

---

**SENATE BILL 5359**

---

**State of Washington                      54th Legislature                      1995 Regular Session**

**By** Senators Sheldon, Cantu, Rasmussen, Winsley and A. Anderson

Read first time 01/20/95. Referred to Committee on Labor, Commerce & Trade.

1            AN ACT Relating to self-employment for unemployed claimants;  
2 amending RCW 50.16.030; adding a new chapter to Title 50 RCW; creating  
3 a new section; and providing an effective date.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that the passage of  
6 the North American free trade agreement offers both substantial  
7 opportunities for economic growth for the state and the potential for  
8 displacement of workers. To assist unemployed individuals in taking  
9 advantage of these opportunities, the federal government has authorized  
10 states to establish a self-employment assistance program as part of the  
11 state's unemployment insurance program. The legislature finds that the  
12 establishment of a self-employment assistance program would create new  
13 businesses and job opportunities in Washington state.

14            NEW SECTION.    **Sec. 2.** (1) An unemployed individual is eligible to  
15 participate in a self-employment assistance program if it has been  
16 determined that he or she:

17            (a) Is otherwise eligible for regular unemployment benefits as  
18 defined in RCW 50.22.010(5);

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;

4 (c) Is enrolled in a self-employment assistance program that is  
5 approved by the commissioner, and includes entrepreneurial training,  
6 business counseling, and technical assistance; and

7 (d) Is actively engaged on a full-time basis in activities relating  
8 to the establishment of a business and becoming self-employed. The  
9 self-employment assistance program administrators will determine  
10 whether the claimant is engaged on a full-time basis.

11 (2) Individuals participating in a self-employment assistance  
12 program approved by the commissioner are eligible to receive a self-  
13 employment allowance in lieu of regular benefits, payable in the same  
14 weekly benefit amount, at the same interval, on the same terms, and  
15 subject to the same conditions as regular unemployment benefits, except  
16 that:

17 (a) The requirements of RCW 50.20.010(3), 50.20.015, and 50.20.080  
18 relating to availability for work, active search for work, and refusal  
19 to accept suitable work are not applicable to such individual;

20 (b) Income earned from self-employment shall not be considered  
21 remuneration and shall not be deductible from the weekly benefit amount  
22 by reason of the application of RCW 50.20.130; and

23 (c) An individual who meets the requirements of this chapter is  
24 considered to be "unemployed" under RCW 50.04.310 and 50.20.010.

25 (3) An individual who fails to participate in his or her approved  
26 self-employment assistance program or who fails to actively engage on  
27 a full-time basis on activities relating to establishing a business  
28 shall be disqualified from self-employment allowances for the week such  
29 failure occurs. This individual may be eligible for regular benefits  
30 for such week if he or she meets all eligibility requirements for  
31 regular benefits.

32 NEW SECTION. **Sec. 3.** The commissioner shall take all steps  
33 necessary in carrying out this chapter to assure collaborative  
34 involvement of interested parties in program development, and to ensure  
35 that the self-employment assistance program and self-employment  
36 allowances meet all federal criteria for withdrawal from the  
37 unemployment fund. No payments shall be made under this chapter until

1 such time as a plan for such payments is approved by the Unites States  
2 department of labor.

3 **Sec. 4.** RCW 50.16.030 and 1983 1st ex.s. c 7 s 1 are each amended  
4 to read as follows:

5 (1) Moneys shall be requisitioned from this state's account in the  
6 unemployment trust fund solely for the payment of benefits, self-  
7 employment allowances, and repayment of loans from the federal  
8 government to guarantee solvency of the unemployment compensation fund  
9 in accordance with regulations prescribed by the commissioner, except  
10 that money credited to this state's account pursuant to section 903 of  
11 the social security act, as amended, shall be used exclusively as  
12 provided in RCW 50.16.030(5). The commissioner shall from time to time  
13 requisition from the unemployment trust fund such amounts, not  
14 exceeding the amounts standing to its account therein, as he deems  
15 necessary for the payment of benefits for a reasonable future period.  
16 Upon receipt thereof the treasurer shall deposit such moneys in the  
17 benefit account and shall issue his warrants for the payment of  
18 benefits solely from such benefits account.

19 (2) Expenditures of such moneys in the benefit account and refunds  
20 from the clearing account shall not be subject to any provisions of law  
21 requiring specific appropriations or other formal release by state  
22 officers of money in their custody, and RCW 43.01.050, as amended,  
23 shall not apply. All warrants issued by the treasurer for the payment  
24 of benefits, self-employment allowances, and refunds shall bear the  
25 signature of the treasurer and the countersignature of the  
26 commissioner, or his duly authorized agent for that purpose.

