H-1798.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SUBSTITUTE HOUSE BILL 1812**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 66th Legislature 2019 Regular Session**

**By** House Housing, Community Development & Veterans (originally sponsored by Representatives Reeves, Leavitt, Kilduff, Appleton, Lovick, and Stanford)

AN ACT Relating to the military spouse equal economic opportunity act; amending RCW 18.340.020, 73.16.010, 73.16.110, 49.74.005, 41.06.530, 73.16.120, 82.04.4498, 82.16.0499, 50.62.020, and 50.62.030; adding a new section to chapter 43.330 RCW; adding a new section to chapter 39.19 RCW; creating a new section; and providing an expiration date.

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

NEW SECTION. **Sec.**  This act may be known and cited as the military spouse equal economic opportunity act.

**Sec.**  RCW 18.340.020 and 2011 2nd sp.s. c 5 s 2 are each amended to read as follows:

(1) ((~~For the purposes of this section, "authority" means any board, commission, or other authority for issuance of a license, certificate, registration, or permit under this title.~~

~~(2) To the extent resources are available:~~

~~(a)~~)) Each authority shall establish procedures to expedite the issuance of ((~~a~~)) standard and provisional licenses, certificates, registrations, or permits to perform professional services regulated by each such authority to ((~~a person:~~

~~(i) Who is certified or licensed, certified, or registered, or has a permit in another state to perform professional services in that state;~~

~~(ii) Whose spouse is the subject of a military transfer to Washington; and~~

~~(iii) Who left employment in the other state to accompany the person's spouse to Washington.~~

~~(b) The procedure must include a process for issuing the person a license, certificate, registration, or permit, if, in the opinion of the authority, the requirements for licensure, certification, registration, or obtaining a permit of such other state are substantially equivalent to that required in Washington.~~

~~(c) Each authority in this title shall develop a method and adopt rules to authorize a person who meets the criteria in (a)(i) through (iii) of this subsection to perform services regulated by the authority in Washington by issuing the person a temporary license, certificate, registration, or permit for a limited period of time to allow the person to perform services regulated by the authority while completing any specific additional requirements in Washington that are not related to training or practice standards of the profession that were not required in the other state in which the person is licensed, certified, or registered, or has a permit~~)) active duty military spouses who relocate to Washington state and possess substantially equivalent authorization.

(2) Nothing in this section requires the authority to issue a ((~~temporary~~)) license, certificate, registration, or permit if the:

(a) Standards of the other state are substantially unequal to Washington standards((~~.~~

~~(d) An applicant must state in the application that he or she:~~

~~(i) Has requested verification from the other state or states that the person is currently licensed, certified, registered, or has a permit; and~~

~~(ii) Is not~~)); or

(b) Person is subject to any pending investigation, charges, or disciplinary action by the regulatory body of ((~~the other~~)) another state or ((~~states~~)) territory of the United States.

((~~(e)~~)) (3) If the authority finds reasonable cause to believe that an applicant falsely ((~~affirmed or stated either of the requirements under (d)(i) or (ii) of this subsection~~)) provided information, the authority may summarily suspend the license, certificate, registration, or permit pending an investigation or further action to discipline or revoke the license, certificate, registration, or permit.

(4) For the purposes of this section:

(a) "Active duty military spouse" means any person currently married to someone who is an active or reserve member in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(b) "Authority" means any board, commission, or other authority for issuance of a license, certificate, registration, or permit under this title.

(c) "Provisional license, certificate, registration, or permit" means immediate authorization to perform the full range of activities allowed with a standard license, certificate, registration, or permit:

(i) Under the supervision of a person with a standard Washington state license, certificate, registration, or permit; and

(ii) For a period of three years, or the duration of a standard license, certificate, registration, or permit if less than three years.

(d) "Substantially equivalent authorization" means a license, certificate, registration, or permit to practice a profession from another state or territory of the United States that uses requirements comparable to those used in Washington state.

**Sec.**  RCW 73.16.010 and 1975 1st ex.s. c 198 s 1 are each amended to read as follows:

In every public department, and upon all public works of the state, and of any county thereof, honorably discharged soldiers, sailors, and marines who are veterans of any war of the United States, or of any military campaign for which a campaign ribbon shall have been awarded, and their widows or widowers, shall be preferred for appointment and employment. Age, loss of limb, or other physical impairment, which does not in fact incapacitate, shall not be deemed to disqualify them, provided they possess the capacity necessary to discharge the duties of the position involved: PROVIDED, That ((~~spouses of honorably discharged veterans who have a service connected permanent and total disability~~)) military spouses shall also be preferred for appointment and employment.

