
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-3033.1/99

ATTY/TYPIST: KB:rmh

BRIEF TITLE:

2 HB 2235 - H AMD
3 By Representative

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** A new section is added to chapter 50.22 RCW
8 to read as follows:

9 (1) An additional benefit period is established for:

10 (a) An individual who has base year employment of at least one
11 thousand hours in the same industry, but if the individual does not
12 have one thousand hours, then has base year employment in the same
13 industry of at least six hundred eighty hours during his or her base
14 year and of at least six hundred eighty hours during the period of four
15 consecutive calendar quarters prior to his or her base year, and who:

16 (i) Has been terminated or has received a notice of termination
17 from employment;

18 (ii) Is eligible for or has exhausted entitlement to unemployment
19 compensation benefits;

20 (iii) Is, in the determination of the employment security
21 department, in consultation with its labor market and economic analysis
22 division, in a declining occupation because of diminishing demand for
23 his or her skills; and

24 (iv) Is identified by the department through the profiling system
25 under RCW 50.20.011 as likely to exhaust regular benefits; and

26 (b) An individual who meets the provisions of (a)(i) and (ii) of
27 this subsection, who is unlikely, in the determination of the
28 employment security department in consultation with its labor market
29 and economic analysis division, to return to employment in his or her
30 principal occupation or previous industry because of diminishing demand
31 for his or her skills in that occupation or industry, and who has base
32 year employment of at least one thousand hours, but if the individual
33 does not have one thousand hours, then has base year employment in the
34 same industry of at least six hundred eighty hours during his or her
35 base year and of at least six hundred eighty hours during the period of

1 four consecutive calendar quarters prior to his or her base year, in
2 the:

3 (i) Forest products industry, determined by the department, but
4 including the industries assigned the major group standard industrial
5 classification codes "24" and "26" or any equivalent codes in a
6 successor classification system as determined by the commissioner, and
7 the industries involved in the harvesting and management of logs,
8 transportation of logs and wood products, processing of wood products,
9 and the manufacturing and distribution of wood processing and logging
10 equipment. New claims for additional benefits under this subsection
11 (1)(b)(i) shall be accepted only for weeks of unemployment beginning
12 after July 1, 1999;

13 (ii) Fishing industry assigned the standard industrial
14 classification code "0912" or any equivalent codes in a successor
15 classification system as determined by the commissioner. New claims
16 for additional benefits under this subsection (1)(b)(ii) shall be
17 accepted only for weeks of unemployment beginning after July 1, 1999;
18 or

19 (iii) Aerospace industry assigned the standard industrial
20 classification code "372" or any equivalent codes in a successor
21 classification system as determined by the commissioner.

22 (2) The total additional benefit amount for individuals described
23 in subsection (1)(a) of this section shall be fifty-two times the
24 individual's weekly benefit amount, reduced by the total amount of
25 regular benefits paid, or deemed paid, with respect to the benefit
26 year.

27 (3) The total additional benefit amount for individuals described
28 in subsection (1)(b) of this section shall be one hundred four times
29 the individual's weekly benefit amount, reduced by the total amount of
30 regular benefits paid, or deemed paid, with respect to the benefit
31 year.

32 (4)(a) For individuals described in subsection (1)(a) of this
33 section, no new claims for additional benefits shall be accepted for
34 weeks beginning after July 1, 2001, but for claims established on or
35 before July 1, 2001, weeks of unemployment occurring after July 1,
36 2001, shall be compensated as provided in this section.

37 (b) For individuals described in subsection (1)(b) of this section,
38 no new claims for additional benefits shall be accepted for weeks
39 beginning after July 1, 2001, but for claims established on or before

1 July 1, 2001, weeks of unemployment occurring after July 1, 2001, shall
2 be compensated as provided in this section.

3 (5) An additional benefit eligibility period is established for any
4 exhaustee meeting the requirements of subsection (1)(a) or (b) of this
5 section who:

6 (a) Develops an individual training program that is submitted to
7 the commissioner for approval by sixty days after the individual is
8 notified by the department of the requirements of this section or after
9 the individual is profiled under RCW 50.20.011, whichever occurs later;

10 (b) Enters the approved training program by ninety days after the
11 date of the notification or profiling, whichever occurs later, unless
12 the department determines that the training is not available during the
13 ninety-day period, in which case the individual enters training as soon
14 as it is available; and

15 (c) Is enrolled in training approved under this section on a full-
16 time basis as determined by the educational institution, and making
17 satisfactory progress in the training by maintaining a grade point
18 average sufficient to graduate and attending all classes included in
19 the approved training plan, as certified by the educational
20 institution. The educational institution shall provide the
21 certification, including the grade point average, to the department
22 following the end of each academic quarter or semester, as applicable,
23 for eligibility verification purposes.

24 (6) The weekly benefit amount shall be the same as the regular
25 weekly amount payable during the applicable benefit year.

26 (7) Benefits paid under this section shall be paid under the same
27 terms and conditions as regular benefits. The additional benefits
28 shall be paid before any extended benefits but not before any similar
29 federally funded program.

30 (8) Additional benefits may not be payable for weeks more than one
31 year beyond the end of the benefit year of the regular claim for
32 individuals described in subsection (1)(a) of this section or more than
33 two years beyond the end of the benefit year of the regular claim for
34 individuals described in subsection (1)(b) of this section.

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

37 (a) "Training program" means:

1 (i) A remedial education program determined to be necessary after
2 counseling at the educational institution in which the individual
3 enrolls under his or her approved training program; or

4 (ii) A vocational training program at an educational institution
5 that:

6 (A) Is training for a demand occupation; and

7 (B) Is likely to enhance the individual's marketable skills and
8 earning power.

9 "Training program" does not include any course of education
10 primarily intended to meet the requirements of a baccalaureate or
11 higher degree, unless the training meets specific requirements for
12 certification, licensing, or for specific skills necessary for the
13 occupation.

14 (b) "Educational institution" means an institution of higher
15 education as defined in RCW 28B.10.016 or an educational institution as
16 defined in RCW 28C.04.410, including equivalent educational
17 institutions in other states.

18 (10) The commissioner shall adopt rules as necessary to implement
19 this section.

20 (11) The requirement under RCW 50.22.010(10) relating to exhausting
21 regular benefits does not apply to an individual otherwise eligible for
22 additional benefits under this section when the individual's benefit
23 year ends before his or her additional benefits are exhausted and the
24 individual is eligible for a new benefit year. These individuals will
25 have the option of remaining on the original claim or filing a new
26 claim.

27 (12) All base year employers will be considered interested parties
28 to the granting of additional benefits which gives them the right to
29 appeal an additional benefits determination.

30 (13) Individuals who receive additional benefits under this section
31 are not eligible for a second additional benefits eligibility period
32 for five years from the first receipt of additional benefits under this
33 section.

34 (14) Any individual who participates in the commercial fleet
35 reduction buy-back program through the department of fish and wildlife,
36 may not receive additional benefits under this section.

37 (15) The department, with the cooperation and assistance of the
38 state board for community and technical colleges and the work force
39 training and education coordinating board, shall review the

1 participation in the additional benefits program under this section and
2 report to the joint legislative task force on unemployment insurance
3 created in section 14 of this act and the appropriate committees of the
4 legislature on or before December 1, 2001, on the following:

5 (a) A demographic analysis of participants in the additional
6 benefits program under this section including the number of claimants
7 per standard industrial classification code and the geographic
8 representation of participants;

9 (b) The duration of additional benefits claimed per claimant;

10 (c) An analysis of the training provided to participants including
11 the occupational category supported by the training, those participants
12 who complete training in relationship to those that do not, and the
13 reasons for noncompletion of approved training programs;

14 (d) The employment and wage history of participants including the
15 pretraining and posttraining wage and whether those participating in
16 training return to their previous employer after training terminates;
17 and

18 (e) A comparison of the employment history of participants and
19 otherwise eligible nonparticipants.

20 The department shall provide progress reports to the joint
21 legislative task force on unemployment insurance created in section 14
22 of this act, the state trust account labor-management advisory board
23 created in section 15 of this act, and the unemployment insurance
24 advisory committee quarterly beginning with meetings held during
25 calendar year 2000.

26 **Sec. 2.** RCW 50.24.010 and 1984 c 205 s 2 are each amended to read
27 as follows:

28 Contributions shall accrue and become payable by each employer
29 (except employers as described in RCW 50.44.010 who have properly
30 elected to make payments in lieu of contributions and those employers
31 who are required to make payments in lieu of contributions) for each
32 calendar year in which the employer is subject to this title at the
33 rate established pursuant to chapter 50.29 RCW.

