~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 9, 2012

**H. 4043**

Introduced by Reps. Tallon, Patrick, Pinson, Allison, V.S. Moss, Atwater, Brannon, Chumley, Bingham, Ballentine, Cole, Horne, Young, Hixon, Clemmons and Toole

S. Printed 2/9/12--H. [SEC 2/10/12 2:57 PM]

Read the first time April 6, 2011.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (H. 4043) to amend the Code of Laws of South Carolina, 1976, by adding Section 41‑35‑122 so as to provide that an employer may confidentially notify the Department of Employment and Workforce, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 1‑35‑120 of the 1976 Code, as last amended by Act 146 of 2010, is further amended to read:

“Section 1‑35‑120. An insured worker is ineligible for benefits for:

(1) Leaving work voluntarily. If the department finds he left voluntarily, without good cause, his most recent work prior to filing a request for determination of insured status or a request for initiation of a claim series within an established benefit year, with ineligibility beginning with the effective date of the request and continuing until he has secured employment and shows to the satisfaction of the department that he has performed services in employment as defined by Chapters 27 through 41 of this title and earned wages for those services equal to at least eight times the weekly benefit amount of his claim.

(2) Discharge for cause connected with the employment. If the department finds that he has been discharged for cause connected with his most recent work prior to filing a request for determination of insured status or a request for initiation of a claim series within an established benefit year, with ineligibility beginning with the effective date of the request, and continuing not less than five nor more than the next ~~twenty‑six~~ twenty weeks, in addition to the waiting period, with a corresponding and mandatory reduction of the insured worker’s benefits to be calculated by multiplying his weekly benefit amount by the number of weeks of his disqualification. The ineligibility period must be determined by the department in each case according to the seriousness of the cause for discharge. A charge of discharge for cause connected with the employment may not be made for failure to meet production requirements unless the failure is occasioned by wilful failure or neglect of duty. ‘Cause connected with the employment’ as used in this item requires more than a failure in good performance of the employee as the result of inability or incapacity.

(3)(a) Discharge for illegal drug use, and is ineligible ~~for~~ from benefits ~~beginning with the effective date of the request and continuing until he has secured employment and shows to the satisfaction of the department that he has performed services in employment as defined by Chapters 27 through 41 of this title and earned wages for those services equal to at least eight times the weekly benefit amount of his claim~~ for twenty weeks with a corresponding and mandatory reduction of the insured worker’s benefits to be calculated by multiplying his weekly benefit amount by the number of weeks of his disqualification if the:

(i) company has communicated a policy prohibiting the illegal use of drugs, the violation of which may result in termination; and

(ii) insured worker fails or refuses to provide a specimen pursuant to a request from the employer, or otherwise fails or refuses to cooperate by providing an adulterated specimen; or

(iii) insured worker provides a blood, hair, or urine specimen during a drug test administered on behalf of the employer, which tests positive for illegal drugs or legal drugs used unlawfully, provided:

(A) the sample was collected and labeled by a licensed health care professional or another individual authorized to collect and label test samples by federal or state law, including law enforcement personnel; and

(B) the test was performed by a laboratory certified by the ~~National Institute on Drug Abuse~~ United States Department of Health and Human Services (USDHHS)/Substance Abuse Mental Health Services Administration (SAMSHA), the College of American Pathologists or the State Law Enforcement Division; and

(C) an initial positive test was confirmed on the specimen using the gas chromatography/mass spectrometry method, or an equivalent or a more accurate scientifically accepted method approved by the ~~National Institute on Drug Abuse~~ USDHHA/SAMSHA;

(iv) for purposes of this item, ‘unlawfully’ means without a prescription.

(b) If an insured worker makes an admission pursuant to the employer’s policy, which provides that voluntary admissions made before the employer’s request to the employee to submit to testing may protect an employee from immediate termination, then the admission is inadmissible for purposes of this section as long as the:

(i) employer has communicated a written policy, which provides protection from immediate termination for employees who voluntarily admit prohibited drug use before the employer’s request to submit to a test; and

(ii) employee makes the admission specifically pursuant to the employer’s policy.

(c) Information, interviews, reports, and drug‑test results, written or otherwise, received by an employer through a drug‑testing program may be used or received in evidence in proceedings conducted pursuant to the provisions of this title for the purposes of determining eligibility for unemployment compensation, including administrative or judicial appeal.

(4) Discharge for gross misconduct, and is ~~ineligible for~~ disqualified from benefits ~~beginning with the effective date of the request and continuing until he has secured employment and shows to the satisfaction of the department that he has performed services in employment as defined by Chapters 27 through 41 of this title and earned wages for those services equal to at least eight times the weekly benefit amount of his claim~~ for twenty weeks with a corresponding and mandatory reduction of the insured worker’s benefits to be calculated by multiplying his weekly benefit amount by the number of weeks of his disqualification if he is discharged due to:

(~~i~~a) wilful or reckless employee damage to employer property that results in damage of more than fifty dollars;

(~~ii~~b) employee consumption of alcohol or being under the influence of alcohol on employer property in violation of a written company policy restricting or prohibiting consumption of alcohol;