**Sec.**  RCW 73.16.110 and 2011 c 144 s 1 are each amended to read as follows:

(1) The legislature intends to establish a permissive preference in private employment for certain veterans and military spouses.

(2) In every private, nonpublic employment in this state, honorably discharged soldiers, sailors, and marines who are veterans of any war of the United States, or of any military campaign for which a campaign ribbon has been awarded((~~, and their widows or widowers~~)), may be preferred for employment. ((~~Spouses of honorably discharged veterans who have a service connected permanent and total disability~~)) Military spouses may also be preferred for employment. These preferences are not considered violations of any state or local equal employment opportunity law, including but not limited to any statute or regulation adopted under chapter 49.60 RCW.

(3) For the purposes of this section:

(a) "Military spouse" means any person currently or previously married to a military service member during the military service member's time of active duty. Active duty may have been in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(b) "Veteran" has the same meanings as defined in RCW 41.04.005 and 41.04.007, and includes a current member of the national guard or armed forces reserves who has been deployed to serve in an armed conflict.

**Sec.**  RCW 49.74.005 and 1985 c 365 s 7 are each amended to read as follows:

Discrimination because of race, creed, color, national origin, age, sex, marital status, military spouse status, or the presence of any sensory, mental, or physical handicap is contrary to the findings of the legislature and public policy. The legislature finds and declares that racial minorities, women, persons in protected age groups, persons with disabilities, Vietnam-era veterans, ((~~and disabled~~)) veterans with disabilities, and military spouses are underrepresented in Washington state government employment.

The purpose of this chapter is to provide for enforcement measures for affirmative action within Washington state government employment and institutions of higher education in order to eliminate such underrepresentation.

**Sec.**  RCW 41.06.530 and 2011 1st sp.s. c 43 s 429 are each amended to read as follows:

(1) The legislature recognizes that:

(a) The labor market and the state government workforce are diverse in terms of gender, race, ethnicity, age, military spouse status, and the presence of disabilities.

(b) The state's personnel resource and management practices must be responsive to the diverse nature of its workforce composition.

(c) Managers in all agencies play a key role in the implementation of all critical personnel policies.

It is therefore the policy of the state to create an organizational culture in state government that respects and values individual differences and encourages the productive potential of every employee.

(2) To implement this policy:

(a) The office of financial management shall, in consultation with agencies, employee organizations, employees, institutions of higher education, and related boards, review civil service rules and related policies to ensure that they support the state's policy of valuing and managing diversity in the workplace; and

(b) The department of enterprise services, in consultation with agencies, employee organizations, and employees, institutions of higher education, and related boards, develop training programs for all managers to enhance their ability to implement diversity policies and to provide a thorough grounding in all aspects of the state civil service law and merit system rules, and how the proper implementation and application thereof can facilitate and further the mission of the agency.

(3) The department of enterprise services and the office of financial management shall coordinate implementation of this section with the institutions of higher education and related boards to reduce duplication of effort.

**Sec.**  RCW 73.16.120 and 2015 c 57 s 2 are each amended to read as follows:

(1) The department of veterans affairs, employment security department, and department of commerce shall consult local chambers of commerce, associate development organizations, and businesses to initiate a demonstration campaign to increase veteran and military spouse employment. This campaign may include partnerships with chambers of commerce that result in business owners sharing, with the local chamber of commerce, information on the number of veterans employed and the local chambers of commerce providing this information to the department of veterans affairs.

(2) The department of veterans affairs, employment security department, and department of commerce shall develop and deliver training and other resources for employers addressing:

(a) The elimination of barriers to military spouse employment; and

(b) Strategies for recruiting and retaining military spouse employees.

(3) Participants in the campaign are encouraged to work with the Washington state military transition council and county veterans' advisory boards as defined in RCW 73.08.035.

((~~(3) Funding for the campaign shall be established from existing resources.~~))

(4) For the purposes of this section((~~,~~)):

(a) "Military spouse" means any person currently or previously married to a military service member during the military service member's time of active duty. Active duty may have been in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(b) "Veteran" means any veteran discharged under honorable conditions.

