

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5653

60th Legislature
2007 Regular Session

Passed by the Senate April 16, 2007
YEAS 44 NAYS 2

President of the Senate

Passed by the House April 6, 2007
YEAS 68 NAYS 26

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5653** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5653

AS AMENDED BY THE HOUSE

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Economic Development, Trade & Management
(originally sponsored by Senators Kauffman, Kastama, Brown, Berkey,
Rockefeller, Keiser, Franklin, Kohl-Welles and Shin)

READ FIRST TIME 02/23/07.

1 AN ACT Relating to the establishment of a self-employment
2 assistance program; amending RCW 50.20.095; adding a new section to
3 chapter 50.20 RCW; creating new sections; providing an effective date;
4 and providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 50.20 RCW
7 to read as follows:

8 (1) The legislature finds that the establishment of a
9 self-employment assistance program would assist unemployed individuals
10 and create new businesses and job opportunities in Washington state.
11 The department shall inform individuals identified as likely to exhaust
12 regular unemployment benefits of the opportunity to enroll in
13 commissioner-approved self-employment assistance programs.

14 (2) An unemployed individual is eligible to participate in a
15 self-employment assistance program if it has been determined that he or
16 she:

17 (a) Is otherwise eligible for regular benefits as defined in RCW
18 50.22.010;

1 (b) Has been identified as likely to exhaust regular unemployment
2 benefits under a profiling system established by the commissioner as
3 defined in P.L. 103-152; and

4 (c) Is enrolled in a self-employment assistance program that is
5 approved by the commissioner, and includes entrepreneurial training,
6 business counseling, technical assistance, and requirements to engage
7 in activities relating to the establishment of a business and becoming
8 self-employed.

9 (3) Individuals participating in a self-employment assistance
10 program approved by the commissioner are eligible to receive their
11 regular unemployment benefits.

12 (a) The requirements of RCW 50.20.010 and 50.20.080 relating to
13 availability for work, active search for work, and refusal to accept
14 suitable work are not applicable to an individual in the
15 self-employment assistance program for the first fifty-two weeks of the
16 individual's participation in the program. However, enrollment in a
17 self-employment assistance program does not entitle the enrollee to any
18 benefit payments he or she would not be entitled to had he or she not
19 enrolled in the program.

20 (b) An individual who meets the requirements of this section is
21 considered to be "unemployed" under RCW 50.04.310 and 50.20.010.

22 (4) An individual who fails to participate in his or her approved
23 self-employment assistance program as prescribed by the commissioner is
24 disqualified from continuation in the program.

25 (5) An individual completing the program may not directly compete
26 with his or her separating employer for a specific time period and in
27 a specific geographic area. The time period may not, in any case,
28 exceed one year. Both the time period and the geographic area must be
29 reasonable, considering the following factors:

30 (a) Whether restraining the individual from performing services is
31 necessary for the protection of the employer or the employer's
32 goodwill;

33 (b) Whether the agreement harms the individual more than is
34 reasonably necessary to secure the employer's business or goodwill; and

35 (c) Whether the loss of the employee's services and skills injures
36 the public to a degree warranting nonenforcement of the agreement.

37 (6) The commissioner shall take all steps necessary in carrying out
38 this section to assure collaborative involvement of interested parties

1 in program development, and to ensure that the self-employment
2 assistance programs meet all federal criteria for withdrawal from the
3 unemployment fund. The commissioner may approve, as self-employment
4 assistance programs, existing self-employment training programs
5 available through community colleges, work force investment boards, or
6 other organizations and is not obligated by this section to expend any
7 departmental funds for the operation of self-employment assistance
8 programs, unless specific funding is provided to the department for
9 that purpose through federal or state appropriations.

10 (7) The commissioner may adopt rules as necessary to implement this
11 section.

12 **Sec. 2.** RCW 50.20.095 and 1980 c 74 s 4 are each amended to read
13 as follows:

14 Any individual registered at an established school in a course of
15 study providing scholastic instruction of twelve or more hours per
16 week, or the equivalent thereof, shall be disqualified from receiving
17 benefits or waiting period credit for any week during the school term
18 commencing with the first week of such scholastic instruction or the
19 week of leaving employment to return to school, whichever is the
20 earlier, and ending with the week immediately before the first full
21 week in which the individual is no longer registered for twelve or more
22 hours of scholastic instruction per week: PROVIDED, That registration
23 for less than twelve hours will be for a period of sixty days or
24 longer. The term "school" includes primary schools, secondary schools,
25 and "institutions of higher education" as that phrase is defined in RCW
26 50.44.037.

27 This disqualification shall not apply to any individual who:

28 (1) Is in approved training within the meaning of RCW 50.20.043;
29 (~~(1)~~)

30 (2) Is in an approved self-employment assistance program under
31 section 1 of this act; or

32 (3) Demonstrates to the commissioner by a preponderance of the
33 evidence his or her actual availability for work, and in arriving at
34 this determination the commissioner shall consider the following
35 factors:

36 (a) Prior work history;

37 (b) Scholastic history;

- 1 (c) Past and current labor market attachment; and
2 (d) Past and present efforts to seek work.

3 NEW SECTION. **Sec. 3.** By December 1, 2011, the employment security
4 department shall report to the house of representatives commerce and
5 labor committee and the senate labor, commerce, research and
6 development committee on the performance of the self-employment
7 assistance program. The report shall include an analysis of the
8 following:

- 9 (1) Self-employment impacts;
10 (2) Wage and salary outcomes;
11 (3) Benefit payment outcomes; and
12 (4) A cost-benefit analysis.

13 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2008.

14 NEW SECTION. **Sec. 5.** The commissioner of employment security may
15 take the necessary steps to ensure that this act is implemented on its
16 effective date.

17 NEW SECTION. **Sec. 6.** This act expires July 1, 2012.

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