

Township 14 north, range 18 east: Sections 1 and 2, all; section 3, lots 1 and 2 of northeast quarter, lots 1 and 2 of northwest quarter, northeast quarter southeast quarter; section 4, lots 1 and 2; section 11, northeast quarter, north half northwest quarter, southeast quarter northwest quarter, east half southwest quarter, southeast quarter; section 12, all; section 14, west half; section 15, east half northeast quarter, northeast quarter southeast quarter; section 22, lots 2, 3, and 4, east half southeast quarter; section 23, west half; section 26, west half; section 34, southeast quarter; section 35, northeast quarter northwest quarter.

Township 15 north, range 18 east: Section 13, south half; section 14, lots 3 and 4, east half southwest quarter, southeast quarter; sections 22, 23, 24, 25, 26, 27, 33, 34, 35, and 36, all.

Township 15 north, range 19 east: Section 18, lot 2 of the southwest quarter; section 19, lot 2 of the northwest quarter, lots 1 and 2 of the southwest quarter; section 30, lot 2 of the northwest quarter.

The area described aggregates 12,919.78 acres, more or less.

SEC. 3. Not to exceed \$12,500,000 of the funds appropriated and available for acquisition of lands, waters, and interests therein, in the National Forest System pursuant to section 6 of the Act of September 3, 1964 (78 Stat. 903), shall be available for the acquisition of any lands, waters, and interests therein, within the area described in section 2 of this Act.

Approved August 5, 1970.

Funds, limitation,

16 USC 460l-9.

## Public Law 91-373

### AN ACT

To extend and improve the Federal-State unemployment compensation program.

August 10, 1970  
[H. R. 14705]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employment Security Amendments of 1970".*

Employment  
Security Amend-  
ments of 1970.

## TITLE I—UNEMPLOYMENT COMPENSATION AMENDMENTS

### PART A—COVERAGE

**SEC. 101. DEFINITION OF EMPLOYER.**

83 Stat. 91.  
26 USC 3306.

(a) Section 3306(a) of the Internal Revenue Code of 1954 is amended to read as follows:

“(a) **EMPLOYER.**—For purposes of this chapter, the term ‘employer’ means, with respect to any calendar year, any person who—

“(1) during any calendar quarter in the calendar year or the preceding calendar year paid wages of \$1,500 or more, or

“(2) on each of some 20 days during the calendar year or during the preceding calendar year, each day being in a different calendar week, employed at least one individual in employment for some portion of the day.”

(b) (1) Section 6157(a) (1) of such Code (relating to payment of Federal unemployment tax on quarterly or other time period basis) is amended to read as follows:

“(1) if the person—

“(A) during any calendar quarter in the preceding calendar year paid wages of \$1,500 or more, or

“(B) on each of some 20 days during the preceding calendar year, each day being in a different calendar week, employed at least one individual in employment,

Post, p. 713.

compute the tax imposed by section 3301 for each of the first three calendar quarters in the calendar year, and”.

(2) Section 6157(b) of such Code is amended by striking out “the number of percentage points (including fractional points) by which the rate of tax specified in section 3301 exceeds 2.7 percent” and inserting in lieu thereof “0.5 percent”.

Effective dates.

(c) (1) The amendments made by subsections (a) and (b) (1) shall apply with respect to calendar years beginning after December 31, 1971.

(2) The amendment made by subsection (b) (2) shall apply with respect to calendar years beginning after December 31, 1969.

**SEC. 102. DEFINITION OF EMPLOYEE.**

68A Stat. 452.

(a) Section 3306(i) of the Internal Revenue Code of 1954 is amended to read as follows:

“(i) **EMPLOYEE.**—For purposes of this chapter, the term ‘employee’ has the meaning assigned to such term by section 3121(d), except that subparagraphs (B) and (C) of paragraph (3) shall not apply.”

78 Stat. 124.

(b) Section 1563(f) (1) of such Code (relating to surtax exemption in case of certain controlled corporations) is amended by striking out “in section 3306(i)” and inserting in lieu thereof “by paragraphs (1) and (2) of section 3121(d)”.

Effective date.

(c) The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1971, for services performed after such date.

**SEC. 103. DEFINITION OF AGRICULTURAL LABOR.**

(a) Section 3306(k) of the Internal Revenue Code of 1954 is amended to read as follows:

68A Stat. 453.  
26 USC 3306.

“(k) **AGRICULTURAL LABOR.**—For purposes of this chapter, the term ‘agricultural labor’ has the meaning assigned to such term by subsection (g) of section 3121, except that for purposes of this chapter subparagraph (B) of paragraph (4) of such subsection (g) shall be treated as reading:

“(B) in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in subparagraph (A), but only if such operators produced more than one-half of the commodity with respect to which such service is performed.”

(b) The amendment made by subsection (a) shall apply with respect to remuneration paid after December 31, 1971, for services performed after such date.

Effective date.

**SEC. 104. STATE LAW COVERAGE OF CERTAIN EMPLOYEES OF NON-PROFIT ORGANIZATIONS AND OF STATE HOSPITALS AND INSTITUTIONS OF HIGHER EDUCATION.**

(a) Section 3304(a) of the Internal Revenue Code of 1954 is amended by redesignating paragraph (6) as paragraph (13) and by inserting after paragraph (5) the following new paragraph:

68A Stat. 443.

“(6) (A) compensation is payable on the basis of service to which section 3309(a)(1) applies, in the same amount, on the same terms, and subject to the same conditions as compensation payable on the basis of other service subject to such law; except that, with respect to service in an instructional, research, or principal administrative capacity for an institution of higher education to which section 3309(a)(1) applies, compensation shall not be payable based on such service for any week commencing during the period between two successive academic years (or, when the contract provides instead for a similar period between two regular but not successive terms, during such period) to any individual who has a contract to perform services in any such capacity for any institution or institutions of higher education for both of such academic years or both of such terms, and

*Infra.*

“(B) payments (in lieu of contributions) with respect to service to which section 3309(a)(1)(A) applies may be made into the State unemployment fund on the basis set forth in section 3309(a)(2).”

(b) (1) Chapter 23 of the Internal Revenue Code of 1954 is amended by redesignating section 3309 as section 3311, and by inserting after section 3308 the following new section:

68A Stat. 454;  
74 Stat. 983.

**“SEC. 3309. STATE LAW COVERAGE OF CERTAIN SERVICES PERFORMED FOR NONPROFIT ORGANIZATIONS AND FOR STATE HOSPITALS AND INSTITUTIONS OF HIGHER EDUCATION.**

“(a) **STATE LAW REQUIREMENTS.**—For purposes of section 3304(a)(6)—

*Supra.*

“(1) except as otherwise provided in subsections (b) and (c), the services to which this paragraph applies are—

“(A) service excluded from the term ‘employment’ solely by reason of paragraph (8) of section 3306(c), and

74 Stat. 984.

“(B) service performed in the employ of the State, or any instrumentality of the State or of the State and one or more other States, for a hospital or institution of higher education

68A Stat. 449.  
26 USC 3306.

located in the State, if such service is excluded from the term 'employment' solely by reason of paragraph (7) of section 3306(c); and

"(2) the State law shall provide that an organization (or group of organizations) which, but for the requirements of this paragraph, would be liable for contributions with respect to service to which paragraph (1)(A) applies may elect, for such minimum period and at such time as may be provided by State law, to pay (in lieu of such contributions) into the State unemployment fund amounts equal to the amounts of compensation attributable under the State law to such service. The State law may provide safeguards to ensure that organizations so electing will make the payments required under such elections.