34 In each rate year, the amount of wages subject to tax for each
35 individual shall be one hundred fifteen percent of the amount of wages
36 subject to tax for the previous year rounded to the next lower one
37 hundred dollars(~~(:—PROVIDED, That)~~). However, the amount of wages
38 subject to tax in any rate year shall not exceed (~~(eighty)~~) seventy

1 percent of the "average annual wage for contributions purposes" for the
2 second preceding calendar year rounded to the next lower one hundred
3 dollars(~~(: PROVIDED FURTHER, That the amount subject to tax shall be~~
4 ~~twelve thousand dollars for rate year 1984 and ten thousand dollars for~~
5 ~~rate year 1985.)~~), except that the maximum percentage of the average
6 annual wage shall be as follows for the specified rate year:

	<u>Rate year</u>	<u>Percentage</u>
7		
8	<u>2000</u>	<u>65%</u>
9	<u>2001</u>	<u>66%</u>
10	<u>2002</u>	<u>67%</u>
11	<u>2003</u>	<u>68%</u>
12	<u>2004</u>	<u>69%</u>

13 In making computations under this section and RCW 50.29.010, wages
14 paid based on services for employers making payments in lieu of
15 contributions shall not be considered remuneration. Moneys paid from
16 the fund, based on services performed for employers who make payments
17 in lieu of contributions, which have not been reimbursed to the fund as
18 of any June 30 shall be deemed an asset of the unemployment
19 compensation fund, to the extent that such moneys exceed the amount of
20 payments in lieu of contributions which the commissioner has previously
21 determined to be uncollectible: PROVIDED, FURTHER, That the amount
22 attributable to employment with the state shall also include interest
23 as provided for in RCW 50.44.020.

24 Contributions shall become due and be paid by each employer to the
25 treasurer for the unemployment compensation fund in accordance with
26 such regulations as the commissioner may prescribe, and shall not be
27 deducted, in whole or in part, from the remuneration of individuals in
28 employment of the employer. Any deduction in violation of the
29 provisions of this section shall be unlawful.

30 In the payment of any contributions, a fractional part of a cent
31 shall be disregarded unless it amounts to one-half cent or more, in
32 which case it shall be increased to one cent.

33 **Sec. 3.** RCW 50.29.020 and 1995 c 57 s 3 are each amended to read
34 as follows:

35 (1) An experience rating account shall be established and
36 maintained for each employer, except employers as described in RCW
37 50.44.010 and 50.44.030 who have properly elected to make payments in

1 lieu of contributions, taxable local government employers as described
2 in RCW 50.44.035, and those employers who are required to make payments
3 in lieu of contributions, based on existing records of the employment
4 security department. Benefits paid to any eligible individuals shall
5 be charged to the experience rating accounts of each of such
6 individual's employers during the individual's base year in the same
7 ratio that the wages paid by each employer to the individual during the
8 base year bear to the wages paid by all employers to that individual
9 during that base year, except as otherwise provided in this section.

10 (2) The legislature finds that certain benefit payments, in whole
11 or in part, should not be charged to the experience rating accounts of
12 employers except those employers described in RCW 50.44.010 and
13 50.44.030 who have properly elected to make payments in lieu of
14 contributions, taxable local government employers described in RCW
15 50.44.035, and those employers who are required to make payments in
16 lieu of contributions, as follows:

17 (a) Benefits paid to any individuals later determined to be
18 ineligible shall not be charged to the experience rating account of any
19 contribution paying employer.

20 (b) Benefits paid to an individual filing under the provisions of
21 chapter 50.06 RCW shall not be charged to the experience rating account
22 of any contribution paying employer only if:

23 (i) The individual files under RCW 50.06.020(1) after receiving
24 crime victims' compensation for a disability resulting from a nonwork-
25 related occurrence; or

26 (ii) The individual files under RCW 50.06.020(2).

27 (c) Benefits paid which represent the state's share of benefits
28 payable under (~~chapter 50.22~~) RCW 50.22.010(6) and benefits paid from
29 the state reserve interest account shall not be charged to the
30 experience rating account of any contribution paying employer.

31 (d) In the case of individuals who requalify for benefits under RCW
32 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
33 the disqualifying separation shall not be charged to the experience
34 rating account of the contribution paying employer from whom that
35 separation took place.

36 (e) In the case of individuals identified under RCW 50.20.015,
37 benefits paid with respect to a calendar quarter, which exceed the
38 total amount of wages earned in the state of Washington in the higher
39 of two corresponding calendar quarters included within the individual's

1 determination period, as defined in RCW 50.20.015, shall not be charged
2 to the experience rating account of any contribution paying employer.

3 (3)(a) (~~Beginning July 1, 1985,~~) A contribution-paying base year
4 employer, not otherwise eligible for relief of charges for benefits
5 under this section, may receive such relief if the benefit charges
6 result from payment to an individual who:

7 (i) Last left the employ of such employer voluntarily for reasons
8 not attributable to the employer;

9 (ii) Was discharged for misconduct connected with his or her work
10 not a result of inability to meet the minimum job requirements;

11 (iii) Is unemployed as a result of closure or severe curtailment of
12 operation at the employer's plant, building, work site, or other
13 facility. This closure must be for reasons directly attributable to a
14 catastrophic occurrence such as fire, flood, or other natural disaster;
15 or

16 (iv) Continues to be employed on a regularly scheduled permanent
17 part-time basis by a base year employer and who at some time during the
18 base year was concurrently employed and subsequently separated from at
19 least one other base year employer. Benefit charge relief ceases when
20 the employment relationship between the employer requesting relief and
21 the claimant is terminated. This subsection does not apply to shared
22 work employers under chapter 50.60 RCW.

23 (b) The employer requesting relief of charges under this subsection
24 must request relief in writing within thirty days following mailing to
25 the last known address of the notification of the valid initial
26 determination of such claim, stating the date and reason for the
27 separation or the circumstances of continued employment. The
28 commissioner, upon investigation of the request, shall determine
29 whether relief should be granted.

30 NEW SECTION. **Sec. 4.** A new section is added to chapter 50.24 RCW
31 to read as follows:

32 (1)(a) A state reserve trust account is established as a separate
33 account, identifiable and apart from all public moneys or funds of this
34 state. Contributions to this account shall accrue and become payable
35 by each qualified employer defined in RCW 50.29.010 for tax rate year
36 2000 and 2001, or as provided in (b) of this subsection. The
37 contribution rate applicable to wages paid during the calendar quarter

1 shall be determined under section 9 of this act. The amount of wages
2 subject to contributions shall be determined under RCW 50.24.010.

3 (b) If, after January 1, 2001, at any computation date under RCW
4 50.29.025, the balance in the state reserve trust account is less than
5 six hundred million dollars, contributions under (a) of this subsection
6 shall accrue and become payable for the following tax rate year. This
7 subsection (1)(b) does not apply if the balance in the unemployment
8 compensation fund at the computation date in question is less than six
9 hundred million dollars.

10 (2)(a) Contributions collected under subsection (1) of this section
11 shall be deposited into the state reserve trust account.

12 (b) Contributions under this section are due and must be paid by
13 each employer under rules that the commissioner may prescribe, and may
14 not be deducted, in whole or in part, from the remuneration of
15 individuals in the employ of the employer. A deduction in violation of
16 this section is unlawful.

17 (c) In the payment of a contribution under this section, a
18 fractional part of a cent shall be disregarded unless it amounts to
19 one-half cent or more, in which case it shall be increased to one cent.

20 (3)(a) Money deposited in the state reserve trust account may be
21 used only for loans to the unemployment trust fund and as security for
22 loans from the federal unemployment insurance trust fund. An
23 appropriation is not required for expenditures.

24 (b)(i) The state investment board has the full power to invest,
25 reinvest, manage, contract, sell, or exchange investment moneys in the
26 state reserve trust account. All investment and operating costs
27 associated with the investment of money shall be paid as required by
28 RCW 43.33A.160 and 43.84.160. With the exception of these expenses,
29 the earnings from the investment of the money shall be retained by the
30 account.

31 (ii) All investments made by the state investment board shall be
32 made with the exercise of that degree of judgment and care required
33 under RCW 43.33A.140 and the investment policies established by the
34 state investment board.

35 (iii) As deemed appropriate by the state investment board, moneys
36 in the account may be commingled for investment with other funds
37 subject to investment by the board.

