
SENATE BILL 6513

State of Washington **53rd Legislature** **1994 Regular Session**

By Senators Bluechel, Moyer and Oke

Read first time 01/26/94. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to self-employment assistance; adding a new section
2 to chapter 50.20 RCW; adding a new section to chapter 50.16 RCW;
3 creating new sections; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that the passage
6 of the North American Free Trade Agreement offers substantial
7 opportunities for Washington workers and economic growth for the state.
8 To assist individuals in taking advantage of these opportunities, the
9 federal government has authorized states to establish a self-employment
10 assistance program as part of the state's unemployment insurance
11 program. The legislature finds that the establishment of a self-
12 employment assistance program would create new businesses and business
13 partnerships in Washington state. To carry out the purposes of this
14 act, the state of Washington intends this act to be liberally construed
15 to take full advantage of the authority granted to states by the
16 federal government.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 50.20 RCW
18 to read as follows:

1 (1) An unemployed individual is eligible to participate in a self-
2 employment assistance program if it has been determined that he or she:

3 (a) Is otherwise eligible for unemployment compensation;

4 (b) Has been identified as likely to exhaust regular unemployment
5 compensation under the profiling criteria contained in the unemployment
6 compensation amendments of 1993 (P.L. 103-152);

7 (c) Is enrolled in a commissioner-approved self-employment
8 assistance program; and

9 (d) Is actively engaged on a full-time basis in activities relating
10 to the establishment of a business or a business partnership with other
11 program participants and becoming self-employed.

12 A self-employment assistance program, as used in this section, must
13 include entrepreneurial training, business counseling, and technical
14 assistance, and must be approved by the commissioner.

15 (2) Individuals participating in a self-employment assistance
16 program approved by the commissioner are eligible to receive
17 unemployment compensation payable in the same amount, at the same
18 interval, on the same terms, and subject to the same conditions as
19 regular unemployment compensation, except that:

20 (a) No otherwise eligible individual shall be denied benefits for
21 any week because the individual is in a self-employment assistance
22 program with the approval of the commissioner, nor shall such
23 individual be denied benefits with respect to any week in which the
24 individual is actively engaged full-time in a self-employment
25 assistance program with the approval of the commissioner by reason of
26 the application of RCW 50.20.010(3), 50.20.015, 50.20.080, or
27 50.22.010(1) relating to availability for work, active search for work,
28 or failure to apply for or refusal to accept suitable work.

29 (b) Income earned from self-employment shall not be considered
30 remuneration and shall not be deductible from the weekly benefit amount
31 by reason of the application of RCW 50.20.130 for an individual in a
32 self-employment assistance program with the approval of the
33 commissioner.

34 (c) Such individual is considered to be "unemployed" pursuant to
35 RCW 50.20.010.

36 (d) Individuals may be paid the total amount of unemployment
37 insurance benefits for which they are eligible in a lump sum payment
38 under subsection (3) of this section

1 (3)(a) At the time of the individual's initial application with the
2 department to participate in a self-employment assistance program, an
3 individual may apply for a lump sum payment of the total amount of
4 unemployment insurance benefits for which the individual is eligible.

5 (b) The department shall determine the percentage of employer
6 contributions needed to fund lump sum payments to eligible program
7 participants, and shall direct that, for the years concurrent with the
8 time of the self-employment assistance program, employer contributions
9 to the unemployment insurance trust fund be reduced by such percentage
10 with an amount equal to the reduction to be deposited by the employer
11 into the self-employment assistance trust fund created in section 3 of
12 this act. The amount of wages subject to tax shall be determined under
13 RCW 50.24.010.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 50.16 RCW
15 to read as follows:

16 There is hereby established the self-employment assistance trust
17 fund. All moneys in this fund are irrevocably vested for the
18 administration of this title. The self-employment assistance trust
19 fund shall consist of all moneys from self-employment assistance trust
20 fund contributions as established in section 2(3) of this act. The
21 treasurer of the employment security department shall deposit,
22 administer, and disburse all moneys in the fund under rules adopted by
23 the commissioner, and RCW 43.01.050 and 43.84.092 are not applicable to
24 this fund. The treasurer of the employment security department shall
25 be the treasurer of the self-employment assistance trust fund as
26 described in RCW 50.16.020 and shall give a bond conditioned upon the
27 faithful performance of his or her duties in connection with the fund.
28 All sums recovered on the official bond for losses sustained by the
29 self-employment assistance trust fund must be deposited in the fund.
30 Notwithstanding any provision of this section, all moneys received and
31 deposited in the fund under section 2(3) of this act, remain part of
32 the self-employment assistance trust fund and may be used solely for
33 the purpose of making lump sum payments to individuals participating in
34 a self-employment assistance program authorized by section 2 of this
35 act.

36 NEW SECTION. **Sec. 4.** If any part of this act is found to be in
37 conflict with federal requirements that are a prescribed condition to

1 the allocation of federal funds to the state, the conflicting part of
2 this act is inoperative solely to the extent of the conflict and with
3 respect to the agencies directly affected, and this finding does not
4 affect the operation of the remainder of this act in its application to
5 the agencies concerned. The rules under this act shall meet federal
6 requirements that are a necessary condition to the receipt of federal
7 funds by the state.

8 NEW SECTION. **Sec. 5.** If any provision of this act or its
9 application to any person or circumstance is held invalid, the
10 remainder of the act or the application of the provision to other
11 persons or circumstances is not affected.

12 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of the
14 state government and its existing public institutions, and shall take
15 effect immediately.

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