"(b) SECTION NOT TO APPLY TO CERTAIN SERVICE.—This section shall not apply to service performed—

"(1) in the employ of (A) a church or convention or association of churches, or (B) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

"(2) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order;

"(3) in the employ of a school which is not an institution of higher education;

"(4) in a facility conducted for the purpose of carrying out a program of—

"(A) rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, or

"(B) providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work;

"(5) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof, by an individual receiving such work relief or work training; and

"(6) for a hospital in a State prison or other State correctional institution by an inmate of the prison or correctional institution.

"(c) NONPROFIT ORGANIZATIONS MUST EMPLOY 4 OR MORE.—This section shall not apply to service performed during any calendar year in the employ of any organization unless on each of some 20 days during such calendar year or the preceding calendar year, each day being in a different calendar week, the total number of individuals who were employed by such organization in employment (determined without regard to section 3306(c)(8) and by excluding service to which this section does not apply by reason of subsection (b)) for some portion of the day (whether or not at the same moment of time) was 4 or more.

"(d) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—For purposes of this section, the term 'institution of higher education' means an educational institution in any State which—

"(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

"(2) is legally authorized within such State to provide a program of education beyond high school;

74 Stat. 984.



“(3) provides an educational program for which it awards a bachelor’s or higher degree, or provides a program which is acceptable for full credit toward such a degree, or offers a program of training to prepare students for gainful employment in a recognized occupation; and

“(4) is a public or other nonprofit institution.”

(2) The table of sections for such chapter 23 is amended by redesignating the last item as section 3311 and by inserting after the item for section 3308 the following new item:

“Sec. 3309. State law coverage of certain services performed for nonprofit organizations and for State hospitals and institutions of higher education.”

(c) Section 3303 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsections:

68A Stat. 440;  
68 Stat. 1130.  
26 USC 3303.

“(e) PAYMENTS BY CERTAIN NONPROFIT ORGANIZATIONS.—A State may, without being deemed to violate the standards set forth in subsection (a), permit an organization (or a group of organizations) described in section 501(c)(3) which is exempt from income tax under section 501(a) to elect (in lieu of paying contributions) to pay into the State unemployment fund amounts equal to the amounts of compensation attributable under the State law to service performed in the employ of such organization (or group).

“(f) TRANSITION.—To facilitate the orderly transition to coverage of service to which section 3309(a)(1)(A) applies, a State law may provide that an organization (or group of organizations) which elects, when such election first becomes available under the State law, to make payments (in lieu of contributions) into the State unemployment fund as provided in section 3309(a)(2), and which had paid contributions into such fund under the State law with respect to such service performed in its employ before January 1, 1969, is not required to make any such payment (in lieu of contributions) on account of compensation paid after its election as heretofore described which is attributable under the State law to service performed in its employ, until the total of such compensation equals the amount—

*Ante*, p. 697.

“(1) by which the contributions paid by such organization (or group) with respect to a period before the election provided by section 3309(a)(2), exceed

“(2) the unemployment compensation for the same period which was charged to the experience-rating account of such organization (or group) or paid under the State law on the basis of wages paid by it or service performed in its employ, whichever is appropriate.”

(d) (1) Subject to the provisions of paragraph (2), the amendments made by subsections (a) and (b) shall apply with respect to certifications of State laws for 1972 and subsequent years, but only with respect to service performed after December 31, 1971. The amendment made by subsection (c) shall take effect January 1, 1970.

Effective date.

(2) Section 3304(a)(6) of the Internal Revenue Code of 1954 (as added by subsection (a) of this section) shall not be a requirement for the State law of any State prior to July 1, 1972, if the legislature of such State does not meet in a regular session which closes during the calendar year 1971.

#### SEC. 105. COVERAGE OF CERTAIN SERVICES PERFORMED OUTSIDE THE UNITED STATES.

(a) That portion of section 3306(c) of the Internal Revenue Code of 1954 which precedes paragraph (1) thereof is amended to read as follows:

68A Stat. 449;  
74 Stat. 984.

53 Stat. 183.

“(c) **EMPLOYMENT.**—For purposes of this chapter, the term ‘employment’ means any service performed prior to 1955, which was employment for purposes of subchapter C of chapter 9 of the Internal Revenue Code of 1939 under the law applicable to the period in which such service was performed, and (A) any service, of whatever nature, performed after 1954 by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, and (B) any service, of whatever nature, performed after 1971 outside the United States (except in a contiguous country with which the United States has an agreement relating to unemployment compensation or in the Virgin Islands) by a citizen of the United States as an employee of an American employer (as defined in subsection (j) (3)), except—”.

*Infra.*74 Stat. 986.  
26 USC 3306.

(b) Section 3306(j) of the Internal Revenue Code of 1954 is amended by inserting after paragraph (2) the following new paragraph:

“(3) **AMERICAN EMPLOYER.**—The term ‘American employer’ means a person who is—

(A) an individual who is a resident of the United States,

(B) a partnership, if two-thirds or more of the partners are residents of the United States,

(C) a trust, if all of the trustees are residents of the United States, or

(D) a corporation organized under the laws of the United States or of any State.”

Effective date.

(c) The amendments made by this section shall apply with respect to service performed after December 31, 1971.

#### **SEC. 106. STUDENTS AND THEIR SPOUSES ENGAGED IN CERTAIN PROGRAMS; HOSPITAL PATIENTS.**

74 Stat. 985.

(a) Paragraph (10) of section 3306(c) of the Internal Revenue Code of 1954 is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

“(B) service performed in the employ of a school, college, or university, if such service is performed (i) by a student who is enrolled and is regularly attending classes at such school, college, or university, or (ii) by the spouse of such a student, if such spouse is advised, at the time such spouse commences to perform such service, that (I) the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university, and (II) such employment will not be covered by any program of unemployment insurance, or

“(C) service performed by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to

the employer, except that this subparagraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers, or

“(D) service performed in the employ of a hospital, if such service is performed by a patient of such hospital;”.

(b) Subsection (a) shall apply with respect to remuneration paid after December 31, 1969.

Effective date.

**SEC. 107. EX-SERVICEMEN ACCRUED LEAVE TO BE TREATED IN ACCORDANCE WITH STATE LAWS.**

Effective with respect to benefit years which begin more than 30 days after the date of the enactment of this Act, section 8524 of title 5 of the United States Code is repealed.

Repeal.

