

# FINAL BILL REPORT

## HB 1656

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Synopsis as Enacted

**Brief Description:** Concerning unemployment insurance benefits appeal procedures.

**Sponsors:** Representatives Schmidt, Fosse, Berry, Robertson, Christian, Ormsby and Riccelli;  
by request of Employment Security Department.

**House Committee on Labor & Workplace Standards**  
**Senate Committee on Labor & Commerce**

### **Background:**

The unemployment insurance (UI) system, administered by the Employment Security Department (ESD), is designed to provide partial wage replacement for unemployed workers. Eligible unemployed workers receive benefits based on their earnings in their base year, which is typically the first four of the last five completed calendar quarters. A person who is seeking benefits, referred to as a "claimant," is eligible if he or she: (1) worked at least 680 hours in the base year; (2) voluntarily quit for good cause or was otherwise separated from employment through no fault of his or her own; and (3) is available to work and is actively searching for work. Funding for UI benefits is sourced from payroll taxes paid by employers. An employer's tax rate is experience-rated so that the rate is determined, in part, by the UI benefits paid to its employees.

The ESD makes a determination or redetermination as to whether an applicant is eligible for UI benefits. When an employee or employer disagrees with a decision made by the ESD, he or she may appeal the determination to the Office of Administrative Hearings (OAH) within 30 days of receiving the notice or mailing from the ESD. The administrative law judge with the OAH is directed to review certain items in any case involving UI benefits, regardless of the basis upon which an employee or employer filed an appeal. This includes:

- for disputes involving an initial determination, all matters covered by the initial determination are deemed to be an issue irrespective of the particular ground or grounds set forth in the notice of appeal; and
- for disputes involving claims for waiting period credits or benefits, all matters and

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provisions relating to the individual's right to receive such credit or benefits for the period in question, including the question and nature of the claimant's availability for work, are deemed to be an issue irrespective of the particular ground or grounds set forth in the notice of appeal, and the claimant's availability for work must be determined apart from all other matters.

For proceedings involving the person's right to benefits, all parties must be afforded an opportunity for a hearing with at least seven days notice. After the hearing, the OAH must issue its decision affirming, modifying, or setting aside the determination or decisions of the ESD.

**Summary:**

The bill removes the requirement that the OAH review a claimant's availability for work in every dispute involving a person's unemployment insurance benefits or waiting week credits. Instead, for any dispute of a person's initial determination, determination of allowance or denial of allowance of benefits, or redetermination of allowance or denial of benefits, all matters covered by the initial determination, determination, or redetermination are deemed to be an issue irrespective of the particular ground or grounds set forth in the notice of appeal.

**Votes on Final Passage:**

House	96	0
Senate	48	0

**Effective:** July 23, 2023