

1 **Committee Print**  
2 **Committee on Labor and Workforce Development**  
3 **B23-500**  
4 \_\_\_\_\_, 2020

6 A BILL

10 \_\_\_\_\_  
11  
12 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
13  
14 \_\_\_\_\_  
15

16 To amend the District of Columbia Unemployment Compensation Act to clarify that the  
17 classification of employers required to participate in the District’s unemployment  
18 compensation system includes states and Indian tribes or any instrumentality of one or  
19 more of the aforementioned entities which is wholly-owned by one or more of the  
20 aforementioned entities, and to allow for, and determine the rate of, alternative  
21 unemployment compensation contributions by a government entity or instrumentality.  
22

23 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  
24 act may be cited as the “Unemployment Compensation Employer Classification Amendment Act  
25 of 2020”.

26 Sec. 2. The District of Columbia Unemployment Compensation Act, approved August  
27 28, 1935 (49 Stat 946; D.C. Official Code § 51-101 *et seq.*), is amended as follows:

28 (a) Section 1 (D.C. Official Code § 51-101) is amended as follows:

29 (1) Paragraph (2)(A) is amended as follows:

30 (A) Sub-subparagraph (ii) is amended to read as follows:

31 “(ii) Service performed after December 31, 1977, in the employ of  
32 the District or any state, or political subdivision thereof, or an Indian tribe; any instrumentality of  
33 one or more of the foregoing entities that is wholly owned by one or more of the foregoing  
34 entities; or any instrumentality of the District or one or more states, or political subdivisions

35 thereof, to the extent that the instrumentality is, with respect to such service, immune under the  
36 Constitution of the United States from the tax imposed by section 3301 of the Federal  
37 Unemployment Tax Act, approved August 16, 1954 (68A Stat. 439; 26 U.S.C. § 3301))  
38 (“Unemployment Tax Act”); except, that it does not include service described in paragraph  
39 (2)(A)(iv) of this section or section 3309(b) of the Unemployment Tax Act (26 U.S.C. §  
40 3309(b)), or to service exempted from compensation pursuant to section 3304(a)(6)(A) of the  
41 Unemployment Tax Act (26 U.S.C. § 3304(a)(6)(A)).”.

42 (B) Sub-subparagraph (iii) is amended to read as follows:

43 “(iii) Service performed after March 30, 1962, in the employ of an  
44 educational organization, and service performed after December 31, 1971, in the employ of a  
45 religious, charitable, or other organization described in section 501(c)(3) of the Internal Revenue  
46 Code of 1986, approved October 22, 1986 (100 Stat. 2085; 26 U.S.C. § 501(c)(3)) (“Internal  
47 Revenue Code”), which is exempt from income tax under section 501(a) of the Internal Revenue  
48 Code (26 U.S.C. § 501(a)); except, that it does not include service described in paragraph  
49 (2)(A)(iv) of this section or section 3309(b) of the Unemployment Tax Act (26 U.S.C.  
50 § 3309(b)), or to service exempted from compensation pursuant to section 3304(a)(6)(A) of the  
51 Unemployment Tax Act (26 U.S.C. § 3304(a)(6)(A)).”.

52 (2) A new paragraph (27) is added to read as follows:

53 “(27) “Indian tribe” shall have the same meaning as provided in section 3306(u)  
54 of the Unemployment Tax Act (26 U.S.C. § 3006(u)).”.

55 (b) Section 3 (D.C. Official Code § 51-103) is amended as follows:

56 (1) Subsection (c)(2) is amended by adding a new subparagraph (G) to read as  
57 follows:

58 “(G) Federal Pandemic Unemployment Compensation benefits paid to an  
59 individual pursuant to section 2104 of the Coronavirus Aid, Relief, and Economic Security Act,  
60 approved March 27, 2020 (Pub. L. No. 116-136; 134 Stat. 318), shall not be charged against an  
61 employer’s account.”.

62 (2) Subsection (f) is amended as follows:

63 (A) Paragraph (1) is amended to read as follows:

64 “(1)(A) If the District elects to cover employees under this act under the  
65 provisions of section 1(2)(H)(i), or if any of its instrumentalities are required to be covered under  
66 this act, in lieu of contributions required of employers under this act, the District shall pay into  
67 the Fund an amount equivalent to the amount of benefits paid to individuals based on wages paid  
68 by the District.

69 “(B) In lieu of contributions required of employers under this act, a  
70 government entity or instrumentality that would otherwise be liable for contributions pursuant to  
71 section 1(2)(A)(ii) may pay into the Fund an amount equivalent to the amount of benefits paid to  
72 individuals based on wages paid by the government entity or instrumentality.

73 “(C) If benefits paid to an individual are based on wages paid by the  
74 District, or another government entity or instrumentality, and one or more other employers, the  
75 amount payable by the District or other government entity or instrumentality to the Fund shall  
76 bear the same ratio to total benefits paid to the individual as the base-period wages paid to the  
77 individual by the District or other government entity or instrumentality bears to the total amount  
78 of the base-period wages paid to the individual by all of his base-period employers.”.

79 (B) Paragraph (2) is amended as follows:

80 (i) Strike the phrase “and shall” and insert the phrase “and, with  
81 respect to the District, shall” in its place.

82 (ii) Strike the phrase “District of Columbia” both times it appears  
83 and insert the word “District” in its place.

84 (C) Paragraph (3) is amended as follows:

85 (i) Strike the phrase “District shall be” and insert the phrase  
86 “District or any government entity or instrumentality liable for contributions pursuant to section  
87 1(2)(A)(ii) shall be” in its place.

88 (ii) Strike the phrase “paid to employees of the District” and insert  
89 the phrase “paid to its employees” in its place.

90 (iii) Strike the phrase “the District will be chargeable if it elects to  
91 pay contributions or will” and insert the phrase “the District or any government entity or  
92 instrumentality liable for contributions pursuant to section 1(2)(A)(ii) shall be chargeable if it  
93 elects to pay contributions, or shall” in its place.

94 (iv) Strike the phrase “District.” and insert the phrase “District or  
95 respective governmental entity or instrumentality.” in its place.

96 Sec. 4. Fiscal impact statement.

97 The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal  
98 impact statement required by section 4a of the General Legislative Procedures Act of 1975,  
99 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

100 Sec. 5. Effective date.

101 This act shall take effect following approval by the Mayor (or in the event of veto by the  
102 Mayor, action by the Council to override the veto), a 30-day period of congressional review as

103 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
104 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
105 Columbia Register.

DRAFT