80 Stat. 591.

**SEC. 108. COVERAGE OF EMPLOYEES OF HOSPITALS AND INSTITUTIONS OF HIGHER EDUCATION OPERATED BY POLITICAL SUBDIVISIONS OF STATES.**

(a) Section 3304(a) of the Internal Revenue Code of 1954 (as amended by sections 104, 121(a), and 206 of this Act) is further amended by adding after paragraph (11) (as added by section 206 of this Act) the following new paragraph:

“(12) each political subdivision of the State shall have the right to elect to have compensation payable to employees thereof (whose services are not otherwise subject to such law) based on service performed by such employees in the hospitals and institutions of higher education (as defined in section 3309(d)) operated by such political subdivision; and, if any such political subdivision does elect to have compensation payable to such employees thereof (A) the political subdivision shall pay into the State unemployment fund, with respect to the service of such employees, payments (in lieu of contributions), and (B) such employees will be entitled to receive, on the basis of such service, compensation payable on the same basis, in the same amount, on the same terms, and subject to the same conditions as compensation which is payable on the basis of similar service for the State which is subject to such law;”.

Ante, p. 698.

(b) The amendment made by subsection (a) shall apply with respect to certification of State laws for 1972 and subsequent years; except that section 3304(a) (12) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall not be a requirement for the State law of any State prior to July 1, 1972, if the legislature of such State does not meet in a regular session which closes during the calendar year 1971, or prior to January 1, 1975, if compliance with such requirement would necessitate a change in the constitution of such State.

Applicability, exception.

**PART B—PROVISIONS OF STATE LAW**

**SEC. 121. PROVISIONS REQUIRED TO BE INCLUDED IN STATE LAWS.**

(a) Section 3304(a) of the Internal Revenue Code of 1954 is amended by inserting after paragraph (6) (added by section 104(a) of this Act) the following new paragraphs:

“(7) an individual who has received compensation during his benefit year is required to have had work since the beginning of such year in order to qualify for compensation in his next benefit year;

“(8) compensation shall not be denied to an individual for any week because he is in training with the approval of the State agency (or because of the application, to any such week in training, of State law provisions relating to availability for work, active search for work, or refusal to accept work);

"(9) (A) compensation shall not be denied or reduced to an individual solely because he files a claim in another State (or a contiguous country with which the United States has an agreement with respect to unemployment compensation) or because he resides in another State (or such a contiguous country) at the time he files a claim for unemployment compensation;

"(B) the State shall participate in any arrangements for the payment of compensation on the basis of combining an individual's wages and employment covered under the State law with his wages and employment covered under the unemployment compensation law of other States which are approved by the Secretary of Labor in consultation with the State unemployment compensation agencies as reasonably calculated to assure the prompt and full payment of compensation in such situations. Any such arrangement shall include provisions for (i) applying the base period of a single State law to a claim involving the combining of an individual's wages and employment covered under two or more State laws, and (ii) avoiding duplicate use of wages and employment by reason of such combining;

"(10) compensation shall not be denied to any individual by reason of cancellation of wage credits or total reduction of his benefit rights for any cause other than discharge for misconduct connected with his work, fraud in connection with a claim for compensation, or receipt of disqualifying income;"

Effective date.

(b) (1) Subject to the provisions of paragraph (2), the amendments made by subsection (a) shall take effect January 1, 1972, and shall apply to the taxable year 1972 and taxable years thereafter.

Exception.

(2) Paragraphs (7) through (10) of section 3304(a) of the Internal Revenue Code of 1954 (as added by subsection (a) of this section) shall not be requirements for the State law of any State prior to July 1, 1972, if the legislature of such State does not meet in a regular session which closes during the calendar year 1971.

#### SEC. 122. ADDITIONAL CREDIT BASED ON REDUCED RATE FOR NEW EMPLOYERS.

68A Stat. 440;  
68 Stat. 1130.  
26 USC 3303.

(a) Section 3303(a) of the Internal Revenue Code of 1954 is amended by striking out "on a 3-year basis," in the sentence following paragraph (3) and inserting in lieu thereof "on a 3-year basis (i)" and by striking out the period at the end of such sentence and inserting in lieu thereof ", or (ii) a reduced rate (not less than 1 percent) may be permitted by the State law on a reasonable basis other than as permitted by paragraph (1), (2), or (3)."

Effective date.

(b) The amendments made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1971.

#### SEC. 123. CREDITS ALLOWABLE TO CERTAIN EMPLOYERS.

68A Stat. 445.

Section 3305 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(j) DENIAL OF CREDITS IN CERTAIN CASES.—Any person required, pursuant to the permission granted by this section, to make contributions to an unemployment fund under a State unemployment compensation law approved by the Secretary of Labor under section 3304 shall not be entitled to the credits permitted, with respect to the unemployment compensation law of a State, by subsections (a) and (b) of section 3302 against the tax imposed by section 3301 for any taxable year after December 31, 1971, if, on October 31 of such taxable year, the Secretary of Labor certifies to the Secretary his finding, after reasonable notice and opportunity for hearing to the State agency, that the unemployment compensation law of such State is inconsistent with any one or more of the conditions on the basis of which such permission is granted or that, in the application of the State law with

Ante, p. 697.



respect to the 12-month period ending on such October 31, there has been a substantial failure to comply with any one or more of such conditions. For purposes of section 3310, a finding of the Secretary of Labor under this subsection shall be treated as a finding under section 3304(c)."

*Post*, p. 704.

## PART C—JUDICIAL REVIEW

SEC. 131. (a) Title III of the Social Security Act is amended by adding at the end thereof the following new section:

49 Stat. 626;  
74 Stat. 982.  
42 USC 501.

### "JUDICIAL REVIEW

"SEC. 304. (a) Whenever the Secretary of Labor—

"(1) finds that a State law does not include any provision specified in section 303(a), or

68 Stat. 673.  
42 USC 503.

"(2) makes a finding with respect to a State under subsection (b) or (c) of section 303,

64 Stat. 560;  
52 Stat. 1112.

such State may, within 60 days after the Governor of the State has been notified of such action, file with the United States court of appeals for the circuit in which such State is located or with the United States Court of Appeals for the District of Columbia, a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary of Labor. The Secretary of Labor thereupon shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Secretary of Labor, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary of Labor to take further evidence and the Secretary of Labor may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

72 Stat. 941;  
80 Stat. 1323.

"(c) The court shall have jurisdiction to affirm the action of the Secretary of Labor or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

62 Stat. 928.

"(d) (1) The Secretary of Labor shall not withhold any certification for payment to any State under section 302 until the expiration of 60 days after the Governor of the State has been notified of the action referred to in paragraph (1) or (2) of subsection (a) or until the State has filed a petition for review of such action, whichever is earlier.

49 Stat. 626.  
42 USC 502.

"(2) The commencement of judicial proceedings under this section shall stay the Secretary's action for a period of 30 days, and the court may thereafter grant interim relief if warranted, including a further stay of the Secretary's action and including such other relief as may be necessary to preserve status or rights.

"(e) Any judicial proceedings under this section shall be entitled to, and, upon request of the Secretary or the State, shall receive a preference and shall be heard and determined as expeditiously as possible."

