

**SECTION 41‑33‑45.** Annual reports.

The commission shall report, by October first of each year, to the Senate Finance Committee and to the House Ways and Means Committee the amount in the unemployment trust fund and make an assessment of its funding level.

**SECTION 41‑33‑50.** Transfer of funds to United States Secretary of the Treasury for Federal unemployment trust fund.

After clearance thereof, all moneys in the clearing account other than such as may have been refunded pursuant to Section 41‑31‑360 or item (6) of Section 41‑27‑260 shall be immediately deposited with the Secretary of the Treasury of the United States to the credit of the account of this State in the unemployment trust fund, established and maintained pursuant to Section 904 of the Social Security Act, as amended, any provisions of law in this State relating to the deposit, administration, release or disbursement of moneys in the possession or custody of this State to the contrary notwithstanding.

**SECTION 41‑33‑60.** Withdrawals from unemployment trust fund shall constitute benefit account.

The benefit account consists of all monies requisitioned from this state’s account in the unemployment trust fund and no monies may be withdrawn from the unemployment trust fund for the payment of any interest accrued on advances granted to the State under Title XII of the Social Security Act for the purposes of this chapter, and this interest must be paid from sources other than the unemployment trust fund.

**SECTION 41‑33‑70.** Deposit of moneys in clearing and benefit accounts.

Except as otherwise provided in Chapters 27 through 41 of this Title, moneys in the clearing and benefit accounts may be deposited in any depository bank in which general funds of the State may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. Moneys of the unemployment compensation fund when in the clearing account or benefit account shall not be commingled with other State funds but shall be maintained in separate accounts on the books of the depository bank or banks handling these accounts and shall be secured by such bank or banks by such securities or surety bond as are required by law of depositories of State funds and the collateral pledged shall be maintained in a separate custody account.

**SECTION 41‑33‑80.** Moneys shall be requisitioned from State’s account in unemployment trust fund for payment of benefits and refunds.

Except as provided in Section 41‑33‑180, monies must be requisitioned from this state’s account in the unemployment trust fund solely for the payment of benefits or refunds pursuant to Section 41‑31‑360 or item (6) of Section 41‑27‑260 and in accordance with regulations prescribed by the commission, except that money credited to this account pursuant to Section 903 of the Social Security Act, as amended, must be used exclusively as provided in Sections 41‑33‑130 to 41‑33‑160.

**SECTION 41‑33‑90.** Requisitions by Commission on State Treasurer.

The Commission shall from time to time issue its requisition for a lump sum amount for the payment of benefits or refunds upon the Comptroller General who shall draw his warrant on the State Treasurer in the form provided by law. The Treasurer shall pay such amount to the Commission by a check drawn on the benefit account, any provisions of law in this State relating to deposit, administration, release and disbursement of moneys in the possession or custody of this State to the contrary notwithstanding. The Commission in requisitioning lump sum withdrawals from the State Treasurer for the payment of individual benefit claims shall not exceed in any event the balance of funds in the benefit account, and such requisition shall be in an amount estimated to be necessary for benefit payments for such period as the Commission may by regulation prescribe.

**SECTION 41‑33‑100.** Deposit of amounts drawn by Commission; security.

Such lump sum amounts when received by the Commission from the State Treasurer shall be immediately deposited by the Commission in a benefit payment account maintained in the name of the Commission in such bank or public depository and under such conditions as the Commission determines necessary. Such bank or public depository shall be one in which general funds of the State may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund or benefit payment account. The Commission shall require of such bank or depository as it may select as the depository of the benefit payment account security in an amount equal to the amount on deposit at any time. Such security shall consist of securities or a surety bond as required by law of depositories of State funds.

**SECTION 41‑33‑110.** Representatives of Commission shall sign checks; bonds of representatives.

The Commission shall delegate to designated representatives the authority to sign checks on the benefit payment account and the signature of one of such designated representatives shall be required on each such check. The Commission shall require each such representative to give a bond in such amount as the Commission shall determine for his faithful performance of his duties in connection with the benefit payment account in such form as may be prescribed by law or approved by the Attorney General. Premiums for such bonds shall be paid from the unemployment compensation administration fund. Any duly authorized representative of the Commission may draw and issue its checks on the benefit payment account for the payment of individual benefit claims.

