



1 preceding sentence applies include but are not limited to  
2 temporary emergency services compensated solely by a fixed  
3 payment for each emergency call answered whether or not  
4 provided for by prior agreement and training in preparation for  
5 such temporary emergency service whether or not  
6 compensated."

7 **SECTION 3.** G.S. 96-8(6)k.15. reads as rewritten:

8 "k. The term "employment" ~~shall~~does not include:

9 ...

10 15. Services performed (i) in the employ of a church or  
11 convention or association of churches, or an organization  
12 which is operated primarily for religious purposes and  
13 which is operated, supervised, controlled or principally  
14 supported by a church or convention or association of  
15 churches; or (ii) by a duly ordained, commissioned, or  
16 licensed minister of a church in the exercise of his  
17 ministry or by a member of a religious order in the  
18 exercise of duties required by such order; or (iii) in a  
19 facility conducted for the purpose of carrying out a  
20 program of rehabilitation for individuals whose earning  
21 capacity is impaired by age or physical or mental  
22 deficiency or injury or providing remunerative work for  
23 individuals who because of their impaired physical or  
24 mental capacity cannot be readily absorbed in the  
25 competitive labor market by an individual receiving such  
26 rehabilitation or remunerative work; or (iv) as a part of  
27 an unemployment work-relief or work-training program  
28 assisted or financed in whole or in part by any federal  
29 ~~agency or agency,~~ an agency of a state or political  
30 subdivision thereof, or an Indian tribe, by an individual  
31 receiving ~~such the~~ work relief or work training, unless a  
32 federal law, rule or regulation mandates unemployment  
33 insurance coverage to individuals in a particular  
34 work-relief or work-training program; (v) after  
35 December 31, 1971, by an inmate for a hospital in a  
36 State prison or other State correctional institution or by a  
37 patient in any other State-operated hospital, and services  
38 performed by patients in a hospital operated by a  
39 nonprofit organization shall be exempt; (vi) after  
40 December 31, 1971, in the employ of a hospital, if such  
41 service is performed by a patient of such hospital; (vii)  
42 after December 31, 1971, by an inmate of a custodial or  
43 penal institution."

1           **SECTION 4.** G.S. 96-9(a) is amended by adding a new subdivision to read:

2   "**§ 96-9. Contributions.**

3       (a)   Payment. –

4

5       ...

6       (4a)   Indian tribes may finance benefits paid to employees either by coming  
7           under the experience rating program provided in G.S. 96-9(b) or by  
8           coming into the program on a reimbursement basis in accordance with  
9           the provisions and conditions of G.S. 96-9(i). Any election made is  
          binding on the tribe so electing for a period of three years."

10       **SECTION 5.** G.S. 96-9(g) reads as rewritten:

11       "(g)   Nothing contained in subsections ~~(d) and (f)~~ (d), (f), and (i) of this section  
12       ~~shall be construed to prevent~~ prevents the Commission from providing any reimbursing  
13       employer with informational bills or lists of charges on a basis more frequent than  
14       yearly, if in its sole discretion, the Commission ~~deems~~ considers such action to be in the  
15       best interest of the Commission and the affected employer(s)."

16       **SECTION 6.** G.S. 96-9 is amended by adding a new subsection to read:

17       "(i)   Indian Tribes. – Benefits paid to employees of Indian tribe employing units  
18       shall be financed in accordance with the provisions of this subsection. For the purposes  
19       of this subsection, an 'Indian tribe employing unit' is an Indian tribe, a subdivision or  
20       subsidiary of an Indian tribe, or a business enterprise wholly owned by an Indian tribe.

21       (1)   Election. –

22           a.   An Indian tribe employing unit shall pay contributions under  
23           the provisions of this Chapter, unless it elects in accordance  
24           with this subsection to pay the Commission for the  
25           Unemployment Insurance Fund an amount equal to the amount  
26           of benefits paid that is attributable to service in the employ of  
27           the unit, to individuals for weeks of unemployment that begin  
28           within a benefit year established during the effective period of  
29           the election.