(b) Chapter 23 of the Internal Revenue Code of 1954 is amended by inserting after section 3309 (added by section 104(b) (1) of this Act) the following new section:

*Ante*, p. 697.

**"SEC. 3310. JUDICIAL REVIEW.***Post*, p. 707.*Infra*.

"(a) **IN GENERAL.**—Whenever under section 3303(b) or section 3304(c) the Secretary of Labor makes a finding pursuant to which he is required to withhold a certification with respect to a State under such section, such State may, within 60 days after the Governor of the State has been notified of such action, file with the United States court of appeals for the circuit in which such State is located or with the United States Court of Appeals for the District of Columbia, a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary of Labor. The Secretary of Labor thereupon shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of title 28 of the United States Code.

72 Stat. 941;  
80 Stat. 1323.

"(b) **FINDINGS OF FACT.**—The findings of fact by the Secretary of Labor, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary of Labor to take further evidence, and the Secretary of Labor may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) **JURISDICTION OF COURT; REVIEW.**—The court shall have jurisdiction to affirm the action of the Secretary of Labor or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

62 Stat. 928.

"(d) **STAY OF SECRETARY OF LABOR'S ACTION.**—

"(1) The Secretary of Labor shall not withhold any certification under section 3303(b) or section 3304(c) until the expiration of 60 days after the Governor of the State has been notified of the action referred to in subsection (a) or until the State has filed a petition for review of such action, whichever is earlier.

"(2) The commencement of judicial proceedings under this section shall stay the Secretary's action for a period of 30 days, and the court may thereafter grant interim relief if warranted, including a further stay of the Secretary's action and including such other relief as may be necessary to preserve status or rights.

"(e) **PREFERENCE.**—Any judicial proceedings under this section shall be entitled to, and, upon request of the Secretary or the State, shall receive a preference and shall be heard and determined as expeditiously as possible."

68A Stat. 444;  
*Post*, p. 707.  
26 USC 3304.

"(2) Section 3304(c) of the Internal Revenue Code of 1954 is amended to read as follows:

"(c) **CERTIFICATION.**—On December 31 of each taxable year the Secretary of Labor shall certify to the Secretary each State whose law he has previously approved, except that he shall not certify any State which, after reasonable notice and opportunity for hearing to the State agency, the Secretary of Labor finds has amended its law so that it no longer contains the provisions specified in subsection (a) or has with respect to the taxable year failed to comply substantially with any such provision in such subsection. No finding of a failure to comply substantially with any provision in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law (1) until all administrative review provided for under the laws of the State has been exhausted, or (2) with respect to which the time for judicial review provided by the laws of the State has not expired, or (3) with respect to which any judicial review is pending."

(3) The table of sections for such chapter 23 is amended by adding after the item relating to section 3309 (added by section 104(b) (2) of this Act) the following:

"Sec. 3310. Judicial review."

## PART D—ADMINISTRATION

### SEC. 141. RESEARCH PROGRAM, TRAINING GRANTS AND FEDERAL ADVISORY COUNCIL.

Title IX of the Social Security Act is amended by adding at the end thereof the following new sections:

74 Stat. 970;  
75 Stat. 14.  
42 USC 1101-  
1105.

#### "UNEMPLOYMENT COMPENSATION RESEARCH PROGRAM

"SEC. 906. (a) The Secretary of Labor shall—

"(1) establish a continuing and comprehensive program of research to evaluate the unemployment compensation system. Such research shall include, but not be limited to, a program of factual studies covering the role of unemployment compensation under varying patterns of unemployment including those in seasonal industries, the relationship between the unemployment compensation and other social insurance programs, the effect of State eligibility and disqualification provisions, the personal characteristics, family situations, employment background and experience of claimants, with the results of such studies to be made public; and

"(2) establish a program of research to develop information (which shall be made public) as to the effect and impact of extending coverage to excluded groups with first attention to agricultural labor.

"(b) To assist in the establishment and provide for the continuation of the comprehensive research program relating to the unemployment compensation system, there are hereby authorized to be appropriated for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, such sums, not to exceed \$8,000,000, as may be necessary to carry out the purposes of this section. From the sums authorized to be appropriated by this subsection the Secretary may provide for the conduct of such research through grants or contracts.

Appropriation.

Contract  
authority.

#### "PERSONNEL TRAINING

"SEC. 907. (a) In order to assist in increasing the effectiveness and efficiency of administration of the unemployment compensation program by increasing the number of adequately trained personnel, the Secretary of Labor shall—

"(1) provide directly, through State agencies, or through contracts with institutions of higher education or other qualified agencies, organizations, or institutions, programs and courses designed to train individuals to prepare them, or improve their qualifications, for service in the administration of the unemployment compensation program, including claims determinations and adjudication, with such stipends and allowances as may be permitted under regulations of the Secretary;

"(2) develop training materials for and provide technical assistance to the State agencies in the operation of their training programs;

"(3) under such regulations as he may prescribe, award fellowships and traineeships to persons in the Federal-State employment security agencies, in order to prepare them or improve

Regulations.

their qualifications for service in the administration of the unemployment compensation program.

Repayment.

"(b) The Secretary may, to the extent that he finds such action to be necessary, prescribe requirements to assure that any person receiving a fellowship, traineeship, stipend or allowance shall repay the costs thereof to the extent that such person fails to serve in the Federal-State employment security program for the period prescribed by the Secretary. The Secretary may relieve any individual of his obligation to so repay, in whole or in part, whenever and to the extent that such repayment would, in his judgment, be inequitable or would be contrary to the purposes of any of the programs established by this section.

Federal and  
State employees,  
detail.

"(c) The Secretary, with the concurrence of the State, may detail Federal employees to State unemployment compensation administration and the Secretary may concur in the detailing of State employees to the United States Department of Labor for temporary periods for training or for purposes of unemployment compensation administration, and the provisions of section 507 of the Elementary and Secondary Education Act of 1965 (79 Stat. 27) or any more general program of interchange enacted by a law amending, supplementing, or replacing section 507 shall apply to any such assignment.

79 Stat. 51;  
Ante, p. 142.  
20 USC 867.

Appropriation.

"(d) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1971, and for each fiscal year thereafter such sums, not to exceed \$5,000,000, as may be necessary to carry out the purposes of this section.

"FEDERAL ADVISORY COUNCIL

Members.

"SEC. 908. (a) The Secretary of Labor shall establish a Federal Advisory Council, of not to exceed 16 members including the chairman, for the purpose of reviewing the Federal-State program of unemployment compensation and making recommendations to him for improvement of the system.

Appointment.

"(b) The Council shall be appointed by the Secretary without regard to the civil service laws and shall consist of men and women who shall be representatives of employers and employees in equal numbers, and the public.

"(c) The Secretary may make available to the Council an Executive Secretary and secretarial, clerical, and other assistance, and such pertinent data prepared by the Department of Labor, as it may require to carry out its functions.

Compensation.

"(d) Members of the Council shall, while serving on business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by 5 U.S.C. 5703(b) for persons in government service employed intermittently.

80 Stat. 499;  
83 Stat. 190.

"(e) The Secretary shall encourage the organization of similar State advisory councils.