**SECTION 41‑33‑120.** Payment of refunds.

Refunds payable pursuant to Section 41‑31‑360 or item (6) of Section 41‑27‑260 may be paid from the clearing or benefit accounts upon requisition by the Commission to the Comptroller General, who shall draw his warrant in the usual form provided by law on the State Treasurer, who shall pay them from such account.

**SECTION 41‑33‑130.** Appropriation or formal release not required for expenditures from benefit account or refunds from clearing account.

Expenditures of moneys in the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by State officers of money in their custody. All warrants issued for the payment of benefits and refunds shall bear the signature of the Commission or a duly authorized agent for that purpose.

**SECTION 41‑33‑140.** Withdrawal and use of money credited to State’s account in unemployment trust fund.

Money credited to the account of this State pursuant to Section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of Chapters 27 through 41 of this Title. Amounts credited to this State’s account in the unemployment trust fund under Section 903 of the Social Security Act which are obligated for administration or paid out for benefits shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during a twelve‑month period specified in Section 41‑33‑150 (3) may be charged against any amount credited during such a twelve‑month period earlier than the twenty‑fourth preceding such period.

**SECTION 41‑33‑150.** Appropriation law required for requisitions from unemployment trust fund for payment of administrative expenses; warrants.

Money credited to the account of this State in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to Section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of Chapters 27 through 41 of this title pursuant to a specific appropriation by the General Assembly, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(1) specifies the purposes for which the money is appropriated and the amounts appropriated therefor;

(2) limits the period within which the money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law;

(3) limits the amount which may be obligated during any twelve‑month period beginning on July first and ending on the next June thirtieth to an amount which does not exceed the amount by which (a) the aggregate of the amounts credited to the account of this State pursuant to Section 903 of the Social Security Act, as amended, during the same twelve‑month period and the twenty‑fourth preceding twelve‑month periods, exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts credited to the account of this State during the twenty‑five twelve‑month periods; and

(4) an appropriation pursuant to this section also shall incorporate those requirements specified in Section 903(c) of the Social Security Act, as amended, as a condition of payment of expenses of administration.

**SECTION 41‑33‑160.** Disposition of money appropriated from unemployment trust fund for administrative expenses.

Money appropriated as provided in Section 41‑33‑150 for the payment of expenses of administration shall be requisitioned as needed for the payment of obligations incurred under such appropriation and, upon requisition, shall be deposited in the employment security administration fund from which such payment shall be made. Money so deposited shall, until expended, remain a part of the employment fund and, if it will not be expended, shall be returned promptly to the account of this State in the unemployment trust fund.

**SECTION 41‑33‑170.** Disposition of unused amounts in benefit payment account.

Any balance of moneys requisitioned from the unemployment trust fund under Section 41‑33‑80 which remains unclaimed or unpaid in the benefit account and the benefit payment account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for, and may be utilized for the payment of, benefits during succeeding periods or, in the discretion of the Commission, shall be redeposited with the Secretary of the Treasury of the United States to the credit of this State’s account in the unemployment trust fund, as provided in Section 41‑33‑50.

**SECTION 41‑33‑180.** Withdrawals from unemployment trust fund for certain Federal benefits.

Moneys may also be requisitioned from this State’s account in the unemployment trust fund for the payment of benefits under any unemployment compensation, unemployment insurance or unemployment benefit law administered by a bureau, department, division, agency or instrumentality of the United States to which the Commission has made available its personnel and facilities for the taking, processing, determination and paying of claims under the authority of Section 41‑29‑230. But no moneys may be drawn from the unemployment trust fund for the purpose of paying benefits for or on behalf of the United States unless provision be first made by law, agreement or contract for the reimbursement thereof by the bureau, department, division, agency or instrumentality of the United States for or on behalf of which such benefits have been paid.

**SECTION 41‑33‑190.** Bank account for payment of certain Federal benefits.

The Commission may establish bank accounts other than the benefit payment account and deposit therein moneys requisitioned from the unemployment trust fund for the payment of benefits for or on behalf of the United States as provided in Section 41‑33‑180. All provisions of this article governing the deposit, administration, mode of check signing and safeguarding of the benefit payment account shall apply to any accounts established by the Commission under the authority of this section.