38 (4) Interest earned from investment of the state reserve trust
39 account shall be deposited quarterly as follows:

1 (a) Interest in the amount that would have been earned if the state
2 reserve trust account had been invested in interest-bearing obligations
3 of the United States, or in obligations guaranteed as to both principal
4 and interest by the United States, shall be deposited in the
5 unemployment compensation fund. If the interest earned on investment
6 of the state reserve trust account in any fiscal year is less than the
7 amount that would have been earned if the account had been invested in
8 interest-bearing obligations of the United States, or in obligations
9 guaranteed as to both principal and interest by the United States, then
10 all future interest earned from investment of the state reserve trust
11 account must be deposited into the unemployment compensation fund until
12 the lost interest earnings have been restored; and

13 (b) After the deposit required in (a) of this subsection, the
14 remaining interest shall be deposited in the state reserve interest
15 account established in subsection (5) of this section.

16 (5) The state reserve interest account is established as a separate
17 account, identifiable and apart from all public moneys or funds of this
18 state. The state reserve interest account shall consist of the
19 interest deposited under subsection (4)(b) of this section. Moneys in
20 the state reserve interest account may be used only to pay
21 administrative costs related to collecting contributions under this
22 section and to administer the state reserve trust account and the state
23 reserve interest account, and the remaining balance may be used only as
24 follows:

25 (a) One-half of the balance may be used to fund the unemployment
26 insurance additional benefits program for dislocated workers in
27 retraining, including administrative costs, that will allow fifty-two
28 weeks of combined regular and additional benefits, with eligibility
29 criteria and program prioritization as authorized in section 15 of this
30 act; and

31 (b) One-half of the balance may be used to finance unemployment
32 insurance socialized cost, including administrative costs, as
33 authorized in section 11 of this act.

34 (6) If the proposed amendment to Article II of the state
35 Constitution (House Joint Resolution No. 4208, securing unemployment
36 benefits) is not approved and ratified by the voters, this section is
37 null and void.

1 **Sec. 5.** RCW 50.04.070 and 1985 ex.s. c 5 s 4 are each amended to
2 read as follows:

3 "Contributions" means the money payments due to the state
4 unemployment compensation fund as provided in RCW 50.24.010, to the
5 federal interest payment fund under RCW 50.16.070, to the state reserve
6 trust account under section 4 of this act, or to the special account in
7 the administrative contingency fund under RCW 50.24.014.

8 **Sec. 6.** RCW 50.04.072 and 1985 ex.s. c 5 s 5 are each amended to
9 read as follows:

10 The terms "contributions" and "payments in lieu of contributions"
11 used in this title, whether singular or plural, designate the money
12 payments to be made to the state unemployment compensation fund, to the
13 federal interest payment fund under RCW 50.16.070, to the state reserve
14 trust account under section 4 of this act, or to the special account in
15 the administrative contingency fund under RCW 50.24.014 and are deemed
16 to be taxes due to the state of Washington.

17 **Sec. 7.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are
18 each reenacted and amended to read as follows:

19 (1) There shall be maintained as special funds, separate and apart
20 from all public moneys or funds of this state an unemployment
21 compensation fund, an administrative contingency fund, a state reserve
22 trust account, a state reserve interest account, and a federal interest
23 payment fund, which shall be administered by the commissioner
24 exclusively for the purposes of this title, and to which RCW 43.01.050
25 shall not be applicable.

26 (2) The unemployment compensation fund shall consist of

27 ~~((1))~~ (a) All contributions collected under RCW 50.24.010 and
28 payments in lieu of contributions collected pursuant to the provisions
29 of this title~~((7))~~i

30 ~~((2))~~ (b) Any property or securities acquired through the use of
31 moneys belonging to the fund~~((7))~~i

32 ~~((3))~~ (c) All earnings of such property or securities~~((7))~~i

33 ~~((4))~~ (d) Any moneys received from the federal unemployment
34 account in the unemployment trust fund in accordance with Title XII of
35 the social security act, as amended~~((7))~~i

36 ~~((5))~~ (e) All money recovered on official bonds for losses
37 sustained by the fund~~((7))~~i

1 ~~((6))~~ (f) All money credited to this state's account in the
2 unemployment trust fund pursuant to section 903 of the social security
3 act, as amended~~((7))~~i

4 ~~((7))~~ (g) All money received from the federal government as
5 reimbursement pursuant to section 204 of the federal-state extended
6 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304)~~((7))~~i
7 and

8 ~~((8))~~ (h) All moneys received for the fund from any other source.
9 All moneys in the unemployment compensation fund shall be
10 commingled and undivided.

11 (3)(a) The administrative contingency fund shall consist of all
12 interest on delinquent contributions collected pursuant to this title,
13 all fines and penalties collected pursuant to the provisions of this
14 title, all sums recovered on official bonds for losses sustained by the
15 fund, and revenue received under RCW 50.24.014: PROVIDED, That all
16 fees, fines, forfeitures and penalties collected or assessed by a
17 district court because of the violation of a state law shall be
18 remitted as provided in chapter 3.62 RCW as now exists or is later
19 amended.

20 (b) Moneys available in the administrative contingency fund, other
21 than money in the special account created under RCW 50.24.014, shall be
22 expended upon the direction of the commissioner, with the approval of
23 the governor, whenever it appears to him or her that such expenditure
24 is necessary for:

25 ~~((a))~~ (i) The proper administration of this title and no federal
26 funds are available for the specific purpose to which such expenditure
27 is to be made, provided, the moneys are not substituted for
28 appropriations from federal funds which, in the absence of such moneys,
29 would be made available.

30 ~~((b))~~ (ii) The proper administration of this title for which
31 purpose appropriations from federal funds have been requested but not
32 yet received, provided, the administrative contingency fund will be
33 reimbursed upon receipt of the requested federal appropriation.

34 ~~((c))~~ (iii) The proper administration of this title for which
35 compliance and audit issues have been identified that establish federal
36 claims requiring the expenditure of state resources in resolution.
37 Claims must be resolved in the following priority: First priority is
38 to provide services to eligible participants within the state; second

1 priority is to provide substitute services or program support; and last
2 priority is the direct payment of funds to the federal government.

3 (c) Money in the special account created under RCW 50.24.014 may
4 only be expended, after appropriation, for the purposes specified in
5 RCW 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
6 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

7 (4) The state reserve trust account shall consist of contributions
8 collected under section 4(1) of this act and may be expended only for
9 the purposes specified in section 4(3)(a) of this act. The state
10 reserve interest account shall consist of the amounts deposited in the
11 account under section 4(4)(b) of this act and may be expended only for
12 the purposes specified in section 4(5) of this act.

13 **Sec. 8.** RCW 50.16.020 and 1993 c 226 s 12 are each amended to read
14 as follows:

15 The commissioner shall designate a treasurer and custodian of the
16 unemployment compensation fund, the state reserve trust account, the
17 state reserve interest account, and ~~((of))~~ the administrative
18 contingency fund, who shall administer such funds in accordance with
19 the directions of the commissioner and shall issue his or her warrants
20 upon them in accordance with such regulations as the commissioner shall
21 prescribe. The treasurer and custodian shall maintain within the
22 unemployment compensation fund three separate accounts as follows:

- 23 (1) A clearing account~~((τ))~~i
24 (2) An unemployment trust fund account~~((τ))~~i and
25 (3) A benefit account.

26 All moneys payable to the unemployment compensation fund, upon
27 receipt thereof by the commissioner, shall be forwarded to the
28 treasurer, who shall immediately deposit them in the clearing account.
29 Refunds payable pursuant to the provisions of this title from the
30 unemployment compensation fund may be paid from the clearing account
31 upon warrants issued by the treasurer under the direction of the
32 commissioner: PROVIDED, HOWEVER, That refunds of interest or penalties
33 on delinquent contributions shall be paid from the administrative
34 contingency fund upon warrants issued by the treasurer under the
35 direction of the commissioner.

36 After clearance thereof, all other moneys in the clearing account
37 shall be immediately deposited with the Secretary of the Treasury of
38 the United States to the credit of the account of this state in the

1 unemployment trust fund, established and maintained pursuant to section
2 904 of the social security act, as amended, any provisions of law in
3 this state relating to the deposit, administration, release, or
4 disbursement of moneys in the possession or custody of this state to
5 the contrary notwithstanding.

6 The benefit account shall consist of all moneys requisitioned from
7 this state's account in the unemployment trust fund. Moneys in the
8 clearing and benefit accounts and in the administrative contingency
9 fund shall not be commingled with other state funds, but shall be
10 deposited by the treasurer, under the direction of the commissioner, in
11 any bank or public depository in which general funds of the state may
12 be deposited, but no public deposit insurance charge or premium shall
13 be paid out of the fund.