Appropriation.

"(f) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1971, and for each fiscal year thereafter such sums, not to exceed \$100,000, as may be necessary to carry out the purposes of this section."



**SEC. 142. CHANGE IN CERTIFICATION DATE.**

(a) Section 3302(a)(1) of the Internal Revenue Code of 1954 is amended by—

68A Stat. 439.  
26 USC 3302.

(1) striking out “for the taxable year” after “certified”; and

(2) inserting before the period at the end thereof the following: “for the 12-month period ending on October 31 of such year (10-month period in the case of October 31, 1972)”.

(b) Section 3302(b) of such Code is amended by—

(1) striking out “for the taxable year” after “certified”; and

(2) striking out “(or with respect to any provisions thereof so certified),” and inserting in lieu thereof the following: “for the 12-month period ending on October 31 of such year (10-month period in the case of October 31, 1972), or with respect to any provisions thereof so certified,”; and

(3) striking out “the taxable year” the last place it appears and inserting in lieu thereof “such 12 or 10-month period, as the case may be,”.

(c) Section 3303(b)(1) of such Code is amended to read as follows:

“(1) On October 31 of each calendar year, the Secretary of Labor shall certify to the Secretary the law of each State (certified by the Secretary of Labor as provided in section 3304 for the 12-month period ending on such October 31 (10-month period in the case of October 31, 1972)), with respect to which he finds that reduced rates of contributions were allowable with respect to such 12- or 10-month period, as the case may be, only in accordance with the provisions of subsection (a).”

*Infra.*

(d) Section 3303(b)(2) of such Code is amended by—

(1) striking out “taxable year” where it first appears and inserting in lieu thereof “12-month period ending on October 31 (10-month period in the case of October 31, 1972)”;

(2) striking out “on December 31 of such taxable year” following the words “the Secretary of Labor shall” and inserting in lieu thereof “on such October 31”; and

(3) striking out “taxable year” after “contributions were allowable with respect to such” and inserting in lieu thereof “12- or 10-month period, as the case may be,”.

(e) Section 3303(b)(3) of such Code is amended by—

(1) striking out “taxable year” where it first appears and inserting in lieu thereof “12-month period ending on October 31 (10-month period in the case of October 31, 1972)”;

(2) striking out “taxable year,” where it next appears and inserting in lieu thereof “12 or 10-month period, as the case may be,”.

(f) Section 3304(c) of such Code, as amended by section 131(b)(2) of this Act, is further amended to read as follows:

*Ante*, p. 704.

“(c) **CERTIFICATION.**—On October 31 of each taxable year the Secretary of Labor shall certify to the Secretary each State whose law he has previously approved, except that he shall not certify any State which, after reasonable notice and opportunity for hearing to the State agency, the Secretary of Labor finds has amended its law so that it no longer contains the provisions specified in subsection (a) or has with respect to the 12-month period ending on such October 31 failed to comply substantially with any such provision in such subsection. No finding of a failure to comply substantially with any provision in paragraph (5) of subsection (a) shall be based on an application or interpretation of State law (1) until all administrative review provided for under the laws of the State has been exhausted, or (2) with respect to which the time for judicial review provided by the laws of the State has not expired, or (3) with respect to which any judicial review is pending. On October 31 of any taxable year after 1971, the

Secretary shall not certify any State which, after reasonable notice and opportunity for hearing to the State agency, the Secretary of Labor finds has failed to amend its law so that it contains each of the provisions required by reason of the enactment of the Employment Security Amendments of 1970 to be included therein, or has with respect to the 12-month period (10-month period in the case of October 31, 1972) ending on such October 31, failed to comply substantially with any such provision."

68A Stat. 445.  
26 USC 3304.

(g) Section 3304(d) of such Code is amended by striking out "If, at any time during the taxable year," and inserting in lieu thereof "If at any time".

(h) Section 3304 of such Code is amended by adding at the end thereof the following new subsection:

"(e) CHANGE OF LAW DURING 12-MONTH PERIOD.—Whenever—

"(1) any provision of this section, section 3302, or section 3303 refers to a 12-month period ending on October 31 of a year, and

"(2) the law applicable to one portion of such period differs from the law applicable to another portion of such period, then such provision shall be applied by taking into account for each such portion the law applicable to such portion."

Effective date.

(i) The amendments made by this section shall apply with respect to the taxable year 1972 and taxable years thereafter.

## TITLE II—FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

### SHORT TITLE

Citation of title.

SEC. 201. This title may be cited as the "Federal-State Extended Unemployment Compensation Act of 1970".

### PAYMENT OF EXTENDED COMPENSATION

#### State Law Requirements

Post, p. 712.

SEC. 202. (a) (1) For purposes of section 3304(a) (11) of the Internal Revenue Code of 1954, a State law shall provide that payment of extended compensation shall be made, for any week of unemployment which begins in the individual's eligibility period, to individuals who have exhausted all rights to regular compensation under the State law and who have no rights to regular compensation with respect to such week under such law or any other State unemployment compensation law or to compensation under any other Federal law and are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands or Canada. For purposes of the preceding sentence, an individual shall have exhausted his rights to regular compensation under a State law (A) when no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period, or (B) when his rights to such compensation have terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) Except where inconsistent with the provisions of this title, the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for extended compensation and to the payment thereof.

## Individuals' Compensation Accounts

(b)(1) The State law shall provide that the State will establish, for each eligible individual who files an application therefor, an extended compensation account with respect to such individual's benefit year. The amount established in such account shall be not less than whichever of the following is the least:

(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him during such benefit year under such law,

(B) thirteen times his average weekly benefit amount, or

(C) thirty-nine times his average weekly benefit amount, reduced by the regular compensation paid (or deemed paid) to him during such benefit year under such law; except that the amount so determined shall (if the State law so provides) be reduced by the aggregate amount of additional compensation paid (or deemed paid) to him under such law for prior weeks of unemployment in such benefit year which did not begin in an extended benefit period.

(2) For purposes of paragraph (1), an individual's weekly benefit amount for a week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

## EXTENDED BENEFIT PERIOD

## Beginning and Ending

SEC. 203. (a) For purposes of this title, in the case of any State, an extended benefit period—

(1) shall begin with the third week after whichever of the following weeks first occurs:

(A) a week for which there is a national "on" indicator, or

(B) a week for which there is a State "on" indicator; and

(2) shall end with the third week after the first week for which there is both a national "off" indicator and a State "off" indicator.

## Special Rules

(b)(1) In the case of any State—

(A) no extended benefit period shall last for a period of less than thirteen consecutive weeks, and

(B) no extended benefit period may begin by reason of a State "on" indicator before the fourteenth week after the close of a prior extended benefit period with respect to such State.

(2) When a determination has been made that an extended benefit period is beginning or ending with respect to a State (or all the States), the Secretary shall cause notice of such determination to be published in the Federal Register.

Publication in  
Federal Register.

## Eligibility Period

(c) For purposes of this title, an individual's eligibility period under the State law shall consist of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period.

