GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0503	**Title:**	Allow certain nonprofits to opt out of unemployment insurance
Primary Sponsor:	Edmunds, Champ	**Status:**	As Introduced

- ☐ Significant Local Gov Impact
- ☐ Needs to be included in HB 2
- ☑ Technical Concerns
- ☐ Included in the Executive Budget
- ☐ Significant Long-Term Impacts
- ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2014 Difference	FY 2015 Difference	FY 2016 Difference	FY 2017 Difference
Expenditures:				
Other (UI Trust Fund)		---------- Unknown ----------		
Revenue:				
Other (UI Trust Fund)		---------- Unknown ----------		
Net Impact-General Fund Balance:	$0	$0	$0	$0

Description of fiscal impact: HB 503 would allow churches and certain religious organizations to opt out of the unemployment insurance program. The fiscal impact of the bill cannot be reasonably determined.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry (DOLI)

1. This bill permits churches and certain religious organizations to elect to stop paying UI contributions on the wages of their employees. The employees of the churches and religious organizations that elect to stop paying UI contributions will no longer be eligible to receive UI benefits if they become unemployed.
2. This bill would require additional fact-finding or audits to insure all employees were notified of the exemption, to determine if the organization wishing to opt out qualifies for the exemption, and to ensure the employer has maintained documentation of each employee's notification.
3. The number of organizations, and the associated number of employees, who may elect to stop participating in the unemployment insurance program cannot be reasonably determined, and therefore the fiscal impact is unknown.

Technical Notes:

1. The terms "certain religious organizations" and "an organization that is operated primarily for religious purposes" should be defined.

Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*