

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5531
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: DECEMBER 16, 2021

SUMMARY

Synopsis: Exempts certain commercial fishermen from coverage under “unemployment compensation law.”

Type of Impact: Annual decrease in revenue and expenditures to the Unemployment Compensation Fund.

Agencies Affected: Department of Labor and Workforce Development

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Expenditure Decrease to UI Fund	Indeterminate
Revenue Decrease to UI Fund	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill will result in annual indeterminate, likely marginal, decreases in revenues and expenditures to the Unemployment Compensation (UI) Fund. The revenue and expenditure decreases will be realized by exempting commercial fishermen, whose compensation is comprised solely of a percentage of fish caught or a percentage of the proceeds from the sale of the catch, from UI compensation benefits and also exempting them from liability to UI taxes.
- The OLS also notes that the bill may potentially decrease revenues and expenditures to the State Disability Benefit Fund by an indeterminate and nominal amount.

BILL DESCRIPTION

This bill exempts from coverage under the unemployment compensation law any services provided by a commercial fisherman whose compensation is comprised solely of a percentage of fish caught or a percentage of the proceeds from the sale of the catch. The exempted commercial fisherman would not be subject to UI taxes and not be eligible for UI benefits.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill will result in annual indeterminate, likely marginal, decreases in revenues and expenditures to the UI Fund. The revenue and expenditure decreases will be realized by exempting commercial fishermen, whose compensation is comprised solely of a percentage of fish caught or a percentage of the proceeds from the sale of the catch, from UI compensation benefits and also exempting them from liability to UI taxes.

The OLS also notes that, while the bill does not have an explicit impact on either the Temporary Disability Leave or Family Leave programs, exempting the abovementioned fishermen may potentially result in an indeterminate, likely nominal, impact to the State Disability Benefit Fund. Under the statute governing programs, a covered individual is defined as any person who is in employment, as defined in the unemployment compensation law. By exempting commercial fishermen from the definition of employment in the UI law, the bill may lead to an indeterminate decrease in revenues and expenditures to the State Disability Benefit Fund.

Section: *Commerce, Labor and Industry*
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 Senior Fiscal Analyst
Approved: *Thomas Koenig*
 Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).