30           b.   An Indian tribe employing unit may elect to become liable for  
31           payments in lieu of contributions for a period of not less than  
32           three calendar years by filing a written notice of its election  
33           with the Commission at least 30 days before the January 1  
34           effective date of the election.

35           c.   An Indian tribe employing unit that makes an election in  
36           accordance with this subsection will continue after the end of  
37           the three calendar years to be liable for payments in lieu of  
38           contributions until it files with the Commission a written notice  
39           terminating its election at least 30 days before the January 1  
40           effective date of the termination.

41           d.   The account of an Indian tribe employing unit that has been  
42           paying contributions under this Chapter for a period of at least  
43           three consecutive calendar years and that elects to change to a

1 reimbursement basis shall be closed and shall not be used in any  
2 future computation of the unit's contribution rate in any manner  
3 except that the unit may be relieved of the requirement to pay  
4 one percent (1%) of taxable wages as required by subdivision  
5 (2) of this subsection to the following extent and upon the  
6 following conditions:

- 7 1. An Indian tribe employing unit that has, for the year the  
8 election will be effective, an experience rating of 1.7 or  
9 less will have transferred from its experience rating  
10 account an amount equal to one percent (1%) of its  
11 payroll as reported for each of the four calendar quarters  
12 that constitute the election year.
  - 13 2. An Indian tribe employing unit that has, for the year the  
14 election will be effective, an experience rating of less  
15 than 2.7 but more than 1.7 will have transferred from its  
16 experience rating account an amount equal to one-half of  
17 one percent (.5%) of its payroll as reported for each of  
18 the four calendar quarters that constitute the election  
19 year. These employing units shall make advance  
20 payments to the Commission quarterly, computed at  
21 one-half of one percent (.5%) of the taxable wages  
22 reported as provided in subdivision (2) of this  
23 subsection.
  - 24 3. An Indian tribe employing unit that has, for the year the  
25 election will become effective, an experience rating of  
26 2.7 or more, upon electing to change to a reimbursement  
27 basis, will meet all the requirements of subdivision (2) of  
28 this subsection, including making advance payments  
29 computed at one percent (1%) of taxable wages.
- 30 e. The Commission, in accordance with regulations it adopts, shall  
31 notify each Indian tribe employing unit of any determination of  
32 the effective date of any election it makes and of any  
33 termination of the election. These determinations shall be  
34 subject to reconsideration, appeal, and review.
- 35 (2) Procedure. – Indian tribe employing units' payments by reimbursement  
36 in lieu of contributions shall be made and processed as provided in this  
37 subdivision.
- 38 a. Quarterly contributions and wage reports and advance payments  
39 shall be submitted to the Commission quarterly under the same  
40 conditions and requirements of G.S. 96-9 and G.S. 96-10,  
41 except that the amount of advance payments shall be computed  
42 as one percent (1%) of taxable wages and entered on the  
43 reports, and except that the wage base shall be the same as that

1 provided for in G.S. 96-9(a)(5). Collection of these advance  
2 payments shall be made as provided for the collection of  
3 contributions in G.S. 96-10.

4 Any Indian tribe employing unit paying by reimbursement  
5 having been, prior to July 1, under the reimbursement method  
6 of payment for the preceding calendar year, shall continue to  
7 file quarterly reports but shall make no payments with those  
8 reports.

9 b. The Commission shall establish a separate account for each  
10 Indian tribe employing unit paying by reimbursement. The  
11 account shall be credited and maintained as provided in G.S.  
12 96-9(c)(1), except that advance payments shall be credited in  
13 full, and voluntary contributions are not applicable.

14 c. Benefits paid shall be allocated to the employer's account in  
15 accordance with G.S. 96-9(c)(2)a. but charged to the account  
16 without the application of any multiplier, and no benefits shall  
17 be noncharged except amounts of benefits paid through error.

