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HOUSE BILL 2280

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State of Washington

57th Legislature

2002 Regular Session

By Representative Clements

Read first time 07/25/2001. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to benefits for individuals who are unable to work  
2 as a result of a natural disaster; amending RCW 43.88.180; adding a new  
3 section to chapter 43.33A RCW; adding a new title to the Revised Code  
4 of Washington; creating new sections; making an appropriation; and  
5 declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that natural disasters  
8 often cause individuals to lose wages from employment or income from  
9 self-employment, and that natural disasters adversely affect these  
10 individuals and their families with great severity. The legislature  
11 intends to help alleviate the hardships that result from natural  
12 disasters by providing partial wage and income replacement benefits to  
13 individuals unable to work as a result of natural disasters for whom no  
14 other wage or income replacement programs are available.

15 NEW SECTION. **Sec. 2.** The definitions in this section apply  
16 throughout this title unless the context clearly requires otherwise.

17 (1) "Base year" means the same as in RCW 50.04.020 and, with  
18 respect to a self-employed individual, the previous calendar year.

- 1 (2) "Commissioner" means the same as in RCW 50.04.060.
- 2 (3) "Employer" means the same as in RCW 50.04.080.
- 3 (4) "Employment" means the same as the term is used in chapter  
4 50.04 RCW, and that is covered under Title 50 RCW.
- 5 (5) "Natural disaster" means specified unusual and adverse weather  
6 conditions or other natural phenomena that cause the governor: (a) To  
7 proclaim a state of emergency in the affected county or counties under  
8 RCW 43.06.010; and (b) to direct the commissioner to pay natural  
9 disaster benefits under this title.
- 10 (6) "Natural disaster area" means the county or counties in which  
11 the state of emergency is proclaimed by the governor.
- 12 (7) "Natural disaster benefit period" means the period beginning  
13 with the first week following the date the state of emergency is  
14 proclaimed by the governor, and ending with the thirtieth week  
15 following that date.
- 16 (8) "Natural disaster benefits" means benefits paid under section  
17 101 of this act.
- 18 (9) "Natural disaster benefits trust account" means the trust  
19 account created under section 201 of this act.
- 20 (10) "Natural disaster-impacted self-employed individual" means an  
21 individual who was self-employed in or was to commence self-employment  
22 in the natural disaster area at the time the natural disaster began,  
23 and whose principal source of income and livelihood is dependent upon  
24 the individual's performance of service in the individual's own  
25 business, or on the individual's own farm, and whose unemployment is a  
26 direct result of the natural disaster.
- 27 (11) "Natural disaster-impacted worker" means an individual who was  
28 employed in or was to commence employment in the natural disaster area  
29 at the time the natural disaster began, and whose principal source of  
30 income and livelihood is dependent upon the individual's employment for  
31 wages, and whose unemployment is a direct result of the natural  
32 disaster. An individual who had a bona fide offer of work before the  
33 natural disaster benefit period and who is not employed as a direct  
34 result of the natural disaster is an individual who was to commence  
35 employment.
- 36 (12) "Self-employed individual" means an individual whose primary  
37 reliance for income is on the performance of services in the  
38 individual's own business, or on the individual's own farm.
- 39 (13) "Unemployment" means:

1 (a) For a natural disaster-impacted worker, when the individual  
2 performs no work and earns no wages, or has less than full-time work  
3 and earns wages not exceeding the amount permitted in RCW 50.20.130;  
4 and

5 (b) For a natural disaster-impacted self-employed individual, when  
6 the individual earns less than his or her customary wages as a direct  
7 result of the major disaster, and earns wages not exceeding the amount  
8 permitted in RCW 50.20.130.

9 (14) "Unusual and adverse weather conditions or natural phenomena"  
10 includes:

11 (a) A major single natural occurrence or event such as an  
12 earthquake, tornado, or volcanic eruption;

13 (b) A single storm, or series of storms, accompanied by severe  
14 hail, excessive rain, heavy snow, ice, or high wind;

15 (c) An electrical storm; or

16 (d) A severe weather pattern over a period of time that, due to  
17 excessive rainfall, unusual lack of rainfall, or periods of high or low  
18 temperatures, causes flooding, substantial water damage, drought, or  
19 freezing, or results in the spreading and flourishing of insects or  
20 pests, or in plant or animal diseases spreading into epidemic  
21 proportions, or prevents the control of fire, however caused.