14 Such moneys shall be secured by said bank or public depository to
15 the same extent and in the same manner as required by the general
16 depository law of the state and collateral pledged shall be maintained
17 in a separate custody account.

18 The treasurer shall give a bond conditioned upon the faithful
19 performance of his or her duties as a custodian of the funds in an
20 amount fixed by the director of the department of general
21 administration and in a form prescribed by law or approved by the
22 attorney general. Premiums for said bond shall be paid from the
23 administration fund. All sums recovered on official bonds for losses
24 sustained by the unemployment compensation fund shall be deposited in
25 such fund. All sums recovered on official bonds for losses sustained
26 by the administrative contingency fund shall be deposited in such fund.

27 NEW SECTION. **Sec. 9.** A new section is added to chapter 50.29 RCW
28 to read as follows:

29 (1) The state reserve trust account contribution rate for each
30 employer subject to contributions under section 4(1) of this act shall
31 be determined under this section.

32 (a) The effective tax schedule and rate classes shall be assigned
33 as required in RCW 50.29.025.

34 (b)(i) The state reserve trust account contribution rate for each
35 employer shall be the rate specified in the following table for the
36 rate class to which he or she has been assigned, as determined under
37 RCW 50.29.025(4), within the tax schedule which is to be in effect
38 during the specified rate year:

1 For rate year 2000:

2 Percent of
3 Cumulative Schedules of Contributions Rates
4 Taxable Payrolls for Effective Tax Schedule

5 Rate

6	From	To	Class	AA	A	B	C	D	E	F
7	0.00	5.00	1	0.36	0.36	0.44	0.74	1.11	1.41	1.86
8	5.01	10.00	2	0.36	0.36	0.59	0.89	1.26	1.56	2.01
9	10.01	15.00	3	0.44	0.44	0.74	1.04	1.34	1.71	2.16
10	15.01	20.00	4	0.44	0.59	0.87	1.13	1.41	1.79	2.24
11	20.01	25.00	5	0.53	0.65	0.91	1.22	1.52	1.86	2.31
12	25.01	30.00	6	0.67	0.81	1.00	1.33	1.64	1.94	2.39
13	30.01	35.00	7	0.77	0.86	1.16	1.46	1.79	2.09	2.46
14	35.01	40.00	8	0.86	0.97	1.29	1.62	1.94	2.24	2.54
15	40.01	45.00	9	0.96	1.08	1.43	1.76	2.10	2.39	2.61
16	45.01	50.00	10	1.07	1.16	1.56	1.90	2.25	2.54	2.69
17	50.01	55.00	11	1.25	1.34	1.68	2.03	2.40	2.61	2.76
18	55.01	60.00	12	1.43	1.57	1.90	2.22	2.55	2.76	2.91
19	60.01	65.00	13	1.62	1.74	2.05	2.41	2.70	2.91	3.14
20	65.01	70.00	14	1.84	2.01	2.19	2.54	2.85	3.06	3.29
21	70.01	75.00	15	2.09	2.21	2.36	2.64	3.00	3.25	3.44
22	75.01	80.00	16	2.29	2.40	2.59	2.84	3.15	3.36	3.59
23	80.01	85.00	17	2.56	2.70	2.93	3.12	3.40	3.62	3.70
24	85.01	90.00	18	3.21	3.41	3.56	3.68	3.76	3.91	4.06
25	90.01	95.00	19	3.56	3.86	4.01	4.15	4.30	4.60	4.67
26	95.01	100.00	20	0.60	1.16	1.31	1.46	1.61	1.76	1.91

27 For rate year 2001:

28 Percent of
29 Cumulative Schedules of Contributions Rates
30 Taxable Payrolls for Effective Tax Schedule

31 Rate

32	From	To	Class	AA	A	B	C	D	E	F
33	0.00	5.00	1	0.24	0.24	0.29	0.49	0.74	0.94	1.24
34	5.01	10.00	2	0.24	0.24	0.39	0.59	0.84	1.04	1.34
35	10.01	15.00	3	0.29	0.29	0.49	0.69	0.89	1.14	1.44
36	15.01	20.00	4	0.29	0.39	0.58	0.76	0.94	1.19	1.49
37	20.01	25.00	5	0.36	0.44	0.61	0.81	1.02	1.24	1.54
38	25.01	30.00	6	0.45	0.54	0.67	0.89	1.09	1.29	1.59
39	30.01	35.00	7	0.52	0.58	0.77	0.98	1.19	1.39	1.64
40	35.01	40.00	8	0.57	0.65	0.86	1.08	1.29	1.49	1.69
41	40.01	45.00	9	0.64	0.72	0.96	1.18	1.40	1.59	1.74
42	45.01	50.00	10	0.71	0.78	1.04	1.27	1.50	1.69	1.79
43	50.01	55.00	11	0.83	0.90	1.12	1.36	1.60	1.74	1.84

1	55.01	60.00	12	0.95	1.05	1.27	1.48	1.70	1.84	1.94
2	60.01	65.00	13	1.08	1.16	1.37	1.61	1.80	1.94	2.09
3	65.01	70.00	14	1.23	1.34	1.46	1.69	1.90	2.04	2.19
4	70.01	75.00	15	1.39	1.47	1.58	1.76	2.00	2.17	2.29
5	75.01	80.00	16	1.53	1.60	1.73	1.89	2.10	2.24	2.39
6	80.01	85.00	17	1.71	1.80	1.95	2.08	2.27	2.42	2.47
7	85.01	90.00	18	2.14	2.28	2.38	2.45	2.51	2.61	2.71
8	90.01	95.00	19	2.38	2.57	2.68	2.77	2.87	3.07	3.12
9	95.01	100.00	20	0.60	1.16	1.31	1.46	1.61	1.76	1.91

10 For rate year 2002 and beyond, if contributions under section 4(1)
11 of this act are in effect:

12			Percent of							
13			Cumulative							
14			Schedules of Contributions Rates							
15			for Effective Tax Schedule							
16			Taxable Payrolls							
17			Rate							
18	From	To	Class	AA	A	B	C	D	E	F
17	0.00	5.00	1	0.12	0.12	0.14	0.24	0.37	0.47	0.62
18	5.01	10.00	2	0.12	0.12	0.19	0.29	0.42	0.52	0.67
19	10.01	15.00	3	0.14	0.14	0.24	0.34	0.44	0.57	0.72
20	15.01	20.00	4	0.14	0.19	0.29	0.38	0.47	0.59	0.74
21	20.01	25.00	5	0.18	0.22	0.30	0.40	0.51	0.62	0.77
22	25.01	30.00	6	0.22	0.27	0.33	0.44	0.54	0.64	0.79
23	30.01	35.00	7	0.26	0.29	0.38	0.49	0.59	0.69	0.82
24	35.01	40.00	8	0.28	0.32	0.43	0.54	0.64	0.74	0.84
25	40.01	45.00	9	0.32	0.36	0.48	0.59	0.70	0.79	0.87
26	45.01	50.00	10	0.35	0.39	0.52	0.63	0.75	0.84	0.89
27	50.01	55.00	11	0.41	0.45	0.56	0.68	0.80	0.87	0.92
28	55.01	60.00	12	0.47	0.52	0.63	0.74	0.85	0.92	0.97
29	60.01	65.00	13	0.54	0.58	0.68	0.80	0.90	0.97	1.04
30	65.01	70.00	14	0.61	0.67	0.73	0.84	0.95	1.02	1.09
31	70.01	75.00	15	0.69	0.73	0.79	0.88	1.00	1.08	1.14
32	75.01	80.00	16	0.76	0.80	0.86	0.94	1.05	1.12	1.19
33	80.01	85.00	17	0.85	0.90	0.97	1.04	1.13	1.21	1.23
34	85.01	90.00	18	1.07	1.14	1.19	1.22	1.25	1.30	1.35
35	90.01	95.00	19	1.19	1.28	1.34	1.38	1.43	1.53	1.56
36	95.01	100.00	20	0.60	1.16	1.31	1.46	1.61	1.76	1.91

37 (ii) The maximum contribution rate under this section for employers
38 whose standard industrial classification code, or the equivalent code
39 in a successor classification system as determined by the commissioner,
40 is within major group "01," or is "091" or "203," may not exceed the
41 following applicable rate when the rate under this section and under
42 RCW 50.29.025 are added together:

1	Rate year	Maximum rate
2	2000	5.40
3	2001	5.60
4	2002	5.80
5	2003	6.05
6	2004	6.30

7 (2) The commissioner shall adopt rules as necessary to implement
8 this section.

