

SENATE No. 224

To accompany the petition of William G. Sutcliffe, for the State Advisory Council, Division of Employment Security, for legislation to establish a special employment security administration account and making certain other changes in the employment security law. Labor and Industries.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Seven.

AN ACT ESTABLISHING A SPECIAL EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT AND MAKING CERTAIN OTHER CHANGES IN THE EMPLOYMENT SECURITY LAW, AND FOR SUCH FURTHER LEGISLATION RELATIVE THERETO AS THE GENERAL COURT OR ITS COMMITTEES MAY DEEM EXPEDIENT AND PROPER.

1 *Whereas*, The deferred operation of this act, which
2 is to establish a Special Employment Security Ad-
3 ministration Account, would hamper the adminis-
4 tration of the Employment Security Law and the
5 operation of the Employment Service functions in the
6 Division of Employment Security, therefore, it is de-
7 clared to be an emergency law, necessary for the im-
8 mediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 14 of chapter 151A of the Gen-
2 eral Laws, as appearing in section 1 of chapter 685 of

3 the acts of 1941, is hereby amended by adding at the
4 end thereof the following subsection: —

5 (f) In addition to contributions elsewhere provided
6 under the provisions of this chapter, each employer
7 shall make special contributions at the rate of three
8 tenths of one per cent of his pay roll as defined in
9 section one (n) for the purposes of the special employ-
10 ment security administration account as defined in
11 section fifty-nine A. The special contributions re-
12 quired hereunder shall be paid to the commonwealth
13 in such manner and at such times as the director may
14 prescribe, and shall be paid over by the director to
15 the state treasurer and credited by him to the special
16 employment security administration account estab-
17 lished by section fifty-nine A; provided, however, that
18 in any question as to allocation of contributions col-
19 lected under this chapter priority shall be given always
20 to the unemployment compensation fund. The di-
21 rector may prescribe not less than ten days prior to
22 the close of any quarter the elimination of such special
23 contributions for the next ensuing quarters or reduc-
24 tion thereof as will in his judgment adequately serve
25 the purposes of the special administration account as
26 contained in section fifty-nine A of this chapter.

1 SECTION 2. Said chapter 151A of the General Laws
2 is hereby further amended by inserting after section 59
3 the following section: —

4 Section 59A. (1) There is hereby created the spe-
5 cial employment security administration account,
6 hereinafter called the special account, to consist of —

7 (a) All moneys collected under provisions of sub-
8 section fourteen (f) of this chapter;

9 (b) All interest and penalties collected under the
10 provisions of this chapter;

11 (c) All voluntary contributions tendered as a con-
12 tribution to this fund; and

13 (d) All moneys appropriated by the commonwealth
14 for the purposes of this account.

15 (2) The moneys in this account shall be used by the
16 director —

17 (a) For the payment of costs of administration
18 which he deems fit and which are found not to have
19 been properly and validly chargeable to federal grants
20 or other funds received for or in the employment
21 security administration account established by section
22 fifty-eight of this chapter; and

23 (b) For such purposes as he deems appropriate for
24 the advisory council in the performance of its duties
25 under this chapter and under the provisions of section
26 nine N of chapter twenty-three of the General Laws
27 as contained in chapter twenty of the acts of nineteen
28 hundred and thirty-nine.

29 (c) On and after _____, there shall be trans-
30 ferred to the special account from the clearing account
31 established under section fifty (a) of this chapter upon
32 certification of the director to the state treasurer the
33 amount of interest on contributions, penalties and
34 fines deposited each month in the clearing account;
35 provided, there shall be withheld from any such trans-
36 fer such an amount determined by the director to be
37 requisite for the payment of refunds of penalties, fines
38 and interest as have been erroneously collected and
39 transferred to the special account.

40 (3) The account shall be kept and accounted for by
41 the state treasurer in the same manner as other moneys
42 of the commonwealth, except that its annual balance
43 shall be carried forward and shall remain continuously
44 available to the director for the purposes herein
45 specified.

46 (4) The provisions of this section are not to be inter-
47 preted in a manner to permit the substitution of
48 moneys collected thereunder for federal funds or for a
49 reduction in federal funds which would in the absence
50 of said moneys be available to finance expenditures
51 for the employment security law. But nothing in this
52 section shall prevent said moneys from being used as
53 a revolving fund, to cover expenditures for the adminis-
54 tration of the employment security law.

1 SECTION 3. Section 50 of said chapter 151A is
2 amended by adding at the end thereof the following: —
3 No refund shall be made from the clearing account
4 for the erroneous payment of penalties, fines or
5 interest which have been transferred to the special
6 account, in the absence of withholding from the
7 special account of a sufficient amount to warrant
8 said refund, as provided in section fifty-nine A (2) (c)
9 of this chapter.

1 SECTION 4. Section 59 of said chapter 151A is
2 hereby amended by striking out the following words
3 in the sixth line “and the employment security ad-
4 ministration account” and substituting therefor the
5 following: —, the employment security administra-
6 tion account and the special employment security
7 administration account, — so that said section shall
8 read as follows: — *Section 59.* The state treasurer,
9 in addition to the provisions contained in section
10 two of chapter ten, shall be liable on the treasurer's
11 bond for the faithful performance of his duties in
12 connection with the unemployment compensation
13 fund, the clearing account in connection therewith,
14 the employment security administration account and
15 the special employment security administration ac-

16 count provided for under this chapter. Such liability
17 of the treasurer on his official bond shall be effective
18 immediately upon the enactment of this provision,
19 and such liability shall exist in addition to any lia-
20 bility upon any separate bond existing on the effective
21 date of this provision.

1 SECTION 5. Said chapter 151A is hereby further
2 amended by striking out the period at the end of the
3 first paragraph in section 18 and substituting the
4 following: — ; provided, that on and after
5 the refund of any amount erroneously collected for
6 interest and penalties and deposited in the special
7 employment security administration account estab-
8 lished by section 59A (1) of this chapter shall be
9 made from said account, — so that said paragraph
10 shall read as follows: — *Section 18.* If, within
11 three years after any contribution has been paid, a
12 person who has paid such contribution, interest
13 thereon or penalty assessed in lieu thereof, shall
14 make application for an adjustment or refund thereof,
15 and if the director shall determine that such con-
16 tribution, interest or penalty, or any portion thereof,
17 was erroneously collected, the director shall allow
18 such person to make an adjustment thereof in con-
19 nection with a subsequent payment, or shall authorize
20 the refund of said amount, without interest, in which
21 latter event such refund shall be made from the
22 clearing account; provided, that on and after
23 the refund of any amount so erroneously
24 collected and deposited in the special employment
25 security administration account established by section
26 fifty-nine A (1) of this chapter shall be made from
27 said account.

to some extent for the purpose of the present, such as the
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