## National "On" and "Off" Indicators

(d) For purposes of this section—

(1) There is a national "on" indicator for a week if for each of the three most recent calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States equalled or exceeded 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the month in question).

(2) There is a national "off" indicator for a week if for each of the three most recent calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the month in question).

## State "On" and "Off" Indicators

(e) For purposes of this section—

(1) There is a State "on" indicator for a week if the rate of insured unemployment under the State law for the period consisting of such week and the immediately preceding twelve weeks—

(A) equalled or exceeded 120 per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, and

(B) equalled or exceeded 4 per centum.

(2) There is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, either subparagraph (A) or subparagraph (B) of paragraph (1) was not satisfied.

For purposes of this subsection, the rate of insured unemployment for any 13-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period.

## Rate of Insured Unemployment ; Covered Employment

(f)(1) For purposes of subsections (d) and (e), the term "rate of insured unemployment" means the percentage arrived at by dividing—

(A) the average weekly number of individuals filing claims for weeks of unemployment with respect to the specified period, as determined on the basis of the reports made by all State agencies (or, in the case of subsection (e), by the State agency) to the Secretary, by

(B) the average monthly covered employment for the specified period.

(2) Determinations under subsection (d) shall be made by the Secretary in accordance with regulations prescribed by him.

(3) Determinations under subsection (e) shall be made by the State agency in accordance with regulations prescribed by the Secretary.



## PAYMENTS TO STATES

## Amount Payable

SEC. 204. (a) (1) There shall be paid to each State an amount equal to one-half of the sum of—

(A) the sharable extended compensation, and

(B) the sharable regular compensation,

paid to individuals under the State law.

(2) No payment shall be made to any State under this subsection in respect of compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

## Sharable Extended Compensation

(b) For purposes of subsection (a)(1)(A), extended compensation paid to an individual for weeks of unemployment in such individual's eligibility period is sharable extended compensation to the extent that the aggregate extended compensation paid to such individual with respect to any benefit year does not exceed the smallest of the amounts referred to in subparagraphs (A), (B), and (C) of section 202(b)(1).

## Sharable Regular Compensation

(c) For purposes of subsection (a)(1)(B), regular compensation paid to an individual for a week of unemployment is sharable regular compensation—

(1) if such week is in such individual's eligibility period (determined under section 203(c)), and

(2) to the extent that the sum of such compensation, plus the regular compensation paid (or deemed paid) to him with respect to prior weeks of unemployment in the benefit year, exceeds twenty-six times (and does not exceed thirty-nine times) the average weekly benefit amount (including allowances for dependents) for weeks of total unemployment payable to such individual under the State law in such benefit year.

## Payment on Calendar Month Basis

(d) There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

## Certification

(e) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the extended unemployment compensation account to the account of such State in the Unemployment Trust Fund.

## DEFINITIONS

SEC. 205. For purposes of this title—

(1) The term “compensation” means cash benefits payable to individuals with respect to their unemployment.

(2) The term “regular compensation” means compensation payable to an individual under any State unemployment compensation law (including compensation payable pursuant to 5 U.S.C. chapter 85), other than extended compensation and additional compensation.

(3) The term “extended compensation” means compensation (including additional compensation and compensation payable pursuant to 5 U.S.C. chapter 85) payable for weeks of unemployment beginning in an extended benefit period to an individual under those provisions of the State law which satisfy the requirements of this title with respect to the payment of extended compensation.

(4) The term “additional compensation” means compensation payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors.

(5) The term “benefit year” means the benefit year as defined in the applicable State law.

(6) The term “base period” means the base period as determined under applicable State law for the benefit year.

(7) The term “Secretary” means the Secretary of Labor of the United States.

(8) The term “State” includes the District of Columbia and the Commonwealth of Puerto Rico.

(9) The term “State agency” means the agency of the State which administers its State law.

(10) The term “State law” means the unemployment compensation law of the State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

(11) The term “week” means a week as defined in the applicable State law.

## APPROVAL OF STATE LAWS

SEC. 206. Section 3304(a) of the Internal Revenue Code of 1954 is amended by inserting after paragraph (10) (added by section 121(a) of this Act) the following new paragraph:

“(11) extended compensation shall be payable as provided by the Federal-State Extended Unemployment Compensation Act of 1970;”.

## EFFECTIVE DATES

SEC. 207. (a) Except as provided in subsection (b) —

(1) in applying section 203, no extended benefit period may begin with a week beginning before January 1, 1972; and

(2) section 204 shall apply only with respect to weeks of unemployment beginning after December 31, 1971.

(b) (1) In the case of a State law approved under section 3304(a) (11) of the Internal Revenue Code of 1954, such State law may also provide that an extended benefit period may begin with a week established pursuant to such law which begins earlier than January 1, 1972, but not earlier than 60 days after the date of the enactment of this Act.

(2) For purposes of paragraph (1) with respect to weeks beginning before January 1, 1972, the extended benefit period for the State shall be determined under section 203(a) solely by reference to the State “on” indicator and the State “off” indicator.

80 Stat. 585;  
81 Stat. 218.  
5 USC 8501.

26 USC 3304.

Ante, p. 701.

Ante, p. 708.

(3) In the case of a State law containing a provision described in paragraph (1), section 204 shall also apply with respect to weeks of unemployment in extended benefit periods determined pursuant to paragraph (1).

(c) Section 3304(a)(11) of the Internal Revenue Code of 1954 (as added by section 206) shall not be a requirement for the State law of any State—

Exception.

(1) in the case of any State the legislature of which does not meet in a regular session which closes during the calendar year 1971, with respect to any week of unemployment which begins prior to July 1, 1972; or

(2) in the case of any other State, with respect to any week of unemployment which begins prior to January 1, 1972.

### TITLE III—FINANCING PROVISIONS

#### SEC. 301. RATE OF TAX.

(a) Effective with respect to remuneration paid after December 31, 1969, section 3301 of the Internal Revenue Code of 1954 is amended to read as follows:

68A Stat. 439;  
77 Stat. 51.  
26 USC 3301.

#### “SEC. 3301. RATE OF TAX.

“There is hereby imposed on every employer (as defined in section 3306(a)) for the calendar year 1970 and each calendar year thereafter an excise tax, with respect to having individuals in his employ, equal to 3.2 percent of the total wages (as defined in section 3306(b)) paid by him during the calendar year with respect to employment (as defined in section 3306(c)).”

Ante, p. 696.

68A Stat. 447;  
81 Stat. 935.

Ante, p. 699.

(b) For purposes of section 6157 of the Internal Revenue Code of 1954 (relating to payment of Federal unemployment tax on quarterly or other time period basis), in computing tax as required by subsections (a) (1) and (2) of such section, the percentage contained in subsection (b) of such section applicable with respect to wages paid in any calendar quarter in 1970 ending before the date of the enactment of this Act shall be treated as being 0.4 percent.

83 Stat. 91.  
26 USC 6157.

Ante, p. 696.

#### SEC. 302. INCREASE IN WAGE BASE.

Effective with respect to remuneration paid after December 31, 1971, section 3306(b) (1) of the Internal Revenue Code of 1954 is amended by striking out “\$3,000” each place it appears and inserting in lieu thereof “\$4,200”.