**Sec.**  RCW 82.04.4498 and 2015 3rd sp.s. c 6 s 1002 are each amended to read as follows:

(1) A person is allowed a credit against the tax due under this chapter as provided in this section. The credit equals twenty percent of wages and benefits paid to or on behalf of a qualified employee up to a maximum of one thousand five hundred dollars for each qualified employee hired on or after October 1, 2016.

(2) No credit may be claimed under this section until a qualified employee has been employed for at least two consecutive full calendar quarters.

(3) Credits are available on a first-in-time basis. The department must keep a running total of all credits allowed under this section and RCW 82.16.0499 during each fiscal year. The department may not allow any credits that would cause the total credits allowed under this section and RCW 82.16.0499 to exceed five hundred thousand dollars in any fiscal year. If all or part of a claim for credit is disallowed under this subsection, the disallowed portion is carried over to the next fiscal year. However, the carryover into the next fiscal year is only permitted to the extent that the cap for the next fiscal year is not exceeded. Priority must be given to credits carried over from a previous fiscal year. The department must provide written notice to any person who has claimed tax credits in excess of the limitation in this subsection. The notice must indicate the amount of tax due and provide that the tax be paid within thirty days from the date of the notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any extension thereof.

(4) The credit may be used against any tax due under this chapter, and may be carried over until used, except as provided in subsection (9) of this section. No refunds may be granted for credits under this section.

(5) If an employer discharges a qualified employee for whom the employer has claimed a credit under this section, the employer may not claim a new credit under this section for a period of one year from the date the qualified employee was discharged. However, this subsection (5) does not apply if the qualified employee was discharged for misconduct, as defined in RCW 50.04.294, connected with his or her work or discharged due to a felony or gross misdemeanor conviction, and the employer contemporaneously documents the reason for discharge.

(6) Credits earned under this section may be claimed only on returns filed electronically with the department using the department's online tax filing service or other method of electronic reporting as the department may authorize. No application is required to claim the credit, but the taxpayer must keep records necessary for the department to determine eligibility under this section including records establishing the person's status as a veteran or military spouse and status as unemployed when hired by the taxpayer.

(7) No person may claim a credit against taxes due under both this chapter and chapter 82.16 RCW for the same qualified employee.

(8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Military spouse" means any person currently or previously married to a military service member during the military service member's time of active duty. Active duty may have been in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(b)(i) "Qualified employee" means an unemployed veteran or military spouse who is employed in a permanent full-time position for at least two consecutive full calendar quarters. For seasonal employers, "qualified employee" also includes the equivalent of a full-time employee in work hours for two consecutive full calendar quarters.

(ii) For purposes of this subsection (8)((~~(a)~~)) (b), "full time" means a normal workweek of at least thirty-five hours.

((~~(b)~~)) (c) "Unemployed" means that the veteran or military spouse was unemployed as defined in RCW 50.04.310 for at least thirty days immediately preceding the date that the veteran or military spouse was hired by the person claiming credit under this section for hiring the veteran or military spouse.

((~~(c)~~)) (d) "Veteran" means every person who has received an honorable discharge or received a general discharge under honorable conditions or is currently serving honorably, and who has served as a member in any branch of the armed forces of the United States, including the national guard and armed forces reserves.

(9) Credits allowed under this section can be earned for tax reporting periods through June 30, 2022. No credits can be claimed after June 30, 2023.

(10) This section expires July 1, 2023.

**Sec.**  RCW 82.16.0499 and 2015 3rd sp.s. c 6 s 1003 are each amended to read as follows:

(1) A person is allowed a credit against the tax due under this chapter as provided in this section. The credit equals twenty percent of wages and benefits paid to or on behalf of a qualified employee up to a maximum of one thousand five hundred dollars for each qualified employee hired on or after October 1, 2016.

(2) No credit may be claimed under this section until a qualified employee has been employed for at least two consecutive full calendar quarters.

(3) Credits are available on a first-in-time basis. The department must keep a running total of all credits allowed under this section and RCW 82.04.4498 during each fiscal year. The department may not allow any credits that would cause the total credits allowed under this section and RCW 82.04.4498 to exceed five hundred thousand dollars in any fiscal year. If all or part of a claim for credit is disallowed under this subsection, the disallowed portion is carried over to the next fiscal year. However, the carryover into the next fiscal year is only permitted to the extent that the cap for the next fiscal year is not exceeded. Priority must be given to credits carried over from a previous fiscal year. The department must provide written notice to any person who has claimed tax credits in excess of the limitation in this subsection. The notice must indicate the amount of tax due and provide that the tax be paid within thirty days from the date of the notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any extension thereof.