27 (3) Any balance of moneys requisitioned from the unemployment trust  
28 fund which remains unclaimed or unpaid in the benefit account after the  
29 expiration of the period for which sums were requisitioned shall either  
30 be deducted from estimates for, and may be utilized for the payment of,  
31 benefits and self-employment allowances during succeeding periods, or  
32 in the discretion of the commissioner, shall be redeposited with the  
33 secretary of the treasury of the United States of America to the credit  
34 of this state's account in the unemployment trust fund.

35 (4) Money credited to the account of this state in the unemployment  
36 trust fund by the secretary of the treasury of the United States of  
37 America pursuant to section 903 of the social security act, as amended,  
38 may be requisitioned and used for the payment of expenses incurred for

1 the administration of this title pursuant to a specific appropriation  
2 by the legislature, provided that the expenses are incurred and the  
3 money is requisitioned after the enactment of an appropriation law  
4 which:

5 (a) specifies the purposes for which such money is appropriated and  
6 the amounts appropriated therefor,

7 (b) limits the period within which such money may be obligated to  
8 a period ending not more than two years after the date of the enactment  
9 of the appropriation law, and

10 (c) limits the amount which may be obligated during a twelve-month  
11 period beginning on July 1st and ending on the next June 30th to an  
12 amount which does not exceed the amount by which (i) the aggregate of  
13 the amounts credited to the account of this state pursuant to section  
14 903 of the social security act, as amended, during the same twelve-  
15 month period and the thirty-four preceding twelve-month periods,  
16 exceeds (ii) the aggregate of the amounts obligated pursuant to RCW  
17 50.16.030(4), (5) and (6) and charged against the amounts credited to  
18 the account of this state during any of such thirty-five twelve-month  
19 periods. For the purposes of RCW 50.16.030(4), (5) and (6), amounts  
20 obligated during any such twelve-month period shall be charged against  
21 equivalent amounts which were first credited and which are not already  
22 so charged; except that no amount obligated for administration during  
23 any such twelve-month period may be charged against any amount credited  
24 during such a twelve-month period earlier than the thirty-fourth  
25 twelve-month period preceding such period: PROVIDED, That any amount  
26 credited to this state's account under section 903 of the social  
27 security act, as amended, which has been appropriated for expenses of  
28 administration, whether or not withdrawn from the trust fund shall be  
29 excluded from the unemployment compensation fund balance for the  
30 purpose of experience rating credit determination.

31 (5) Money credited to the account of this state pursuant to section  
32 903 of the social security act, as amended, may not be withdrawn or  
33 used except for the payment of benefits, self-employment allowances,  
34 and for the payment of expenses of administration and of public  
35 employment offices pursuant to RCW 50.16.030(4), (5) and (6).

36 (6) Money requisitioned as provided in RCW 50.16.030(4), (5) and  
37 (6) for the payment of expenses of administration shall be deposited in  
38 the unemployment compensation fund, but until expended, shall remain a  
39 part of the unemployment compensation fund. The commissioner shall

1 maintain a separate record of the deposit, obligation, expenditure and  
2 return of funds so deposited. Any money so deposited which either will  
3 not be obligated within the period specified by the appropriation law  
4 or remains unobligated at the end of the period, and any money which  
5 has been obligated within the period but will not be expended, shall be  
6 returned promptly to the account of this state in the unemployment  
7 trust fund.

8 NEW SECTION. **Sec. 5.** If any part of this act is found to be in  
9 conflict with federal requirements that are a prescribed condition to  
10 the allocation of federal funds to the state or the eligibility of  
11 employers in this state for federal unemployment tax credits, the  
12 conflicting part of this act is hereby declared to be inoperative  
13 solely to the extent of the conflict, and such finding or determination  
14 shall not affect the operation of the remainder of this act. The rules  
15 under this act shall meet federal requirements that are a necessary  
16 condition to the receipt of federal funds by the state or the granting  
17 of federal unemployment tax credits to employers in this state.

18 NEW SECTION. **Sec. 6.** This act shall take effect . . . . .

19 NEW SECTION. **Sec. 7.** Sections 1 through 3 of this act shall  
20 constitute a new chapter in Title 50 RCW.

--- END ---