
SUBSTITUTE SENATE BILL 5359

State of Washington

54th Legislature

1995 Regular Session

By Senate Committee on Labor, Commerce & Trade (originally sponsored by Senators Sheldon, Cantu, Rasmussen, Winsley and A. Anderson)

Read first time 02/24/95.

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

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) and 50.20.080 relating to
18 availability for work, active search for work, and refusal to accept
19 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 programs and self-employment
36 allowances meet all federal criteria for withdrawal from the
37 unemployment fund. The commissioner may approve, as self-employment
38 assistance programs, existing self-employment training programs

1 available through community colleges, private industry councils, or
2 other organizations and is not obligated by chapter . . . , Laws of 1995
3 (this act) to expend any departmental funds for the operation of self-
4 employment assistance programs, unless specific funding is provided to
5 the department for that purpose through federal or state
6 appropriations. No payments to individuals shall be made under this
7 chapter until such time as a plan for such payments is approved by the
8 Unites States department of labor.

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

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

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

33 (3) Any balance of moneys requisitioned from the unemployment trust
34 fund which remains unclaimed or unpaid in the benefit account after the
35 expiration of the period for which sums were requisitioned shall either
36 be deducted from estimates for, and may be utilized for the payment of,
37 benefits and self-employment allowances during succeeding periods, or
38 in the discretion of the commissioner, shall be redeposited with the

1 secretary of the treasury of the United States of America to the credit
2 of this state's account in the unemployment trust fund.

3 (4) Money credited to the account of this state in the unemployment
4 trust fund by the secretary of the treasury of the United States of
5 America pursuant to section 903 of the social security act, as amended,
6 may be requisitioned and used for the payment of expenses incurred for
7 the administration of this title pursuant to a specific appropriation
8 by the legislature, provided that the expenses are incurred and the
9 money is requisitioned after the enactment of an appropriation law
10 which:

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

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

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

37 (5) Money credited to the account of this state pursuant to section
38 903 of the social security act, as amended, may not be withdrawn or
39 used except for the payment of benefits, self-employment allowances,

1 and for the payment of expenses of administration and of public
2 employment offices pursuant to RCW 50.16.030(4), (5) and (6).

3 (6) Money requisitioned as provided in RCW 50.16.030(4), (5) and
4 (6) for the payment of expenses of administration shall be deposited in
5 the unemployment compensation fund, but until expended, shall remain a
6 part of the unemployment compensation fund. The commissioner shall
7 maintain a separate record of the deposit, obligation, expenditure and
8 return of funds so deposited. Any money so deposited which either will
9 not be obligated within the period specified by the appropriation law
10 or remains unobligated at the end of the period, and any money which
11 has been obligated within the period but will not be expended, shall be
12 returned promptly to the account of this state in the unemployment
13 trust fund.

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

24 NEW SECTION. **Sec. 6.** The commissioner may adopt rules as
25 necessary to address the relationship of chapter . . . , Laws of 1995
26 (this act) to eligibility for conventional unemployment insurance
27 benefits, definitions, program eligibility, program review, and
28 compliance with applicable federal laws and regulations.

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

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