9 (3) If the proposed amendment to Article II of the state
10 Constitution (House Joint Resolution No. 4208, securing unemployment
11 benefits) is not approved and ratified by the voters, this section is
12 null and void.

13 **Sec. 10.** RCW 50.29.025 and 1995 c 4 s 2 are each amended to read
14 as follows:

15 The contribution rate for each employer subject to contributions
16 under RCW 50.24.010 shall be determined under this section.

17 (1) A fund balance ratio shall be determined by dividing the
18 combined balances in the unemployment compensation fund and the state
19 reserve trust account as of the June 30th immediately preceding the
20 rate year by the total remuneration paid by all employers subject to
21 contributions during the second calendar year preceding the rate year
22 and reported to the department by the following March 31st. The
23 division shall be carried to the fourth decimal place with the
24 remaining fraction, if any, disregarded. The fund balance ratio shall
25 be expressed as a percentage.

26 (2) The interval of the fund balance ratio, expressed as a
27 percentage, shall determine which tax schedule in subsection (5) of
28 this section shall be in effect for assigning tax rates for the rate
29 year. The intervals for determining the effective tax schedule shall
30 be:

31	Interval of the	
32	Fund Balance Ratio	Effective
33	Expressed as a Percentage	Tax Schedule
34	2.90 and above	AA
35	((2.50 to 2.89)) <u>2.10 to 2.89</u>	A
36	((2.10 to 2.49)) <u>1.70 to 2.09</u>	B
37	((1.70 to 2.09)) <u>1.40 to 1.69</u>	C

1	((1.30 to 1.69)) <u>1.00 to 1.39</u>	D
2	((1.00 to 1.29)) <u>0.70 to 0.99</u>	E
3	Less than ((1.00)) <u>0.70</u>	F

(3) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (a) Identification number; (b) benefit ratio; (c) taxable payrolls for the four calendar quarters immediately preceding the computation date and reported to the department by the cut-off date; (d) a cumulative total of taxable payrolls consisting of the employer's taxable payroll plus the taxable payrolls of all other employers preceding him or her in the array; and (e) the percentage equivalent of the cumulative total of taxable payrolls.

(4) Each employer in the array shall be assigned to one of twenty rate classes according to the percentage intervals of cumulative taxable payrolls set forth in subsection (5) of this section: PROVIDED, That if an employer's taxable payroll falls within two or more rate classes, the employer and any other employer with the same benefit ratio shall be assigned to the lowest rate class which includes any portion of the employer's taxable payroll.

(5) Except as provided in RCW 50.29.026 and section 11 of this act, the contribution rate for each employer in the array shall be the rate specified in the following tables for the rate class to which he or she has been assigned, as determined under subsection (4) of this section, within the tax schedule which is to be in effect during the specified rate year:

((Percent of
Cumulative Schedules of Contributions Rates
Taxable Payrolls for Effective Tax Schedule

		Rate									
From	To	Class	AA	A	B	C	D	E	F		
0.00	5.00	1	0.48	0.48	0.58	0.98	1.48	1.88	2.48		
5.01	10.00	2	0.48	0.48	0.78	1.18	1.68	2.08	2.68		
10.01	15.00	3	0.58	0.58	0.98	1.38	1.78	2.28	2.88		
15.01	20.00	4	0.58	0.78	1.18	1.58	1.98	2.48	3.08		
20.01	25.00	5	0.78	0.98	1.38	1.78	2.18	2.68	3.18		
25.01	30.00	6	0.98	1.18	1.58	1.98	2.38	2.78	3.28		
30.01	35.00	7	1.08	1.38	1.78	2.18	2.58	2.98	3.38		
35.01	40.00	8	1.28	1.58	1.98	2.38	2.78	3.18	3.58		
40.01	45.00	9	1.48	1.78	2.18	2.58	2.98	3.38	3.78		

1	45.01	50.00	10	1.68	1.98	2.38	2.78	3.18	3.58	3.98
2	50.01	55.00	11	1.98	2.28	2.58	2.98	3.38	3.78	4.08
3	55.01	60.00	12	2.18	2.48	2.78	3.18	3.58	3.98	4.28
4	60.01	65.00	13	2.38	2.68	2.98	3.38	3.78	4.18	4.48
5	65.01	70.00	14	2.58	2.88	3.18	3.58	3.98	4.38	4.68
6	70.01	75.00	15	2.88	3.08	3.38	3.78	4.18	4.58	4.78
7	75.01	80.00	16	3.08	3.28	3.58	3.98	4.38	4.68	4.88
8	80.01	85.00	17	3.28	3.48	3.78	4.18	4.58	4.88	4.98
9	85.01	90.00	18	3.68	3.88	4.18	4.58	4.88	4.98	5.18
10	90.01	95.00	19	4.08	4.28	4.58	4.98	5.08	5.18	5.38
11	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40))

12 (a)(i) This subsection (5)(a) applies only if the proposed
13 amendment to Article II of the state Constitution (House Joint
14 Resolution No. 4208, securing unemployment benefits) is validly
15 submitted to and is approved and ratified by the voters at the next
16 general election. If the proposed amendment is not approved and
17 ratified, this subsection (5)(a) is null and void.

18 For rate year 2000:

			<u>Schedules of Contributions Rates</u>							
	<u>Percent of</u>		<u>for Effective Tax Schedule</u>							
	<u>Cumulative</u>									
	<u>Taxable Payrolls</u>									
	<u>Rate</u>									
	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
24	0.00	5.00	1	0.12	0.12	0.14	0.24	0.37	0.47	0.62
25	5.01	10.00	2	0.12	0.12	0.19	0.29	0.42	0.52	0.67
26	10.01	15.00	3	0.14	0.14	0.24	0.34	0.44	0.57	0.72
27	15.01	20.00	4	0.14	0.19	0.29	0.38	0.47	0.59	0.74
28	20.01	25.00	5	0.18	0.22	0.30	0.40	0.51	0.62	0.77
29	25.01	30.00	6	0.22	0.27	0.33	0.44	0.54	0.64	0.79
30	30.01	35.00	7	0.26	0.29	0.38	0.49	0.59	0.69	0.82
31	35.01	40.00	8	0.28	0.32	0.43	0.54	0.64	0.74	0.84
32	40.01	45.00	9	0.32	0.36	0.48	0.59	0.70	0.79	0.87
33	45.01	50.00	10	0.35	0.39	0.52	0.63	0.75	0.84	0.89
34	50.01	55.00	11	0.41	0.45	0.56	0.68	0.80	0.87	0.92
35	55.01	60.00	12	0.47	0.52	0.63	0.74	0.85	0.92	0.97
36	60.01	65.00	13	0.54	0.58	0.68	0.80	0.90	0.97	1.04
37	65.01	70.00	14	0.61	0.67	0.73	0.84	0.95	1.02	1.09
38	70.01	75.00	15	0.69	0.73	0.79	0.88	1.00	1.08	1.14
39	75.01	80.00	16	0.76	0.80	0.86	0.94	1.05	1.12	1.19
40	80.01	85.00	17	0.85	0.90	0.97	1.04	1.13	1.21	1.23
41	85.01	90.00	18	1.07	1.14	1.19	1.22	1.25	1.30	1.35
42	90.01	95.00	19	1.19	1.28	1.34	1.38	1.43	1.53	1.56
43	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

1 For rate year 2001:

		<u>Percent of</u>		<u>Schedules of Contributions Rates</u>							
		<u>Cumulative</u>		<u>for Effective Tax Schedule</u>							
		<u>Taxable Payrolls</u>									
		<u>Rate</u>									
	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	
7	0.00	5.00	1	0.24	0.24	0.29	0.49	0.74	0.94	1.24	
8	5.01	10.00	2	0.24	0.24	0.39	0.59	0.84	1.04	1.34	
9	10.01	15.00	3	0.29	0.29	0.49	0.69	0.89	1.14	1.44	
10	15.01	20.00	4	0.29	0.39	0.58	0.75	0.94	1.19	1.49	
11	20.01	25.00	5	0.35	0.43	0.60	0.81	1.01	1.24	1.54	
12	25.01	30.00	6	0.44	0.54	0.66	0.88	1.09	1.29	1.59	
13	30.01	35.00	7	0.51	0.57	0.77	0.97	1.19	1.39	1.64	
14	35.01	40.00	8	0.57	0.64	0.86	1.08	1.29	1.49	1.69	
15	40.01	45.00	9	0.64	0.72	0.95	1.17	1.40	1.59	1.74	
16	45.01	50.00	10	0.71	0.77	1.04	1.26	1.50	1.69	1.79	
17	50.01	55.00	11	0.83	0.89	1.12	1.35	1.60	1.74	1.84	
18	55.01	60.00	12	0.95	1.04	1.26	1.48	1.70	1.84	1.94	
19	60.01	65.00	13	1.08	1.16	1.36	1.60	1.80	1.94	2.09	
20	65.01	70.00	14	1.22	1.34	1.46	1.69	1.90	2.04	2.19	
21	70.01	75.00	15	1.39	1.47	1.57	1.76	2.00	2.16	2.29	
22	75.01	80.00	16	1.52	1.60	1.72	1.89	2.10	2.24	2.39	
23	80.01	85.00	17	1.70	1.80	1.95	2.08	2.26	2.41	2.46	
24	85.01	90.00	18	2.14	2.27	2.37	2.45	2.50	2.60	2.70	
25	90.01	95.00	19	2.37	2.57	2.67	2.76	2.86	3.06	3.11	
26	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40	