(4) The credit may be used against any tax due under this chapter, and may be carried over until used, except as provided in subsection (9) of this section. No refunds may be granted for credits under this section.

(5) If an employer discharges a qualified employee for whom the employer has claimed a credit under this section, the employer may not claim a new credit under this section for a period of one year from the date the qualified employee was discharged. However, this subsection (5) does not apply if the qualified employee was discharged for misconduct, as defined in RCW 50.04.294, connected with his or her work or discharged due to a felony or gross misdemeanor conviction, and the employer contemporaneously documents the reason for discharge.

(6) Credits earned under this section may be claimed only on returns filed electronically with the department using the department's online tax filing service or other method of electronic reporting as the department may authorize. No application is required to claim the credit, but the taxpayer must keep records necessary for the department to determine eligibility under this section including records establishing the person's status as a veteran or military spouse and status as unemployed when hired by the taxpayer.

(7) No person may claim a credit against taxes due under both chapter 82.04 RCW and this chapter for the same qualified employee.

(8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Military spouse" means any person currently or previously married to a military service member during the member's time of active duty. Active duty may have been in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(b)(i) "Qualified employee" means an unemployed veteran or military spouse who is employed in a permanent full-time position for at least two consecutive full calendar quarters. For seasonal employers, "qualified employee" also includes the equivalent of a full-time employee in work hours for two consecutive full calendar quarters.

(ii) For purposes of this subsection (8)((~~(a)~~)) (b), "full time" means a normal workweek of at least thirty-five hours.

((~~(b)~~)) (c) "Unemployed" means that the veteran or military spouse was unemployed as defined in RCW 50.04.310 for at least thirty days immediately preceding the date that the veteran or military spouse was hired by the person claiming credit under this section for hiring the veteran or military spouse.

((~~(c)~~)) (d) "Veteran" means every person who has received an honorable discharge or received a general discharge under honorable conditions or is currently serving honorably, and who has served as a member in any branch of the armed forces of the United States, including the national guard and armed forces reserves.

(9) Credits allowed under this section can be earned for tax reporting periods through June 30, 2022. No credits can be claimed after June 30, 2023.

(10) This section expires July 1, 2023.

**Sec.**  RCW 50.62.020 and 1987 c 284 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Job service" means the employment assistance program of the employment security department.

(2) "Employment assistance" means services to unemployed persons focused on and measured by the obtaining of employment.

(3) "Labor exchange" means those activities which match labor supply and labor demand, including recruitment, screening, and referral of qualified workers to employers.

(4) "Special account of the administrative contingency fund" means that fund under RCW 50.24.014 established within the administrative contingency fund of the employment security department which provides revenue for the purposes of this chapter.

(5) "Continuous wage and benefit history" means an information and research system utilizing a longitudinal database containing information on both employment and unemployment.

(6) "Long-term unemployed" means demographic groups of unemployment insurance claimants identified by the employment security department pursuant to RCW 50.62.040(1)(e) which have the highest percentages of persons who have drawn at least fifteen weeks of unemployment insurance benefits or have the highest percentage of persons who have exhausted their unemployment insurance benefits.

(7) "Older unemployed workers" means unemployment insurance claimants who are at least fifty years of age.

(8) "Military spouses" means any person currently or previously married to a military service member during the military service member's time of active duty. Active duty may have been in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

**Sec.**  RCW 50.62.030 and 2017 c 39 s 10 are each amended to read as follows:

(1) Job service resources must be used to assist with the reemployment of unemployed workers using the most efficient and effective means of service delivery. The job service program of the employment security department may undertake any program or activity for which funds are available and which furthers the goals of this chapter. These programs and activities must include, but are not limited to:

(a) Giving older unemployed workers ((~~and~~)), the long-term unemployed, and military spouses the highest priority for all services made available under this section. The employment security department must make the services provided under this chapter available to the older unemployed workers ((~~and~~)), the long-term unemployed, and military spouses as soon as they register under the employment assistance program;

(b) Supplementing basic employment services, with special job search and claimant placement assistance designed to assist unemployment insurance claimants to obtain employment;

(c) Providing employment services, such as recruitment, screening, and referral of qualified workers, to agricultural areas where these services have in the past contributed to positive economic conditions for the agricultural industry; and

(d) Providing otherwise unobtainable information and analysis to the legislature and program managers about issues related to employment and unemployment.

