
SENATE BILL 5171

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.

Read first time 01/12/21. Referred to Committee on Ways & Means.

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

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the state
6 unemployment insurance trust fund has been greatly depleted by an
7 unprecedented number of claims stemming from pandemic-related job
8 losses. The legislature also finds that replenishing the fund through
9 increased unemployment insurance contributions would cause additional
10 financial harm to many Washington employers and employees as they
11 work to recover fully from the pandemic and government-mandated
12 closures.

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

1 stabilization account to replenish the unemployment insurance trust
2 fund.

3 NEW SECTION. **Sec. 2.** The purposes of this act are to provide
4 unemployment insurance contribution relief to employers, including
5 immediate relief in calendar year 2021 and enacting reforms to lessen
6 the need for higher contributions in future years. The relief should
7 include both social and experience rating contribution reductions,
8 and focus should be given to particularly hard-hit employers in the
9 pandemic, especially those who suffered government-mandated closures.

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

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

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

35 (3) By December 1, 2023, the commissioner must certify to the
36 state treasurer the amount of any unobligated moneys in the
37 unemployment insurance relief account that are attributable to the
38 budget stabilization account appropriation in section 4 of this act,

1 and the treasurer must transfer those moneys back to the budget
2 stabilization account.

3 NEW SECTION. **Sec. 4.** The sum of \$1,000,000,000 is appropriated
4 for the fiscal year ending June 30, 2021, from the budget
5 stabilization account to the unemployment insurance relief account
6 for the purposes of this act as provided in section 2 of this act.

7 NEW SECTION. **Sec. 5.** If any part of this act is found to be in
8 conflict with federal requirements that are a prescribed condition to
9 the allocation of federal funds to the state or the eligibility of
10 employers in this state for federal unemployment tax credits, the
11 conflicting part of this act is inoperative solely to the extent of
12 the conflict, and the finding or determination does not affect the
13 operation of the remainder of this act. Rules adopted under this act
14 must meet federal requirements that are a necessary condition to the
15 receipt of federal funds by the state or the granting of federal
16 unemployment tax credits to employers in this state.

17 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of
19 the state government and its existing public institutions, and takes
20 effect immediately.

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