27 For rate year 2002 and beyond, if contributions under section 4(1)
 28 of this act are in effect:

		<u>Percent of</u>		<u>Schedules of Contributions Rates</u>							
		<u>Cumulative</u>		<u>for Effective Tax Schedule</u>							
		<u>Taxable Payrolls</u>									
		<u>Rate</u>									
	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	
34	0.00	5.00	1	0.36	0.36	0.44	0.74	1.11	1.41	1.86	
35	5.01	10.00	2	0.36	0.36	0.59	0.89	1.26	1.56	2.01	
36	10.01	15.00	3	0.44	0.44	0.74	1.04	1.34	1.71	2.16	
37	15.01	20.00	4	0.44	0.59	0.87	1.13	1.41	1.79	2.24	
38	20.01	25.00	5	0.53	0.65	0.91	1.22	1.52	1.86	2.31	
39	25.01	30.00	6	0.67	0.81	1.00	1.33	1.64	1.94	2.39	
40	30.01	35.00	7	0.77	0.86	1.16	1.46	1.79	2.09	2.46	
41	35.01	40.00	8	0.86	0.97	1.29	1.62	1.94	2.24	2.54	
42	40.01	45.00	9	0.96	1.08	1.43	1.76	2.10	2.39	2.61	

1	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.07</u>	<u>1.16</u>	<u>1.56</u>	<u>1.90</u>	<u>2.25</u>	<u>2.54</u>	<u>2.69</u>
2	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.25</u>	<u>1.34</u>	<u>1.68</u>	<u>2.03</u>	<u>2.40</u>	<u>2.61</u>	<u>2.76</u>
3	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>1.43</u>	<u>1.57</u>	<u>1.90</u>	<u>2.22</u>	<u>2.55</u>	<u>2.76</u>	<u>2.91</u>
4	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>1.62</u>	<u>1.74</u>	<u>2.05</u>	<u>2.41</u>	<u>2.70</u>	<u>2.91</u>	<u>3.14</u>
5	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>1.84</u>	<u>2.01</u>	<u>2.19</u>	<u>2.54</u>	<u>2.85</u>	<u>3.06</u>	<u>3.29</u>
6	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.09</u>	<u>2.21</u>	<u>2.36</u>	<u>2.64</u>	<u>3.00</u>	<u>3.25</u>	<u>3.44</u>
7	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>2.29</u>	<u>2.40</u>	<u>2.59</u>	<u>2.84</u>	<u>3.15</u>	<u>3.36</u>	<u>3.59</u>
8	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>2.56</u>	<u>2.70</u>	<u>2.93</u>	<u>3.12</u>	<u>3.40</u>	<u>3.62</u>	<u>3.70</u>
9	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.21</u>	<u>3.41</u>	<u>3.56</u>	<u>3.68</u>	<u>3.76</u>	<u>3.91</u>	<u>4.06</u>
10	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>3.56</u>	<u>3.86</u>	<u>4.01</u>	<u>4.15</u>	<u>4.30</u>	<u>4.60</u>	<u>4.67</u>
11	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>

12 For rate year 2002 and beyond, if contributions under section 4(1)
13 of this act are not in effect:

14			<u>Percent of</u>							
15			<u>Cumulative</u>							
16			<u>Schedules of Contributions Rates</u>							
17			<u>for Effective Tax Schedule</u>							
18			<u>Taxable Payrolls</u>							
19			<u>Rate</u>							
20	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
21	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.48</u>	<u>0.48</u>	<u>0.58</u>	<u>0.98</u>	<u>1.48</u>	<u>1.88</u>	<u>2.48</u>
22	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.48</u>	<u>0.48</u>	<u>0.78</u>	<u>1.18</u>	<u>1.68</u>	<u>2.08</u>	<u>2.68</u>
23	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.58</u>	<u>0.58</u>	<u>0.98</u>	<u>1.38</u>	<u>1.78</u>	<u>2.28</u>	<u>2.88</u>
24	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.58</u>	<u>0.78</u>	<u>1.16</u>	<u>1.51</u>	<u>1.88</u>	<u>2.38</u>	<u>2.98</u>
25	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.71</u>	<u>0.87</u>	<u>1.21</u>	<u>1.62</u>	<u>2.03</u>	<u>2.48</u>	<u>3.08</u>
26	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>0.89</u>	<u>1.08</u>	<u>1.33</u>	<u>1.77</u>	<u>2.18</u>	<u>2.58</u>	<u>3.18</u>
27	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>1.03</u>	<u>1.15</u>	<u>1.54</u>	<u>1.95</u>	<u>2.38</u>	<u>2.78</u>	<u>3.28</u>
28	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.14</u>	<u>1.29</u>	<u>1.72</u>	<u>2.16</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>
29	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.28</u>	<u>1.44</u>	<u>1.91</u>	<u>2.35</u>	<u>2.80</u>	<u>3.18</u>	<u>3.48</u>
30	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.42</u>	<u>1.55</u>	<u>2.08</u>	<u>2.53</u>	<u>3.00</u>	<u>3.38</u>	<u>3.58</u>
31	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.66</u>	<u>1.79</u>	<u>2.24</u>	<u>2.71</u>	<u>3.20</u>	<u>3.48</u>	<u>3.68</u>
32	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>1.90</u>	<u>2.09</u>	<u>2.53</u>	<u>2.96</u>	<u>3.40</u>	<u>3.68</u>	<u>3.88</u>
33	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.16</u>	<u>2.32</u>	<u>2.73</u>	<u>3.21</u>	<u>3.60</u>	<u>3.88</u>	<u>4.18</u>
34	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.45</u>	<u>2.68</u>	<u>2.92</u>	<u>3.38</u>	<u>3.80</u>	<u>4.08</u>	<u>4.38</u>
35	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.78</u>	<u>2.94</u>	<u>3.15</u>	<u>3.52</u>	<u>4.00</u>	<u>4.33</u>	<u>4.58</u>
36	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>3.05</u>	<u>3.20</u>	<u>3.45</u>	<u>3.78</u>	<u>4.20</u>	<u>4.48</u>	<u>4.78</u>
37	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.41</u>	<u>3.60</u>	<u>3.90</u>	<u>4.16</u>	<u>4.53</u>	<u>4.83</u>	<u>4.93</u>
38	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>4.28</u>	<u>4.55</u>	<u>4.75</u>	<u>4.90</u>	<u>5.01</u>	<u>5.21</u>	<u>5.41</u>
39	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.75</u>	<u>5.14</u>	<u>5.35</u>	<u>5.53</u>	<u>5.73</u>	<u>6.13</u>	<u>6.23</u>
40	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>6.00</u>	<u>6.56</u>	<u>6.71</u>	<u>6.86</u>	<u>7.01</u>	<u>7.16</u>	<u>7.31</u>

39 (ii) The maximum contribution rate for employers whose standard
40 industrial classification code, or the equivalent code in a successor
41 classification system as determined by the commissioner, is within
42 major group "01," or is "091" or "203," may not exceed the following
43 applicable rate:

	<u>Rate year</u>	<u>Maximum rate</u>
1		
2	<u>2000</u>	<u>5.40</u>
3	<u>2001</u>	<u>5.60</u>
4	<u>2002</u>	<u>5.80</u>
5	<u>2003</u>	<u>6.05</u>
6	<u>2004</u>	<u>6.30</u>

7 (b)(i) This subsection (5)(b) applies if subsection (5)(a) is not
8 in effect:

			<u>Percent of</u>								
			<u>Cumulative</u>								
			<u>Schedules of Contributions Rates</u>								
			<u>for Effective Tax Schedule</u>								
			<u>Taxable Payrolls</u>								
			<u>Rate</u>								
	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	
13											
14	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.48</u>	<u>0.48</u>	<u>0.58</u>	<u>0.98</u>	<u>1.48</u>	<u>1.88</u>	<u>2.48</u>	
15	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.48</u>	<u>0.48</u>	<u>0.78</u>	<u>1.18</u>	<u>1.68</u>	<u>2.08</u>	<u>2.68</u>	
16	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.58</u>	<u>0.58</u>	<u>0.98</u>	<u>1.38</u>	<u>1.78</u>	<u>2.28</u>	<u>2.88</u>	
17	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.58</u>	<u>0.78</u>	<u>1.16</u>	<u>1.51</u>	<u>1.88</u>	<u>2.38</u>	<u>2.98</u>	
18	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.71</u>	<u>0.87</u>	<u>1.21</u>	<u>1.62</u>	<u>2.03</u>	<u>2.48</u>	<u>3.08</u>	
19	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>0.89</u>	<u>1.08</u>	<u>1.33</u>	<u>1.77</u>	<u>2.18</u>	<u>2.58</u>	<u>3.18</u>	
20	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>1.03</u>	<u>1.15</u>	<u>1.54</u>	<u>1.95</u>	<u>2.38</u>	<u>2.78</u>	<u>3.28</u>	
21	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.14</u>	<u>1.29</u>	<u>1.72</u>	<u>2.16</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>	
22	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.28</u>	<u>1.44</u>	<u>1.91</u>	<u>2.35</u>	<u>2.80</u>	<u>3.18</u>	<u>3.48</u>	
23	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.42</u>	<u>1.55</u>	<u>2.08</u>	<u>2.53</u>	<u>3.00</u>	<u>3.38</u>	<u>3.58</u>	
24	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.66</u>	<u>1.79</u>	<u>2.24</u>	<u>2.71</u>	<u>3.20</u>	<u>3.48</u>	<u>3.68</u>	
25	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>1.90</u>	<u>2.09</u>	<u>2.53</u>	<u>2.96</u>	<u>3.40</u>	<u>3.68</u>	<u>3.88</u>	
26	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.16</u>	<u>2.32</u>	<u>2.73</u>	<u>3.21</u>	<u>3.60</u>	<u>3.88</u>	<u>4.18</u>	
27	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.45</u>	<u>2.68</u>	<u>2.92</u>	<u>3.38</u>	<u>3.80</u>	<u>4.08</u>	<u>4.38</u>	
28	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.78</u>	<u>2.94</u>	<u>3.15</u>	<u>3.52</u>	<u>4.00</u>	<u>4.33</u>	<u>4.58</u>	
29	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>3.05</u>	<u>3.20</u>	<u>3.45</u>	<u>3.78</u>	<u>4.20</u>	<u>4.48</u>	<u>4.78</u>	
30	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.41</u>	<u>3.60</u>	<u>3.90</u>	<u>4.16</u>	<u>4.53</u>	<u>4.83</u>	<u>4.93</u>	
31	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>4.28</u>	<u>4.55</u>	<u>4.75</u>	<u>4.90</u>	<u>5.01</u>	<u>5.21</u>	<u>5.41</u>	
32	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.75</u>	<u>5.14</u>	<u>5.35</u>	<u>5.53</u>	<u>5.73</u>	<u>6.13</u>	<u>6.23</u>	
33	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>6.00</u>	<u>6.56</u>	<u>6.71</u>	<u>6.86</u>	<u>7.01</u>	<u>7.16</u>	<u>7.31</u>	

34 (ii) The maximum contribution rate for employers whose standard
35 industrial classification code, or the equivalent code in a successor
36 classification system as determined by the commissioner, is within
37 major group "01," or is "091" or "203," may not exceed the following
38 applicable rate:

	<u>Rate year</u>	<u>Maximum rate</u>
--	------------------	---------------------

1	<u>2000</u>	<u>5.40</u>
2	<u>2001</u>	<u>5.60</u>
3	<u>2002</u>	<u>5.80</u>
4	<u>2003</u>	<u>6.05</u>
5	<u>2004</u>	<u>6.30</u>

6 (c) Contractors engaging in construction activities under the terms
7 of a written contract or contract addendum that was entered into prior
8 to the effective date of this section may request the project owner or
9 owner's agent to adjust payment provisions or contract terms to reflect
10 the additional cost attributable to the contribution increases imposed
11 by section 10, chapter . . . , Laws of 1999 1st sp. sess. (section 10 of
12 this act). Such a request does not invalidate the original contract or
13 contract addendum. Owners or owners' agents shall consider such a
14 request for adjustment and equitably adjust the contract accordingly.

15 (6) The contribution rate for each employer not qualified to be in
16 the array shall be as follows:

17 (a) Employers who do not meet the definition of "qualified
18 employer" by reason of failure to pay contributions when due shall be
19 assigned (~~the contribution rate of five and six-tenths percent~~) a
20 contribution rate two-tenths higher than that in rate class 20 for the
21 applicable rate year, except employers who have an approved agency-
22 deferred payment contract by September 30 of the previous rate year.
23 If any employer with an approved agency-deferred payment contract fails
24 to make any one of the succeeding deferred payments or fails to submit
25 any succeeding tax report and payment in a timely manner, the
26 employer's tax rate shall immediately revert to (~~five and six-tenths~~
27 ~~percent for the current rate year~~) a contribution rate two-tenths
28 higher than that in rate class 20 for the applicable rate year; and

29 (~~b) ((The contribution rate for employers exempt as of December 31,~~
30 ~~1989, who are newly covered under the section 78, chapter 380, Laws of~~
31 ~~1989 amendment to RCW 50.04.150 and not yet qualified to be in the~~
32 ~~array shall be 2.5 percent for employers whose standard industrial code~~
33 ~~is "013", "016", "017", "018", "019", "021", or "081"; and~~

34 ~~(c))~~ For all other employers not qualified to be in the array, the
35 contribution rate shall be a rate equal to the average industry rate as
36 determined by the commissioner; however, the rate may not be less than
37 one percent. Assignment of employers by the commissioner to industrial
38 classification, for purposes of this (~~subsection~~) section, shall be
39 in accordance with established classification practices found in the

1 "Standard Industrial Classification Manual" issued by the federal
2 office of management and budget to the third digit provided in the
3 Standard Industrial Classification code, or as found in a successor
4 code recognized by the commissioner.

5 NEW SECTION. **Sec. 11.** A new section is added to chapter 50.29 RCW
6 to read as follows:

7 (1) Beginning with tax rate year 2001, unemployment insurance
8 socialized cost financing shall be implemented as follows:

9 (a) For the completed fiscal year prior to the applicable tax rate
10 year, the commissioner shall determine:

11 (i) The unemployment insurance socialized cost rate, which is the
12 total socialized cost for the fiscal year as a percent of total taxable
13 wages paid in the fiscal year; and

14 (ii) The socialized cost deposit, which is the amount deposited
15 during the fiscal year in the state reserve interest account under
16 section 4 of this act, less the amount authorized for administrative
17 costs.

18 (b) The amount of the socialized cost deposit shall be transferred
19 to the unemployment compensation fund.

20 (c) Except for those qualified employers whose contribution rate
21 for the applicable tax rate year under RCW 50.29.025(5) is less than
22 the socialized cost rate or who are assigned a rate class for the
23 applicable tax rate year in which the aggregate estimated contributions
24 are less than the aggregate benefit charges for employers in the rate
25 class, the contribution rate for each employer in the array shall be
26 adjusted pro rata in proportion to the employer's experience to account
27 for the socialized cost deposit.

28 (2) As used in this section:

29 (a) "Inactive account charges" means charges for unemployment
30 benefits paid to a claimant whose former employer has gone out of
31 business, or made similar changes in the employer's account, and from
32 which contributions cannot be collected.

33 (b) "Ineffective account charges" means charges for unemployment
34 benefits paid to claimants that exceed the contributions paid by the
35 respective employer.

36 (c) "Noncharged benefits" means the unemployment benefits paid to
37 claimants that are not charged to an employer's experience rating
38 account under RCW 50.29.020.

1 (d) "Socialized cost" means the sum of the inactive account
2 charges, the ineffective account charges, and the noncharged benefits.