**SECTION 41‑33‑200.** Disposition of unused funds withdrawn for certain Federal benefits.

Any balance of moneys requisitioned from the unemployment trust fund under Section 41‑33‑180 which remains unclaimed or not disbursed in such account or accounts after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for, and utilized in the payment of, benefits during succeeding periods or, in the discretion of the Commission, shall be redeposited with the Secretary of the Treasury of the United States to the credit of this State’s account in the unemployment trust fund, as provided in Section 41‑33‑50.

**SECTION 41‑33‑210.** Management of funds upon discontinuance of unemployment trust funds.

The provisions of this article to the extent that they relate to the unemployment trust fund shall be operative only so long as the Secretary of the Treasury of the United States continues to maintain for this State a separate book account of all funds deposited therein by this State for benefit purposes, together with this State’s proportionate share of the earnings of such unemployment trust fund, from which no other State is permitted to make withdrawals. If and when such unemployment trust fund ceases to exist or such separate book account is no longer maintained, all moneys, properties or securities therein belonging to the unemployment compensation fund of this State shall be transferred to the treasurer of the unemployment compensation fund, who shall hold, invest, transfer, sell, deposit and release such moneys, properties or securities in a manner approved by the Commission in accordance with the provisions of Chapters 27 through 41 of this Title. But such moneys shall be invested only in the readily marketable bonds or other interest bearing obligations of the United States or of this State or a political subdivision thereof and such investments shall at all times be so made that all the assets of the fund shall always be readily convertible into cash when needed for the payment of benefits. The treasurer shall dispose of securities or other properties belonging to the unemployment compensation fund only under the direction of the Commission in accordance with the purposes and provisions of Chapters 27 through 41 of this Title.

**SECTION 41‑33‑220.** Liability of State Treasurer on bond.

The State Treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the unemployment compensation fund under Chapters 27 through 41 of this Title. All sums recovered for losses sustained by the fund shall be deposited therein.

ARTICLE 3.

EMPLOYMENT SECURITY ADMINISTRATION FUND

**SECTION 41‑33‑410.** Creation and contents of employment security administration fund.

There is hereby created in the State Treasury a special fund to be known as the employment security administration fund. The fund shall consist of any money appropriated by this State in accordance with Section 41‑33‑460; all money received from the United States, or any agency thereof, and all money received from any other source for the administration of Chapters 27 through 41 of this Title; all money received from any agency of the United States or any other state as compensation for services or facilities supplied to such agency; all amounts received pursuant to any surety bond or insurance policy or from other sources for losses sustained by the employment security administration fund or by reason of damage to property, equipment or supplies purchased from money in such fund; and all proceeds realized from the sale or disposition of any such property, equipment or supplies which may no longer be necessary for the proper administration of Chapters 27 through 41 of this Title. Notwithstanding any provision of this section, all money requisitioned and deposited in this fund pursuant to Section 41‑33‑160 shall remain part of the unemployment compensation fund and shall be used only in accordance with the conditions specified in Sections 41‑33‑130 to 41‑33‑160.

**SECTION 41‑33‑420.** Deposit, administration and disbursement of fund.

All money in the employment security administration fund shall be deposited, administered and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the State Treasury, except that money in this fund shall not be commingled with other State funds, but shall be maintained in a separate account on the books of a depository bank. They shall be secured by such bank or banks by such securities or surety bond as required by law of depositories of State funds.

**SECTION 41‑33‑430.** Use of fund; requisitions and warrants.

All moneys which are deposited or paid into the fund are appropriated and made available to the Commission. All moneys in this fund shall be expended solely for the purpose of defraying the cost of the administration of Chapters 27 through 41 of this Title and for no other purpose whatsoever. Any balances in the fund shall not lapse at any time but shall be continuously available to the Commission for expenditure consistent with Chapters 27 through 41 of this Title. The Commission shall issue its requisition approved by the chairman or any designated member, officer or agent for payment of such costs of administration to the Comptroller General who shall draw his warrant in the usual form provided by law on the State Treasurer, who shall pay it by check on the employment security administration fund.

**SECTION 41‑33‑440.** Expenditure of moneys in fund.

All moneys in the employment security administration fund except money received pursuant to Section 41‑33‑160 shall be expended solely for the purposes and in the amounts found necessary by the Secretary of Labor, or his successors, for the proper and efficient administration of Chapters 27 through 41 of this Title.