Effective date.

#### SEC. 303. CHANGES IN EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT.

(a) Section 901(c) of the Social Security Act is amended, effective with respect to fiscal years after June 30, 1970, by—

77 Stat. 51;  
83 Stat. 93.  
42 USC 1101.

(1) changing paragraph (1) to read as follows:

“(1) There are hereby authorized to be made available for expenditure out of the employment security administration account for the fiscal year ending June 30, 1971, and for each fiscal year thereafter—

“(A) such amounts (not in excess of the applicable limit provided by paragraph (3) and, with respect to clause (ii), not in excess of the limit provided by paragraph (4)) as the Congress may deem appropriate for the purpose of—

“(i) assisting the States in the administration of their unemployment compensation laws as provided in title III (including administration pursuant to agreements under any Federal unemployment compensation law),

Ante, p. 703.

48 Stat. 113.

72 Stat. 1221;  
76 Stat. 558.

49 Stat. 626;  
74 Stat. 978, 982;  
*Ante*, p. 703.  
42 USC 501,  
1321.  
68A Stat. 439;  
74 Stat. 983;  
83 Stat. 91.  
26 USC 3301,  
48 Stat. 113.  
29 USC 49.  
72 Stat. 221;  
76 Stat. 558.  
38 USC 2001.

*Post*, p. 715.

*Post*, p. 716.

74 Stat. 974;  
83 Stat. 93.  
42 USC 1101.

“(ii) the establishment and maintenance of systems of public employment offices in accordance with the Act of June 6, 1933, as amended (29 U.S.C., secs. 49–49n), and

“(iii) carrying into effect section 2003 of title 38 of the United States Code;

“(B) such amounts (not in excess of the limit provided by paragraph (4) with respect to clause (iii)) as the Congress may deem appropriate for the necessary expenses of the Department of Labor for the performance of its functions under—

“(i) this title and titles III and XII of this Act,

“(ii) the Federal Unemployment Tax Act,

“(iii) the provisions of the Act of June 6, 1933, as amended,

“(iv) chapter 41 (except section 2003) of title 38 of the United States Code, and

“(v) any Federal unemployment compensation law.

The term ‘necessary expenses’ as used in this subparagraph (B) shall include the expense of reimbursing a State for salaries and other expenses of employees of such State temporarily assigned or detailed to duty with the Department of Labor and of paying such employees for travel expenses, transportation of household goods, and per diem in lieu of subsistence while away from their regular duty stations in the State, at rates authorized by law for civilian employees of the Federal Government.”

(2) deleting the sentence commencing with the words “In determining” in paragraph (2);

(3) amending paragraph (3) to read as follows:

“(3)(A) For purposes of paragraph (1)(A), the limitation on the amount authorized to be made available for any fiscal year after June 30, 1970, is, except as provided in subparagraph (B) and in the second sentence of section 901(f)(3)(A), an amount equal to 95 percent of the amount estimated and set forth in the budget of the United States Government for such fiscal year as the amount by which the net receipts during such year under the Federal Unemployment Tax Act will exceed the amount transferred under section 905(b) during such year to the extended unemployment compensation account.

“(B) The limitation established by subparagraph (A) is increased by any unexpended amount retained in the employment security administration account in accordance with section 901(f)(2)(B).

“(C) Each estimate of net receipts under this paragraph shall be based upon a tax rate of 0.5 percent.”

(4) adding a new paragraph (4) as follows:

“(4) For purposes of paragraph (1)(A)(ii) and (1)(B)(iii) the amount authorized to be made available out of the employment security administration account for any fiscal year after June 30, 1972, shall reflect the proportion of the total cost of administering the system of public employment offices in accordance with the Act of June 6, 1933, as amended, and of the necessary expenses of the Department of Labor for the performance of its functions under the provisions of such Act, as the President determines is an appropriate charge to the employment security administration account, and reflects in his annual budget for such year. The President’s determination, after consultation with the Secretary, shall take into account such factors as the relationship between employment subject to State laws and the total labor force in the United States, the number of claimants and the number of job applicants, and such other factors as he finds relevant.”



(b) Section 901(d) of the Social Security Act is amended by—

74 Stat. 972.  
42 USC 1101.

(1) deleting the reference to “section 3302(c)(2) or (3)” in subparagraph (A)(i) and inserting in place thereof “section 3302(c)(3)”;

(2) deleting the final sentence in paragraph (1);

(3) deleting paragraph (2) and redesignating paragraph (3) as paragraph (2).

(c) Section 901(e)(2) of the Social Security Act is amended effective July 1, 1972, by deleting “is \$250,000,000” and inserting in lieu thereof “equals 40 percent of the amount of the total appropriation by the Congress out of the employment security administration account for the preceding fiscal year”.

(d) Effective with respect to fiscal years after June 30, 1972, section 901(f) of the Social Security Act is amended—

74 Stat. 973.

(1) by inserting “and section 901(f)(3)(C)” after “section 902(b)” in paragraph (2)(A); and

83 Stat. 93.

(2) by revising paragraph (3) to read as follows:

“(3)(A) The excess determined as provided in paragraph (2) as of the close of any fiscal year after June 30, 1972, shall be retained (as of the beginning of the succeeding fiscal year) in the employment security administration account until the amount in such account is equal to 40 percent of the amount of the total appropriation by the Congress out of the employment security administration account for the fiscal year for which the excess is determined. Three-eighths of the amount in the employment security administration account as of the beginning of any fiscal year after June 30, 1972, or \$150 million, whichever is the lesser, is authorized to be made available for such fiscal year pursuant to subsection (c)(1) for additional costs of administration due to an increase in the rate of insured unemployment for a calendar quarter of at least 15 percent over the rate of insured unemployment for the corresponding calendar quarter in the immediately preceding fiscal year.

“(B) If the entire amount of the excess determined as provided in paragraph (2) as of the close of any fiscal year after June 30, 1972, is not retained in the employment security administration account, there shall be transferred (as of the beginning of the succeeding fiscal year) to the extended unemployment compensation account the balance of such excess or so much thereof as is required to increase the amount in the extended unemployment compensation account to the limit provided in section 905(b)(2).

75 Stat. 15;  
77 Stat. 51.  
42 USC 1105.

“(C) If as of the close of any fiscal year after June 30, 1972, the amount in the extended unemployment compensation account exceeds the limit provided in section 905(b)(2), such excess shall be transferred to the employment security administration account as of the close of such fiscal year.”

#### SEC. 304. TRANSFERS TO FEDERAL UNEMPLOYMENT ACCOUNT AND REPORT TO CONGRESS.

(a) So much of section 902 of the Social Security Act as precedes subsection (b) is amended to read as follows:

74 Stat. 974.  
42 USC 1102.

“TRANSFERS TO FEDERAL UNEMPLOYMENT ACCOUNT AND  
REPORT TO CONGRESS

“TRANSFERS TO FEDERAL UNEMPLOYMENT ACCOUNT

74 Stat. 973.  
42 USC 1101.

*Ante*, p. 715.