(~~iii~~c) employee theft of items valued at more than fifty dollars;

(~~iv~~d) failure to comply with applicable state or federal drug and alcohol testing and use regulations including, but not limited to, 49 C.F.R. part 40 and part 382 of the federal motor carrier safety regulations, while on the job or on duty, and regulations applicable for employees performing transportation and other safety sensitive job functions as defined by the federal government;

(~~v~~e) employee committing ~~criminal~~ assault or battery of another employee or a customer;

(~~vi~~f) employee committing ~~criminal~~ abuse of patient or child in his professional care;

(~~vii~~g) employee insubordination, which is defined as wilful failure to comply with a lawful, reasonable order of a supervisor directly related to the employee’s employment ~~as described in an applicable written job description~~; or

(~~viii~~h) employee wilful neglect of duty directly related to the employee’s employment ~~as described in an applicable written job description~~.

(5) Failure to accept work.

(a) If the department finds ~~he has failed, without good cause~~:

(i)(A) he has failed, without good cause, either to apply for available suitable work, when so directed by the employment office or the department;

(B) he has failed, without good cause, to accept available suitable work when offered to him by the employment office or an employer; ~~or~~

(C) he has failed, without good cause, to return to his customary self‑employment, if any, when so directed by the department, the ineligibility begins with the week the failure occurred and continues until he has secured employment and shows to the satisfaction of the department that he has performed services in employment as defined in Chapters 27 through 41 of this title and earned wages for services equal to at least eight times the weekly benefit amount of his claim; or

(D) he has tested positive for drugs after being given a drug test on behalf of the prospective employer as a condition of an offer of employment, or if:

(1) insured worker fails or refuses to provide a specimen pursuant to a request from the employer, or otherwise fails or refuses to cooperate by providing an adulterated specimen; or

(2) insured worker provides a blood, hair, or urine specimen during a drug test administered on behalf of the employer, which tests positive for illegal drugs or legal drugs used unlawfully, provided:

(a) the sample was collected and labeled by a licensed health care professional or another individual authorized to collect and label test samples by federal or state law, including law enforcement personnel;

(b) the test was performed by a laboratory certified by the USDHHS/SAMSHA, the College of American Pathologists or the State Law Enforcement Division; and

(c) an initial positive test was confirmed on the specimen using the gas chromatography/mass spectrometry method, or an equivalent or a more accurate scientifically accepted method approved by the USDHHS/SAMSHA.

(ii) For purposes of this item, ‘unlawfully’ means without a prescription.

(b) In determining whether work is suitable for an individual, the department must consider, based on a standard of reasonableness as it relates to the particular individual concerned, the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience and prior earnings, his length of unemployment and prospects for securing local work in his customary occupation, and the distance of the available work from his residence.

(c) Notwithstanding another provision of Chapters 27 through 41 of this title, work is not considered suitable and benefits may not be denied under these chapters to an otherwise eligible individual for refusing to accept new work under any of the following conditions:

(i) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(ii) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; or

(iii) if, as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

(d) Notwithstanding another provision of Chapters 27 through 41 of this title, an otherwise eligible individual may not be denied a benefit for a week for failure to apply for, or refusal to accept, suitable work because he is in training with the approval of the department.

(e) Notwithstanding another provision of this chapter, an otherwise eligible individual may not be denied a benefit for a week because he is in training approved under Section 236(a)(1) of the Trade Act of 1974, nor may the individual be denied benefits by reason of leaving work to enter training, if the work left is not suitable employment, or because of the application to a week in training of provisions in this law or an applicable federal unemployment compensation law, relating to availability for work, active search for work, or refusal to accept work. For purposes of this subitem, ‘suitable employment’ means, with respect to an individual, work of a substantially equal or higher skill level than the individual’s past adversely affected employment, as defined for purposes of the Trade Act of 1974, and wages for the work at not less than eighty percent of the individual’s average weekly wage as determined for the purposes of the Trade Act of 1974.

(6) Labor dispute. For a week in which the department finds that his total or partial unemployment is directly due to a labor dispute in active progress in the factory, establishment, or other premises at which he was last employed. This paragraph does not apply if it is shown to the satisfaction of the department that he:

(a) is not participating in, financing, or directly interested in the labor dispute;

(b) does not belong to a grade or class of workers of which, immediately before he became unemployed by reason of the dispute, there were members employed at the premises at which the dispute exists, any of whom are participating in or directly interested in the dispute. If separate branches of work, which are commonly conducted as separate businesses in separate premises, are conducted in separate departments of the same premises, each department for the purpose of this item is considered to be a separate factory, establishment, or other premises.

(7) Receiving benefits elsewhere. For a week in which, or a part of which, he has received or is seeking unemployment benefits under an unemployment compensation law of another state or of the United States. If the appropriate agency of the other state or of the United States finally determines that he is not entitled to unemployment benefits, this disqualification does not apply.

(8) Voluntary retirement. If the department finds that he voluntarily retired from his most recent work with the ineligibility beginning with the effective date of his claim and continuing for the duration of his unemployment and until the individual submits satisfactory evidence of having had new employment and of having earned wages of not less than eight times his weekly benefit amount as defined in Section 41‑35‑40. For the purpose of this section, ‘most recent work’ means the work from which the individual retired regardless of any work subsequent to his retirement in which he earned less than eight times his weekly benefit amount.