**SECTION 41‑33‑450.** Liability of State Treasurer on bond.

The State Treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the employment security administration fund.

**SECTION 41‑33‑460.** State shall replace funds lost or improperly spent.

If any money in the employment security administration fund, paid to this State under Title III of the Social Security Act, and the Wagner‑Peyser Act, is found by the Secretary of Labor, or his successors, because of any action or contingency, to have been lost or to have been expended for purposes other than, or in amounts in excess of, those found necessary by the Secretary of Labor, or his successors, for the proper administration of the employment security program, it is the policy of this State that such money shall be replaced by money appropriated for such purposes from the general funds of this State to the employment security administration fund for expenditures as provided in Section 41‑33‑430. But funds which have been expended by the Commission or its agents in accordance with a budget approved by the Secretary of Labor, or his successors, or in accordance with the general standards and limitations promulgated by the Secretary of Labor, or his successors, prior to such expenditure, when proposed expenditures have not been specifically disapproved by the Secretary of Labor or his successors, shall not be deemed to require replacement.

**SECTION 41‑33‑470.** Reports to State Budget and Control Board.

The Commission shall report to the State Budget and Control Board in the same manner as is required generally for the submission of financial requirements for the ensuing year and the Board shall include in its request for general appropriations presented to the General Assembly at its next regular session a statement of the amounts required for any replacement required by Section 41‑33‑460.

ARTICLE 5.

EMPLOYMENT SECURITY SPECIAL ADMINISTRATION FUNDS

**SECTION 41‑33‑610.** Employment security special administration fund.

(a) There is hereby created in the State Treasury a special fund to be known as the employment security special administration fund, which shall consist of all penalties and interest collected on contributions due pursuant to Sections 41‑31‑330 and 41‑31‑350 and interest collected on unpaid contributions pursuant to Section 41‑31‑370. All money in the special administration fund shall be deposited, administered, and disbursed in accord with the provisions of Section 41‑33‑420 applicable to the employment security administration fund.

(b) All moneys which are deposited in the special administration fund are appropriated and made available to the Commission. All moneys in the fund shall be expended solely for:

(1) Replacements in the employment security administration fund as provided in Section 41‑33‑460.

(2) Refunds pursuant to Section 41‑31‑360 of interest erroneously collected.

(3) Special, extraordinary, and incidental expenses incurred in the administration of Chapters 27 through 41 of this Title not provided for in the employment security administration fund and for which Federal funds are not granted by the Federal Government through the Secretary of Labor or its other agencies.

Any balances in the fund shall not lapse at any time but shall be continuously available to the Commission for expenditure consistent with Chapters 27 through 41 of this Title. The Commission shall issue its requisition approved by the chairman or any designated member, officer, or agent for the purposes set forth herein to the Comptroller General who shall draw his warrant in the usual form provided by law on the State Treasurer, who shall pay it by check on the special administration fund.

**SECTION 41‑33‑710.** Employment security administrative contingency fund.

(a) There is created in the state treasury a special fund to be known as the employment security administrative contingency fund, which consists of all assessments collected pursuant to Section 41‑27‑410. All money in the employment security administrative contingency fund must be deposited, administered, and disbursed in accordance with the provisions of Section 41‑33‑420 applicable to the employment security administration fund.

(b) All monies which are deposited in the employment security administrative contingency fund are appropriate and made available to the commission. All monies in the fund must be expended to:

(1) assist with the reemployment of unemployed workers using the most efficient and effective means of service delivery;

(2) undertake any program or activity which furthers the goal of the Employment Security Commission as provided for in Chapter 42 of this title;

(3) supplement basic employment security services, with special job search and claimant placement assistance designed to assist unemployment insurance claimants to obtain employment;

(4) provide employment services, such as recruitment, screening, and referral of qualified workers, to agricultural areas where those services have in the past contributed to positive economic conditions for the agricultural industry;

(5) provide otherwise unobtainable information and analysis to the legislature and program managers about issues related to employment and unemployment.

Any balances in the fund do not lapse at any time, but are continuously available to the commission for expenditure consistent with Chapter 42 of this title. The commission shall issue its requisition approved by the chairman or any designated member, officer, or agent for the purpose set forth herein to the comptroller general who shall draw his warrant in the usual form provided by law on the State Treasurer, who shall pay it by check on the employment security administrative contingency fund.