3 NEW SECTION. **Sec. 12.** A new section is added to chapter 50.29 RCW
4 to read as follows:

5 For the purpose of simplification of employer reports, the
6 "combined contribution rate" shall be used in the calculation of
7 employer taxes. The combined contribution rate shall include the
8 regular contribution rate as determined under RCW 50.29.025, and the
9 special contribution rates required under RCW 50.24.014 and section 4
10 of this act. A mention of the "combined contribution rate" may not be
11 made on a tax form or publication unless the form or publication
12 specifically identifies the specific contributions. The combined
13 contribution rate may not be quoted on a form unless the specific
14 component rates are also quoted. The sole purpose of the combined
15 contribution rate is to allow an employer to perform a single
16 calculation on a tax return rather than several separate calculations.

17 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.33A
18 RCW to read as follows:

19 Pursuant to section 4 of this act, the state investment board shall
20 invest moneys in the state reserve trust account established in section
21 4 of this act with full power to establish investment policies for the
22 account.

23 NEW SECTION. **Sec. 14.** (1) A joint legislative task force on
24 unemployment insurance is established. The task force shall consist of
25 nine members, as follows:

26 (a) One member from each of the two largest caucuses of the senate,
27 appointed by the president of the senate;

28 (b) One member from each of the two largest caucuses of the house
29 of representatives, appointed by the co-speakers of the house of
30 representatives;

31 (c) Two members representing employees, each appointed from a list
32 of at least three names per position, submitted by recognized state-
33 wide organizations representing a cross section of employees, appointed
34 jointly by the president of the senate and the co-speakers of the house
35 of representatives;

1 (d) Two members representing employers, each appointed from a list
2 of at least three names per position, submitted by recognized state-
3 wide organizations representing a cross section of employers and
4 industries, appointed jointly by the president of the senate and the
5 co-speakers of the house of representatives; and

6 (e) One member representing the governor, who shall be a nonvoting
7 member.

8 The task force shall choose its co-chairs from among its
9 membership.

10 (2)(a) The employment security department shall report to the task
11 force by December 1, 2001, with preliminary reports as requested by the
12 task force prior to that date, on its review of the additional benefit
13 program established in section 1 of this act. By January 1, 2002, the
14 task force shall report to the appropriate committees of the
15 legislature its recommendations regarding the additional benefits
16 program.

17 (b) As determined by the task force, the task force may receive
18 reports from the state trust account labor-management advisory board
19 established in section 15 of this act.

20 (3) The employment security department shall cooperate and maintain
21 a liaison with the task force. The task force shall use legislative
22 facilities and staff from senate committee services and the office of
23 program research, but may hire additional staff with specific technical
24 expertise if such expertise is necessary to carry out the mandates of
25 this study. Each nonlegislative member of the task force shall be
26 reimbursed for travel expenses in accordance with RCW 43.03.050 and
27 43.03.060. All expenses of the task force, including travel, shall be
28 paid jointly by the senate and the house of representatives.

29 (4) This section expires July 1, 2002.

30 NEW SECTION. **Sec. 15.** A new section is added to chapter 50.12 RCW
31 to read as follows:

32 (1) A state trust account labor-management advisory board is
33 established to oversee and provide recommendations regarding the
34 programs funded through the state reserve trust account interest
35 earnings. The board shall consist of eight members, as follows:

36 (a) Three members representing labor, each appointed by the
37 commissioner from a list of names submitted by recognized state-wide
38 organizations representing a cross section of employees;

1 (b) Three members representing business, each appointed by the
2 commissioner from a list of names submitted by recognized state-wide
3 organizations representing a cross section of employers and industries;
4 and

5 (c) Two members representing the employment security department and
6 the state investment board, respectively, who shall be nonvoting
7 members.

8 (2) The advisory board shall choose its chair from among its
9 membership. The board shall adopt bylaws and shall meet at least
10 quarterly, and at such other times as determined by the chair or at the
11 request of a majority of the voting members.

12 (3)(a) Each business member may cast a proxy vote or votes for any
13 business member who is not present and who authorizes in writing the
14 present member to cast such vote.

15 (b) Each labor member may cast a proxy vote or votes for any labor
16 member who is not present and who authorizes in writing the present
17 member to cast such vote.

18 (4)(a) The members of the board shall serve for terms of four
19 years, the terms expiring on June 30th of the fourth year of the term,
20 except that for initial members, one business member and one labor
21 member shall be appointed to a two-year term, one business member and
22 one labor member shall be appointed to a three-year term, and one
23 business member and one labor member shall be appointed to a four-year
24 term.

25 (b) Any vacancies among business and labor members shall be filled
26 by the commissioner from nominations provided as required in subsection
27 (1) of this section.

28 (5) The advisory board shall review and make recommendations
29 regarding:

30 (a) The programs funded from the state reserve interest account.
31 Recommendations may include, but are not limited to, distribution of
32 the funding; programmatic changes, including eligibility criteria,
33 benefit periods and levels, and program prioritization; and alternative
34 funding mechanisms. For the purposes of funding an unemployment
35 insurance additional benefits program beginning July 1, 2001, for
36 dislocated workers in retraining, the commissioner shall adopt rules,
37 after consultation with and receiving advice from the advisory board,
38 that establish an additional benefits program allowing fifty-two weeks
39 of combined regular and additional benefits, with eligibility criteria

1 and program prioritization as determined by rule. By December 1, 2002,
2 the advisory board shall develop a plan for a funding mechanism for
3 unemployment insurance additional benefits for dislocated workers in
4 retraining that requires, by July 1, 2003, equal sharing of the
5 program's cost by employers and employees. The employment security
6 department shall report the plan to the appropriate committees of the
7 legislature by January 1, 2003; and

8 (b) The state reserve trust account, including, but not limited to,
9 the size of the account and the contribution schedule.

10 After consultation with and receiving advice from the advisory
11 board, the employment security department shall report recommendations,
12 if any, to the joint legislative task force on unemployment insurance
13 established in section 14 of this act, and to the appropriate
14 committees of the legislature. The advisory board shall, as requested,
15 provide reports to the joint task force.

16 (6) The employment security department shall provide necessary
17 administrative support for the advisory board. Members of the board
18 are entitled to reimbursement for travel expenses in accordance with
19 RCW 43.03.050 and 43.03.060.

20 (7) If the proposed amendment to Article II of the state
21 Constitution (House Joint Resolution No. 4208, securing unemployment
22 benefits) is not approved and ratified by the voters at the next
23 general election, this section is null and void.

24 NEW SECTION. **Sec. 16.** RCW 50.20.042 (Unemployed aerospace
25 workers--Training) and 1993 c 226 s 7 are each repealed.

26 NEW SECTION. **Sec. 17.** If any part of this act is found to be in
27 conflict with federal requirements that are a prescribed condition to
28 the allocation of federal funds to the state, the conflicting part of
29 this act is inoperative solely to the extent of the conflict and with
30 respect to the agencies directly affected, and this finding does not
31 affect the operation of the remainder of this act in its application to
32 the agencies concerned. Rules adopted under this act must meet federal
33 requirements that are a necessary condition to the receipt of federal
34 funds by the state.

35 NEW SECTION. **Sec. 18.** If any provision of this act or its
36 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 19.** Sections 1 and 3 of this act are necessary
4 for the immediate preservation of the public peace, health, or safety,
5 or support of the state government and its existing public
6 institutions, and take effect immediately.

7 NEW SECTION. **Sec. 20.** Sections 2 and 10 of this act take effect
8 January 1, 2000, and apply to rate years beginning on or after January
9 1, 2000.

10 NEW SECTION. **Sec. 21.** Sections 4 through 9 and 11 through 13 of
11 this act take effect January 1, 2000, and sections 9 and 12 of this act
12 apply to tax rate years beginning on or after January 1, 2001, if the
13 proposed amendment to Article II of the state Constitution (House Joint
14 Resolution No. 4208, securing unemployment benefits) is validly
15 submitted to and is approved and ratified by the voters at the next
16 general election. If the proposed amendment is not approved and
17 ratified, sections 4 through 9 and 11 through 13 of this act are void
18 in their entirety."

19 **HB 2235** - H AMD
20 By Representative

21

22 On page 1, line 2 of the title, after "contributions;" strike the
23 remainder of the title and insert "amending RCW 50.24.010, 50.29.020,
24 50.04.070, 50.04.072, 50.16.020, and 50.29.025; reenacting and amending
25 RCW 50.16.010; adding a new section to chapter 50.22 RCW; adding a new
26 section to chapter 50.24 RCW; adding new sections to chapter 50.29 RCW;
27 adding a new section to chapter 43.33A RCW; adding a new section to
28 chapter 50.12 RCW; creating new sections; repealing RCW 50.20.042;
29 providing an effective date; providing a contingent effective date;
30 providing an expiration date; and declaring an emergency."

--- END ---