(2) Individuals who are eligible for services under the federal workforce innovation and opportunity act, P.L. 113-128 or its successor, must be provided the opportunity to enroll in self-employment assistance or entrepreneurial training programs to prepare them for self-employment on the same basis as they are provided the opportunity to enroll in other training programs funded under the federal workforce innovation and opportunity act. The department must work with local workforce development councils to ensure that the contracting process with training providers is efficient and that the number of entrepreneurial training providers on the state's eligible training provider list is sufficient to meet demand. Each local workforce development council must:

(a) Notify all individuals eligible for services under the workforce innovation and opportunity act of the availability of self-employment assistance and entrepreneurial training; and

(b) Establish and implement a plan for expending workforce innovation and opportunity act funds on self-employment assistance and entrepreneurial training at a rate that is commensurate with either the demand for such services or the rate of self-employment within the council's workforce development area.

NEW SECTION. **Sec.**  A new section is added to chapter 43.330 RCW to read as follows:

(1) The legislature recognizes that the departments of veterans affairs, social and health services, health, and commerce, the employment security department, the Washington student achievement council, the state board for community and technical colleges, the health care authority, the office of financial management, and the United States department of defense, in addition to other agencies, each have comprehensive data that can contribute greatly to understanding the demographics of military spouses, as defined in RCW 50.62.020, and military families in the state.

(2) For the purposes of improving the state's ability to support military families, the department shall convene a work group of representatives from the agencies listed in subsection (1) of this section and any other agency or entity the department finds appropriate to develop recommendations on best practices for collecting demographic data on military families receiving services, support, assistance, and benefits from the state agencies.

(3) The department must convene the work group and issue a report of findings and recommendations to the joint committee of veterans' and military affairs by December 31, 2019.

(4) The work group must, at a minimum:

(a) Determine what data on military families is already being collected by each agency;

(b) Establish best practices for agencies to share demographic data on military families in order to better serve and support military families; and

(c) Recommend methods to encourage military families to self-identify for the purposes of collecting demographic data.

(5)(a) If the work group's recommendations can be implemented by the agencies without legislative action, the agencies shall implement the recommendations within one year of the work group's report.

(b) If legislative action is required to implement the work group's recommendations, the department shall request legislation in the legislative session following the issuance of the work group's report.

(6) In coordination with the work group, the office of financial management shall develop and issue a report on military spouses residing in Washington state to the joint committee on veterans' and military affairs by December 31, 2019. The report must include, at a minimum: The actual or estimated number of spouses currently married to active duty service members; spouses currently married to active duty service members who have moved to Washington state over the past year; spouses currently married to separated service members; and spouses previously married to active duty service members.

(7) In coordination with the work group, the employment security department shall develop and issue a report on working-age military spouses residing in Washington state to the joint committee on veterans' and military affairs by December 31, 2019. The report must include, at a minimum: The actual or estimated labor force participation rate; the unemployment rate; and average wages.

NEW SECTION. **Sec.**  A new section is added to chapter 39.19 RCW to read as follows:

(1) By January 1, 2020, the office shall design and implement a two-year pilot program to conduct outreach to military spouses who are women and minority business owners, for the purposes of providing support and technical assistance to those business owners.

(2) In designing and implementing the pilot program, the office shall, at a minimum:

(a) Focus on one military installation community; and

(b) Partner with the department of commerce, the department of veterans affairs, the United States small business administration, nonprofit organizations, and any other organizations that provide small business support, such as advising, planning, networking, and alternative financing.

(3) By December 31, 2021, the office shall provide a report to the joint committee on veterans' and military affairs on the office's outreach efforts, the number of business owners who participated in the pilot program, and the status of the businesses that were part of the pilot program.

(4) For the purposes of this section, "military spouse" means any person currently or previously married to a military service member during the military service member's time of active duty. Active duty may have been in any branch of the armed forces of the United States, including the national guard, coast guard, and armed forces reserves.

(5) This section expires December 31, 2023.

**--- END ---**