(9) Compliance with drug testing procedure. An employer is not liable for any acts or omissions arising out of disclosure of the test results to the Department, provided the employer complies with the requirements of this section and any applicable law. In order to comply an employer must disclose to the Department when a pre‑employment drug test is offered and refused or failed by a potential employee.”

SECTION 2. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

JAMES H. HARRISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

Department of Alcohol and Drug Abuse

The department indicates this bill would have no impact on the General Fund of the State or federal and/or other funds. The department reports the provisions of the bill would create a cost to local treatment providers of substance abuse services as individuals testing positive for drugs would be referred to them for treatment. The department estimates that if 2% (or 5,000) of the currently estimated 250,000 individuals receiving unemployment benefits were referred to local providers, an additional minimum cost of $1.9 million dollars would be incurred based on Medicaid billing rates for comparable services. The department states such costs could not be easily absorbed at the local level and that unemployed individuals may not have the resources to pay for their care.

Department of Employment & Workforce

The department indicates there will be no increased costs with the adoption of this bill.

State Law Enforcement Division

The division indicates this bill will have no impact on the General Fund of the State or on federal and/or other funds.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 41‑35‑122 SO AS TO PROVIDE THAT AN EMPLOYER MAY CONFIDENTIALLY NOTIFY THE DEPARTMENT OF EMPLOYMENT AND WORKFORCE WHEN A PROSPECTIVE EMPLOYEE FAILS A DRUG TEST REQUIRED BY THE EMPLOYER AS A CONDITION OF EMPLOYMENT IF THE PROSPECTIVE EMPLOYEE IS RECEIVING UNEMPLOYMENT BENEFITS, TO PROVIDE THE DEPARTMENT SHALL SUSPEND THE BENEFITS OF A PERSON WHO, WHILE RECEIVING BENEFITS, FAILS A DRUG TEST TAKEN AS A CONDITION OF AN APPLICATION FOR EMPLOYMENT, TO PROVIDE THE DEPARTMENT MAY NOT RESTORE THESE SUSPENDED BENEFITS UNTIL THE PERSON HAS SUCCESSFULLY COMPLETED A CERTAIN DRUG TREATMENT PROGRAM AND PASSED A DRUG TEST, TO PROVIDE THE DEPARTMENT MAY NOT PROVIDE OR RESTORE RETROACTIVELY A BENEFIT TO A PERSON FOR A PERIOD IN WHICH HIS BENEFITS ARE SUSPENDED UNDER THIS SECTION, TO PROVIDE THE DEPARTMENT SHALL DEVELOP A CONSENT FORM THAT AN EMPLOYER MAY USE TO OBTAIN THE CONSENT OF A PROSPECTIVE EMPLOYEE TO GIVE THE DEPARTMENT THE RESULTS OF A DRUG TEST REQUIRED BY THE EMPLOYER AS A CONDITION OF EMPLOYMENT, TO PROVIDE THAT THE USE OF THIS CONSENT FORM LIMITS THE LIABILITY OF THE EMPLOYER FOR BREACH OF CONFIDENTIALITY, INVASION OF PRIVACY, INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS, AND DEFAMATION CLAIMS RESULTING FROM THE PROVISION OF THE DRUG TEST RESULTS TO THE DEPARTMENT, AND TO DEFINE A “DRUG TEST”.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 35, Title 41 of the 1976 Code is amended by adding:

“Section 41‑35‑122. (A) An employer may notify the department when a prospective employee fails a drug test required by the employer as a condition to employment if the prospective employee is receiving unemployment benefits provided under this title. The employer must provide this notice in a confidential manner within two business days following the date on which the employer receives the results of the drug test.

(B)(1) The department shall suspend the benefits of a person who, while receiving benefits, fails a drug test taken as a condition of an application for employment, and may not restore these suspended benefits until the person:

(a) successfully completes an outpatient drug treatment program provided by the Department of Alcohol and Other Drug Abuse Services; and

(b) passes a drug test. The cost of this drug test may not be paid by the department and must be paid by the person seeking restoration of benefits.

(2) The department shall suspend benefits as required in item (1) immediately upon receipt of notification by an employer.

(C) The department may not provide or restore retroactively a benefit to a person for a period in which his benefits are suspended pursuant to subsection (A).

(D) The department shall develop a ‘Drug and Alcohol Testing Consent Form’ that an employer may use to obtain the consent of a prospective employee to provide the department with the results of a drug test required by the employer as a condition to employment. When the employer provides these results to the department after a prospective employee has signed the consent form, the employer may not be held liable for breach of confidentiality, invasion of privacy, intentional infliction of emotional distress, and defamation claims in connection with the confidential release of these results to the department.

(E) For the purposes of this section, ‘drug test’ means a test for the legal drugs used unlawfully performed by a laboratory certified by the National Institute on Drug Abuse, the College of American Pathologists, or the State Law Enforcement Division.”

SECTION 2. This act takes effect upon approval by the Governor.

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