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**SENATE BILL 5171**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Senators Wilson, L., Braun, Brown, Dozier, Gildon, Holy, King, Muzzall, Rivers, Schoesler, Short, Wagoner, and Wilson, J.

AN ACT Relating to providing unemployment insurance relief; adding a new section to chapter 50.16 RCW; creating new sections; making an appropriation; and declaring an emergency.

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

NEW SECTION. **Sec.**  The legislature finds that the state unemployment insurance trust fund has been greatly depleted by an unprecedented number of claims stemming from pandemic-related job losses. The legislature also finds that replenishing the fund through increased unemployment insurance contributions would cause additional financial harm to many Washington employers and employees as they work to recover fully from the pandemic and government-mandated closures.

It is therefore the intent of the legislature to replenish the unemployment insurance trust fund in 2021-22 with revenue from the budget stabilization account, recognizing that a significant amount of revenue in that account originated with Washington employers through their payment of other taxes. This would be fiscally prudent and protect employers and employees at a critical time in our state's economic history. Should additional pandemic relief be received from the federal government in 2021, the legislature intends that it should be used first to replace revenue appropriated from the budget stabilization account to replenish the unemployment insurance trust fund.

NEW SECTION. **Sec.**  The purposes of this act are to provide unemployment insurance contribution relief to employers, including immediate relief in calendar year 2021 and enacting reforms to lessen the need for higher contributions in future years. The relief should include both social and experience rating contribution reductions, and focus should be given to particularly hard-hit employers in the pandemic, especially those who suffered government-mandated closures.

NEW SECTION. **Sec.**  A new section is added to chapter 50.16 RCW to read as follows:

(1) The unemployment insurance relief account is created in the custody of the state treasurer. Revenues to the account shall consist of appropriations and transfers by the legislature and all other funding directed for deposit into the account. Expenditures from the account may be used only for reimbursing the unemployment insurance trust fund for the purposes of this act. Only the commissioner of the employment security department or the commissioner's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The maximum amount that may be expended from the account is $1,000,000,000 or the amount of any federal funding or relief for COVID-19 that could be used for the purposes of section 2 of this act, whichever is higher.

(2) Any federal funding or relief for COVID-19 that could be used for the purposes of section 2 of this act must be used first before spending from the account. Additionally, if the employment security department subsequently receives reimbursements from federal sources for amounts spent from the account, it must remit the federal funding to the state treasurer for reimbursement to the budget stabilization account. If federal law or rules would prevent such remittance, the employment security department must notify the office of financial management and the fiscal committees of the legislature within 30 days of receipt of the reimbursement.

(3) By December 1, 2023, the commissioner must certify to the state treasurer the amount of any unobligated moneys in the unemployment insurance relief account that are attributable to the budget stabilization account appropriation in section 4 of this act, and the treasurer must transfer those moneys back to the budget stabilization account.

NEW SECTION. **Sec.**  The sum of $1,000,000,000 is appropriated for the fiscal year ending June 30, 2021, from the budget stabilization account to the unemployment insurance relief account for the purposes of this act as provided in section 2 of this act.

NEW SECTION. **Sec.**  If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and the finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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