

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

House Bill 481 (Delegate Barve)  
Economic Matters

Referred to Finance

---

Unemployment Insurance -  
Reimbursing Not For Profit Employers - Exemption From Reimbursement

---

This amended bill provides that if a claimant is employed part-time by a reimbursing not-for-profit organization while separated from other employment and is eligible for benefits because of that separation, the organization may not be required to reimburse the unemployment insurance fund for benefits paid to the claimant.

This bill is effective September 29, 1996.

---

Fiscal Summary

**State Effect:** None.

**Local Effect:** None.

**Unemployment Insurance Trust Fund:** Negligible effect on contributions as described below.

---

Fiscal Analysis

**Background:** Not-for-profit organizations can choose to reimburse the unemployment trust fund for benefits chargeable to their accounts rather than paying federal and State unemployment contributions. Of the 2,842 not-for-profit organizations with unemployment insurance accounts, 807 have chosen to reimburse the trust fund rather than pay the taxes. This bill affects these organizations and their part-time employees.

**Unemployment Insurance Trust Fund:** Of the benefit charges not charged to employer accounts, benefits paid to those with continuous part-time employment represent only 0.24% of the total non-charged benefits. Assuming this holds for not-for-profit organizations, the

lack of reimbursement for these benefits would have a negligible effect on the trust fund.

---

**Information Source(s):** Department of Labor, Licensing and Regulation; Department of Fiscal Services

**Fiscal Note History:** First Reader - February 12, 1996

ncs Revised - House Third Reader - March 19, 1996

---

Analysis by: David F. Roose

Direct Inquiries to:

Reviewed by: John Rixey

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710