“SEC. 902. (a) Whenever the Secretary of the Treasury determines pursuant to section 901(f) that there is an excess in the employment security administration account as of the close of any fiscal year and the entire amount of such excess is not retained in the employment security administration account or transferred to the extended unemployment compensation account as provided in section 901(f)(3), there shall be transferred (as of the beginning of the succeeding fiscal year) to the Federal unemployment account the balance of such excess or so much thereof as is required to increase the amount in the Federal unemployment account to whichever of the following is the greater:

“(1) \$550 million, or

“(2) the amount (determined by the Secretary of Labor and certified by him to the Secretary of the Treasury) equal to one-eighth of 1 percent of the total wages subject (determined without any limitation on amount) to contributions under all State unemployment compensation laws for the calendar year ending during the fiscal year for which the excess is determined.”

74 Stat. 974.  
42 USC 1102.

(b) Such section 902 is further amended by adding at the end thereof the following:

“REPORT TO THE CONGRESS

*Supra*.

*Post*, p. 717.

“(c) Whenever the Secretary of Labor has reason to believe that in the next fiscal year the employment security administration account will reach the limit provided for such account in section 901(f)(3)(A), and the Federal unemployment account will reach the limit provided for such account in section 902(a), and the extended unemployment compensation account will reach the limit provided for such account in section 905(b)(2), he shall, after consultation with the Secretary of the Treasury, so report to the Congress with a recommendation for appropriate action by the Congress.”

74 Stat. 979.  
42 USC 1323.

(c) Section 1203 of the Social Security Act is amended by striking out “section 901(f)(3)” and inserting in lieu thereof “sections 901(f)(3) and 902(a)”.

**SEC. 305. EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT.**

*Ante*, p. 705.

(a) Title IX of the Social Security Act is amended by striking out section 905 and inserting in lieu thereof the following new section:

“EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

“ESTABLISHMENT OF ACCOUNT

“SEC. 905. (a) There is hereby established in the Unemployment Trust Fund an extended unemployment compensation account. For the purposes provided for in section 904(e), such account shall be maintained as a separate book account.

“TRANSFERS TO ACCOUNT

“(b)(1) Except as provided by paragraph (3), the Secretary of the Treasury shall transfer (as of the close of July 1970, and each month thereafter), from the employment security administration account to the extended unemployment compensation account established by subsection (a), an amount determined by him to be equal, in

the case of any month before April 1972, to one-fifth, and in the case of any month after March 1972, to one-tenth, of the amount by which—

“(A) transfers to the employment security administration account pursuant to section 901(b)(2) during such month, exceed

74 Stat. 970.  
42 USC 1101.

“(B) payments during such month from the employment security administration account pursuant to section 901(b)(3) and (d).

If for any such month the payments referred to in subparagraph (B) exceed the transfers referred to in subparagraph (A), proper adjustments shall be made in the amounts subsequently transferred.

“(2) Whenever the Secretary of the Treasury determines pursuant to section 901(f) that there is an excess in the employment security administration account as of the close of any fiscal year beginning after June 30, 1972, there shall be transferred (as of the beginning of the succeeding fiscal year) to the extended unemployment compensation account the total amount of such excess or so much thereof as is required to increase the amount in the extended unemployment compensation account to whichever of the following is the greater:

*Ante*, p. 715.

“(A) \$750,000,000, or

“(B) the amount (determined by the Secretary of Labor and certified by him to the Secretary of the Treasury) equal to one-eighth of 1 percent of the total wages subject (determined without any limitation on amount) to contributions under all State unemployment compensation laws for the calendar year ending during the fiscal year for which the excess is determined.

“(3) The Secretary of the Treasury shall make no transfer pursuant to paragraph (1) as of the close of any month if he determines that the amount in the extended unemployment compensation account is equal to (or in excess of) the limitation provided in paragraph (2).

#### “TRANSFERS TO STATE ACCOUNTS

“(c) Amounts in the extended unemployment compensation account shall be available for transfer to the accounts of the States in the Unemployment Trust Fund as provided in section 204(e) of the Federal-State Extended Unemployment Compensation Act of 1970.

*Ante*, p. 711.

#### “ADVANCES TO EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT AND REPAYMENT

“(d) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of the Federal-State Extended Unemployment Compensation Act of 1970. Amounts appropriated as repayable advances shall be repaid, without interest, by transfers from the extended unemployment compensation account to the general fund of the Treasury, at such times as the amount in the extended unemployment compensation account is determined by the Secretary of the Treasury, in consultation with the Secretary of Labor, to be adequate for such purpose. Any amount transferred as a repayment under this subsection shall be credited against, and shall operate to reduce, any balance of advances repayable under this subsection.”

*Appropriation.*

*Ante*, p. 708.

(b) Section 903(a)(1) of the Social Security Act is amended to read as follows: “(1) If as of the close of any fiscal year after the fiscal year ending June 30, 1972, the amount in the extended unemployment compensation account has reached the limit provided in section 905(b)(2) and the amount in the Federal unemployment account has reached the limit provided in section 902(a) and all advances pursuant to section 905(d) and section 1203 have been repaid, and there remains

74 Stat. 974.  
42 USC 1103.

*Supra.*

74 Stat. 979.  
42 USC 1323.

*Ante*, p. 715.

in the employment security administration account any amount over the amount provided in section 901(f)(3)(A), such excess amount, except as provided in subsection (b), shall be transferred (as of the beginning of the succeeding fiscal year) to the accounts of the States in the Unemployment Trust Fund."

#### TITLE IV—MISCELLANEOUS PROVISIONS

##### SEC. 401. EXEMPTION OF CERTAIN INDUSTRIAL DEVELOPMENT BONDS FROM REGISTRATION, ETC., REQUIREMENTS.

*Post*, pp. 1434, 1498.

82 Stat. 266.  
26 USC 103.

(a) Section 3(a) of the Securities Act of 1933 (15 U.S.C. 77c) (relating to exempted securities) is amended by adding at the end of paragraph (2) the following: "or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security;"

*Post*, pp. 1435, 1499.

(b) Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c) (relating to exempted securities) is amended by inserting after "any municipal corporate instrumentality of one or more States;" in paragraph (12) the following: "or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security;"

Effective date.

(c) The amendments made by this section shall apply with respect to securities sold after January 1, 1970.

Approved August 10, 1970.

Public Law 91-374

AN ACT

August 11, 1970  
[H. R. 914]

For the relief of Hood River County, Oregon.

Hood River  
County, Oreg.  
Relief.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That Hood River County, Oregon, is relieved of all liability to the United States for amounts claimed by the United States Forest Service, Department of Agriculture, for alleged timber trespass arising out of timber sales during the period 1946 through 1961, inclusive, from the land described as follows:

One hundred and sixty acres of land, more or less, located in Hood River County which land is more fully described as the northwest quarter of the northeast quarter and the north half of the northwest quarter and the southeast quarter of the northwest quarter of section 9, township 1 south, range 8 east, of the Willamette meridian.

Approved August 11, 1970.