18 d. As of July 31 of each year, and prior to January 1 of the  
19 succeeding year, the Commission shall determine the balance of  
20 each Indian tribe employing unit's account and shall furnish the  
21 unit with a statement of all charges and credits to the account.

22 As of August 1 of each year, there shall be refunded any  
23 credit balance remaining in the Indian tribe employing unit's  
24 account (after all applicable postings) in excess of one percent  
25 (1%) of taxable wages for the 12 months ending on June 30  
26 preceding the computation date. The refund must be made  
27 before February 1 following the computation date.

28 If the balance in the account does not equal one percent  
29 (1%) of taxable wages, the Indian tribe employing unit must,  
30 upon notice and demand for payment mailed to its last known  
31 address, pay into the account an amount that will bring the  
32 balance to one percent (1%) of taxable wages. This amount  
33 becomes due on or before the 25th day after the notice and  
34 demand for payment is mailed. Any amount unpaid on the due  
35 date shall be collected in the same manner, including interest, as  
36 prescribed in G.S. 96-10.

37 Upon a change in election as to the method of payment from  
38 reimbursement to contributions, or upon termination of  
39 coverage and after all applicable benefits paid based on wages  
40 paid before the change in election or termination of coverage  
41 have been charged, any credit balance in the account shall be  
42 refunded to the Indian tribe employing unit.

1                   If there is a debit balance in the account, the Indian tribe  
2                   employing unit must, upon notice and demand for payment  
3                   mailed to its last known address, pay into the account an  
4                   amount necessary to bring the account to one percent (1%) of  
5                   taxable wages. This amount becomes due on or before the 25th  
6                   day after the notice and demand for payment is mailed. Any  
7                   amount unpaid on the due date shall be collected in the same  
8                   manner, including interest, as prescribed in G.S. 96-10.

9                   e. Notices to Indian tribe employing units of payment and  
10                   reporting delinquency must include information that failure to  
11                   make full payment within the time prescribed will cause the  
12                   unit to become liable for contributions under subsection (a) of  
13                   this section, will cause the unit to lose the option of making  
14                   payment by reimbursement in lieu of contributions, and could  
15                   cause the unit to lose coverage under this Chapter for services  
16                   performed for the unit.

17                   (3) Forfeiture of option. – If an Indian tribe employing unit fails to make  
18                   payments, including interest and penalties, required under this  
19                   subsection within 90 days after receipt of the bill, the unit loses the  
20                   option to make payments by reimbursement in lieu of contributions for  
21                   the following calendar year unless payment in full is made before  
22                   contribution rates for the following calendar year are computed. An  
23                   Indian tribe that has lost the option to make payments by  
24                   reimbursement in lieu of contributions for a calendar year regains that  
25                   option for the following calendar year if it makes all contributions  
26                   timely during the year for which the option was lost, and no payments,  
27                   penalties, or interest remain outstanding.

28                   (4) Forfeiture of coverage. – If an Indian tribe employing unit fails to  
29                   make payments, including interest and penalties, required under this  
30                   subsection after all collection activities considered necessary by the  
31                   Commission have been exhausted, services performed for that  
32                   employing unit are no longer treated as 'employment' for the purpose  
33                   of coverage under this Chapter. An Indian tribe employing unit that  
34                   has lost coverage regains coverage under this Chapter for services  
35                   performed for the employing unit if the Commission determines that  
36                   all contributions, payments in lieu of contributions, penalties, and  
37                   interest have been paid.

38                   The Commission shall notify the Internal Revenue Service and the  
39                   United States Department of Labor of any termination or reinstatement  
40                   of coverage pursuant to this subdivision.

41                   (5) Extended benefits. – Extended benefits paid that are attributable to  
42                   service in the employ of an Indian tribe employing unit and not

1                    reimbursed by the federal government shall be financed in their  
2                    entirety by the Indian tribe employing unit."

3                    **SECTION 7.** This act is effective when it becomes law.