

SENATE BILL 1763

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 50,
Chapter 7, Part 4, relative to the experience rating
for employers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-7-403(b)(1)(B), is amended by adding the following language as a new, appropriately designated subdivision:

(iii) Except as provided in subdivision (b)(1)(B)(ii), the department, in determining the experience rating for new manufacturing employers in operation at least ten (10) years immediately preceding the date of becoming a liable employer in Tennessee, shall consider the employer's premium rate as assigned by the state from where the employer relocated and the employer's work history from such state.

(a) The employer shall provide the department with an authenticated account history from information accumulated from operations from the state where the employer relocated in order to compute a current Tennessee new employer premium rate. The calculated rate shall not be lower than the average new employer rate in existence at the time of liability determination.

(b) Subdivision (b)(1)(B)(iii) shall apply to all manufacturing employers relocating into Tennessee on or after the effective date, but also to manufacturing employers that relocated to the state two (2) years prior to the date of enactment, solely for the purposes of calculating the three (3) year reserve ratio.

(c) In the event that the unemployment trust fund balance is lower than or equal to six hundred million dollars (\$600,000,000), then the commissioner, in the commissioner's sole discretion, may suspend the use of this subdivision

(b)(1)(B)(iii) to determine the new employer experience rating for employers relocating to this state. The rate shall revert to the industry rate designated at the time of the suspension of this act.

SECTION 2. The commissioner is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.