

1 LABOR CABINET

2 Office of Unemployment Insurance

3 (Amendment)

4 787 KAR 1:020. Change of status; discontinuance of business.

5 RELATES TO: KRS 341.070, 341.115, 341.190(2)

6 STATUTORY AUTHORITY: KRS 336.015, 336.050[151B.020], 341.115, 2021 Ky

7 Acts ch. 169 Part 1(I)(7)

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 341.115(1) authorizes the
9 secretary to promulgate administrative regulations necessary to administer KRS Chapter 341.

10 KRS 341.190(2) requires each employing unit to keep specified working records and authorizes
11 the secretary to require additional reports. This administrative regulation establishes the
12 requirement for subject employers to notify the office[division] of any change of ownership or
13 control of their business.

14 Section 1. A subject employer shall notify the Office[Division] of Unemployment
15 Insurance within fifteen (15) days of any change in ownership or control of his business, whether
16 in whole or in part, or of the discontinuance of the business by submitting an electronic Report of
17 Change in Ownership or Discontinuance of Business in Whole or in Part via the Unemployment
18 Insurance Self Service Web Portal located at <https://kewes.ky.gov>.

As approved by:



Buddy Hoskinson, Executive Director
Office of Unemployment Insurance

07/01/2021

Date



Jamie Link, Secretary
Kentucky Labor Cabinet

07/01/2021

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on September 27, 2021 at 2:00 (ET). This hearing will be conducted by live videoconference (ZOOM) pursuant to Senate Bill 150, Section 1, subparagraph 8(b) (R.S. 2020) and the continuing state of emergency due to the novel coronavirus pandemic. Public access to the meeting will be available at <https://us02web.zoom.us/j/88991458931?pwd=eTZYMEo0V3Qydnk0alB3MFFyYmZVUT09>, password 358248 or by telephone at 713-353-0212 or 888-822-7517 (toll free), conference code 278497.

Individuals interested in being heard at this hearing shall notify this agency in writing five (5) working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2021. Send notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Buddy Hoskinson, Labor Cabinet, Mayo-Underwood Building, 500 Mero Street, 4th Floor, Frankfort, Kentucky 40601, Telephone: (502) 564-2199, Facsimile: (502) 564-7850, Email: buddy.hoskinson@ky.gov.

REGULATORY IMPACT AND TIERING STATEMENT

Regulation Number 787 KAR 1:020

Contact Person: Buddy Hoskinson, Telephone: (502) 564-2199, Facsimile: (502) 564-7850,
Email: buddy.hoskinson@ky.gov.

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation requires that subject employers notify the office of any change of ownership or control of the business within 15 days of the action.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to ensure the office has up to date information on subject employers.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 341.115(1) authorizes the secretary to adopt regulations deemed necessary or suitable for the proper administration of KRS Chapter 341. KRS 341.190(2) specifies that the secretary may require information that is deemed necessary for the proper administration of KRS Chapter 341.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides requirements for subject employers to be in compliance with KRS 341.190(2). This administrative regulation ensures the Office of Unemployment Insurance will have the correct information for subject employers pursuant to KRS Chapter 341 to determine accurate liability of the employers.

- (2) If this is an amendment to an existing regulation, provide a brief summary of:
 - (a) How this amendment will change this existing administrative regulation: This amendment updates language to reflect the current terminology utilized by the office and updates how notices should be provided to the office. Further, it updates the statutory authority to reflect that the Office of Unemployment Insurance is now within the Labor Cabinet pursuant to 2021 Ky Acts ch. 169 Part 1(I)(7).
 - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to update statutory authority, terminology used by the office, and to reflect how subject employers can provide the notice of change in ownership of control of the business.
 - (c) How the amendment conforms to the content of the authorizing statutes: KRS 341.115(1) authorizes the secretary to amend regulations deemed necessary or suitable for the proper administration of KRS Chapter 341. This administrative regulation establishes a necessary report pursuant to KRS 341.190(2).
 - (d) How the amendment will assist in the effective administration of the statutes: The administrative regulation is necessary to provide guidance for subject employers on the requirements for notifications and the method of notification when there is a change in ownership of the business or if the business is discontinued. This administrative

regulation allows the office to receive updated information on subject employers, which is necessary to enforce KRS Chapter 341.

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects all subject employers in the Commonwealth.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No additional compliance duties are required by this amendment.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no additional cost associated with this amendment.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This administrative regulation enables the office to maintain current records of the ownership and control of subject employers, which helps the office determine any liability of the employer and allows for the employer to determine the tax liability of their company.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: This administrative regulation, as amended, is not anticipated to generate any new or additional costs.
 - (b) On a continuing basis: This administrative regulation, as amended, is not anticipated to generate any new or additional costs.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: KRS 341.240 establishes the unemployment compensation administration fund, the funds in which are available to the secretary for administration of the UI program and are deposited to defray the cost of the administration of this chapter.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new or by the change if it is an amendment: This administrative regulation, as amended, is not anticipated to generate any increase in fees or funding.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: There are no fees associated with this administrative regulation.
- (9) TIERING: Is tiering applied? Tiering is not applied. All subject employers are treated equally.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number 787 KAR 1:020

Contact Person: Buddy Hoskinson, Telephone: (502) 564-2199, Facsimile: (502) 564-7850,
Email: buddy.hoskinson@ky.gov.

1. What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Most state and local governmental entities are subject to unemployment insurance coverage and thus potentially affected by this administrative regulation.
2. Identify each state or federal statute or regulation that requires or authorizes the action taken by the administrative regulation. KRS 336.015, 336.050, 340.050(10(d), 341.115(1), 341.190(2), and 2021 Ky Acts ch. 169 Part 1(1)7.
3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
 - a. How much revenue will the administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will not generate revenue.
 - b. How much revenue will the administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate revenue.
 - c. How much will it cost to administer this program for the first year? There is no cost to this amendment.
 - d. How much will it cost to administer this program for subsequent years? There is no cost to this amendment.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): None

Expenditures (+/-): None

Other explanations: