

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 523, As Amended

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE EMPLOYMENT SECURITY LAW; AMENDING SECTION 72-1352A, IDAHO  
2 CODE, TO PROVIDE THAT CERTAIN REGISTRATIONS REGARDING ELECTIONS TO  
3 BE EXEMPT FROM UNEMPLOYMENT INSURANCE COVERAGE SHALL REMAIN IN EFFECT  
4 FOR AT LEAST TWO CONSECUTIVE CALENDAR YEARS, TO PROVIDE AN EFFECTIVE  
5 DATE FOR REGISTRATIONS RECEIVED WITHIN A SPECIFIED TIME FRAME AND TO  
6 PROVIDE THAT SUCH REGISTRATIONS SHALL REMAIN IN EFFECT FOR AT LEAST  
7 TWO CONSECUTIVE CALENDAR YEARS, TO PROVIDE THAT WITH THE EXCEPTION OF  
8 SPECIFIED EXEMPTIONS, OTHER EXEMPTIONS SHALL NOT BE RETROACTIVE AND TO  
9 PROVIDE FOR REGISTRATIONS REGARDING NEWLY FORMED CORPORATIONS RELATING  
10 TO EXEMPTIONS FROM UNEMPLOYMENT INSURANCE COVERAGE; AND DECLARING AN  
11 EMERGENCY.  
12

13 Be It Enacted by the Legislature of the State of Idaho:

14 SECTION 1. That Section 72-1352A, Idaho Code, be, and the same is hereby  
15 amended to read as follows:

16 72-1352A. CORPORATE OFFICERS -- EXEMPTION FROM COVERAGE -- NOTIFICA-  
17 TION -- REINSTATEMENT. (1) A corporation that is a public company, other  
18 than those covered in sections 72-1316A, 72-1322D and 72-1349C, Idaho Code,  
19 may elect to exempt from coverage pursuant to this chapter any bona fide cor-  
20 porate officer who is voluntarily elected or voluntarily appointed in accor-  
21 dance with the articles of incorporation or bylaws of the corporation, is a  
22 shareholder of the corporation, exercises substantial control in the daily  
23 management of the corporation and whose primary responsibilities do not in-  
24 clude the performance of manual labor.

25 (2) A corporation that is not a public company, other than those cov-  
26 ered in sections 72-1316A, 72-1322D and 72-1349C, Idaho Code, may elect to  
27 exempt from coverage pursuant to this chapter any bona fide corporate offi-  
28 cer, without regard to the corporate officer's performance of manual labor,  
29 if the corporate officer is a shareholder of the corporation, voluntarily  
30 agrees to be exempted from coverage and exercises substantial control in the  
31 daily management of the corporation.

32 (3) For purposes of this section, a "public company" is a corporation  
33 that has a class of shares registered with the federal securities and ex-  
34 change commission pursuant to section 12 or 15 of the Securities and Exchange  
35 Act of 1934 or section 8 of the Investment Company Act of 1940, or any succes-  
36 sor statute.

37 (4) To make the election, a corporation with qualifying corporate of-  
38 ficers pursuant to subsection (1) or (2) of this section must register with  
39 the department each qualifying corporate officer it elects to exempt from  
40 coverage. The registration must be in a format prescribed by the department  
41 and be signed and dated by the corporate officer being exempted from cover-  
42 age. Registration forms received and approved by the department on or before

1 December 15 shall become effective the first day of the next calendar year  
2 and shall remain in effect for at least two (2) consecutive calendar years.  
3 Registration forms received and approved by the department after December  
4 15, 2011, and on or before July 31, 2012, shall become effective January 1,  
5 2012, and shall remain in effect for at least two (2) consecutive calendar  
6 years. Except for elections made after December 15, 2011, and on or before  
7 July 31, 2012, eExemptions from coverage shall not be retroactive and the  
8 corporation requesting the exemption shall not be eligible for a refund or  
9 credit for contributions paid for corporate officers before the effective  
10 date of the exemption.

11 (5) A newly formed corporation with qualifying corporate officers  
12 pursuant to subsections (1) and (2) of this section shall register with the  
13 department each corporate officer it elects to exempt within forty-five (45)  
14 calendar days after submitting its Idaho business registration form to the  
15 department as required by section 72-1337, Idaho Code. The registration  
16 must be in a format prescribed by the department and be signed and dated by  
17 the corporate officer being exempted from coverage. Registration forms re-  
18 ceived and approved by the department shall become effective as of the date  
19 the Idaho business registration form was submitted to the department and  
20 shall remain in effect for at least two (2) consecutive calendar years.

21 (6) A corporation may elect to reinstate coverage for one (1) or more  
22 corporate officers previously exempted pursuant to this section. Rein-  
23 statement requires written notice from the corporation to the department  
24 in a format prescribed by the department. Reinstatement requests received  
25 by the department on or before December 15 shall become effective the first  
26 day of the calendar year following the end of the exemption's two (2) year  
27 effective date. Coverage shall not be reinstated retroactively.

28 SECTION 2. An emergency existing therefor, which emergency is hereby  
29 declared to exist, this act shall be in full force and effect on and after its  
30 passage and approval.