

SHB 1368 - H AMD 24

By Representative MacEwen

NOT ADOPTED 02/01/2021

1 On page 18, after line 14, insert the following:

2

3 "NEW SECTION. **Sec. 20. FOR THE OFFICE OF FINANCIAL MANAGEMENT-**
4 **COVID-19 UNEMPLOYMENT ACCOUNT**

5 General Fund-Federal Appropriation.....\$500,000,000

6 TOTAL APPROPRIATION.....\$500,000,000

7 The appropriation in this section is subject to the following
8 conditions and limitations: The entire general fund-federal
9 appropriation (CRF) is provided solely for expenditure into the
10 COVID-19 unemployment account, from which the employment security
11 department may make expenditures from this sum solely for the purposes
12 described in section 21 of this act. If equivalent federal funding of
13 at least \$500,000,000 is provided for the purposes of section 21 of
14 this act, referencing that section by bill or chapter and section
15 number, then the appropriation in this section shall lapse.

16

17 **Sec. 21.** RCW 50.29.100 and 2020 c 7 s 5 are each amended to read
18 as follows:

19 (1) By (~~September 30, 2020~~) April 1, 2022, a contribution paying
20 employer may submit an application to the employment security
21 department to have the approved benefits paid to approved employees be
22 reimbursed by the COVID-19 unemployment account instead of charged to
23 the employer's experience rating account. The application must be
24 submitted in a form and manner approved by the department through
25 rule.

26 (2) The department should not approve an application if the
27 benefits paid will not otherwise be charged to the employer's

1 experience rating account or if the employer was otherwise eligible to
2 receive relief of benefit charges.

3 (3) If the department approves an employer's application, the
4 department will not charge the forgiven benefits to the employer's
5 experience rating account. The commissioner shall instead transfer
6 from the COVID-19 unemployment account to the unemployment trust fund
7 account an amount equal to the forgiven benefits.

8 (4) If the department rejects an employer's application, the
9 department shall present the employer with the reasons why the
10 application was rejected. The reasons for the rejection are final and
11 nonappealable.

12 (5) For purposes of this section, the following definitions apply:

13 (a) "Approved employee" means an employee who:

14 (i) Was ~~((temporarily))~~ laid off as a direct or indirect
15 consequence of ~~((an outbreak of COVID-19;~~

16 ~~(ii) Was approved by the department to be on standby pursuant to~~
17 ~~rules adopted by the department;~~

18 ~~(iii) Has returned to the same employment with the employer the~~
19 ~~employee had prior to the temporary unemployment; and~~

20 ~~(iv))~~ a gubernatorial declaration of emergency or related
21 executive order; and

22 (ii) Meets other criteria the department may establish by rule.

23 (b) "Approved benefits" means benefits paid to an approved
24 employee ~~((while the approved employee was on standby))~~ for an
25 eligible claim pursuant to rules adopted by the department.

26 (c) "Total approved benefits" means the sum total of all approved
27 benefits paid to all approved employees.

28 (d) "Eligible claim" means a claim for weeks of unemployment on or
29 after February 29, 2020, and before March 1, 2022, or 30 days after
30 the expiration of the gubernatorial declaration of emergency,
31 whichever is earlier.

32 (e) "Forgiveness ratio" is computed by dividing the amount of
33 money in the COVID-19 unemployment account by the total approved
34 benefits. The forgiveness ratio cannot be more than 1.

1 ((e)) (f) "Forgiven benefits" means the approved benefits for an
2 individual employer multiplied by the forgiveness ratio.

3 (6) The department shall adopt such rules as are necessary to
4 carry out the purposes of this section.

5 (7) This section expires ((July 30, 2021)) December 1, 2022."

6
7 Renumber the remaining sections consecutively and correct any
8 internal references accordingly.

9
10 Correct the title.

11

EFFECT: Provides limited employer relief of unemployment insurance benefit charges for layoffs due to gubernatorial declarations of emergency and related executive orders. Appropriates \$500,000,000 General Fund-Federal (CRF) into the COVID-19 Unemployment Account for reimbursement of the relief charges to the unemployment trust fund. Makes the appropriation lapse upon provision of equivalent federal funding.

FISCAL IMPACT:

Increases General Fund - Federal by \$500,000,000.

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