22 (15) "Wages" means the same as in RCW 50.04.320(2) and, with  
23 respect to a self-employed individual, net income from services  
24 performed in self-employment in the previous calendar year.

25 (16) "Week" means the same as in RCW 50.04.360.

26 **PART I**  
27 **BENEFITS**

28 NEW SECTION. **Sec. 101.** (1) The commissioner may pay natural  
29 disaster benefits from the natural disaster benefits trust account  
30 created in section 201 of this act, but may not obligate expenditures  
31 beyond the limits set by the legislature in an appropriations act.  
32 Natural disaster benefits may not be paid from the unemployment trust  
33 fund, the accident fund, or the medical aid fund.

34 The commissioner must develop a process to ensure that expenditures  
35 under this section do not exceed available funds and to prioritize  
36 access to funds when again available. The commissioner may not pay or

1 otherwise obligate the payment of benefits after the natural disaster  
2 period ends.

3 (2) Subject to availability of funds and except as provided in  
4 subsection (3) of this section, natural disaster benefits are available  
5 for an individual with respect to a week of unemployment if:

6 (a) The week of unemployment begins during a natural disaster  
7 benefit period;

8 (b) The individual is a natural disaster-impacted worker or a  
9 natural disaster-impacted self-employed individual;

10 (c) The individual works in a natural disaster area;

11 (d) The individual's unemployment with respect to that week is a  
12 direct result of the natural disaster;

13 (e) The individual filed a timely initial application for natural  
14 disaster benefits. An initial application filed under this section is  
15 timely if filed within thirty days after the date the natural disaster  
16 is proclaimed by the governor or within thirty days after the effective  
17 date of this act, whichever is later;

18 (f) The individual satisfies the benefit eligibility conditions set  
19 forth in RCW 50.20.010(3). A natural disaster-impacted self-employed  
20 individual is deemed to satisfy these conditions if the individual  
21 performs service or activities that are solely for the purpose of  
22 enabling the individual to resume self-employment; and

23 (g) The individual is eligible to work in the United States, and  
24 the commissioner has verified the individual's eligibility.

25 (3) Subject to availability of funds and in lieu of benefits under  
26 subsection (2) of this section, natural disaster benefits are available  
27 in a single payment for an individual with respect to a natural  
28 disaster benefit period if:

29 (a) The unemployment begins during a natural disaster benefit  
30 period;

31 (b) The individual is a natural disaster-impacted self-employed  
32 individual;

33 (c) The individual works in a natural disaster area;

34 (d) The individual's unemployment is a direct result of the natural  
35 disaster;

36 (e) The individual filed a timely initial application for natural  
37 disaster benefits, and elected to receive benefits in a single payment;

1 (f) The individual performs services or activities that are solely  
2 for the purpose of enabling the individual to resume self-employment  
3 during the natural disaster benefit period; and

4 (g) The individual is eligible to work in the United States, and  
5 the commissioner has verified the individual's eligibility.

6 (4) An individual is not eligible for natural disaster benefits if  
7 he or she:

8 (a) Is or was eligible for benefits, under Title 50 RCW, or  
9 benefits under similar federal or other state law, whether or not the  
10 individual has exhausted such benefits or been disqualified from  
11 receiving such benefits;

12 (b) Is a standby claimant who expects recall to his or her regular  
13 employer;

14 (c) Has a definite recall date that is within six months of the  
15 date he or she was laid off; or

16 (d) Is unemployed due to a regular seasonal layoff which  
17 demonstrates a pattern of unemployment consistent with RCW 50.20.015.

18 (5) An individual is disqualified for natural disaster benefits if  
19 he or she was an employee who is disqualified for benefits under  
20 chapter 50.20 RCW. An individual who is disqualified for natural  
21 disaster benefits under this subsection is disqualified under the same  
22 terms and conditions as if he or she was disqualified for benefits  
23 under chapter 50.20 RCW, except that the individual must not be  
24 requalified for natural disaster benefits in any circumstances.

25 (6) No otherwise eligible natural disaster-impacted self-employed  
26 individual may be denied benefits because the individual is in training  
27 with the approval of the commissioner, nor may such individual be  
28 denied benefits because the individual is satisfactorily progressing in  
29 a training program with the approval of the commissioner by reason of  
30 the application of subsection (2)(f), (3)(f), or (5) of this section.

31 (7) All base year employers are interested parties to the approval  
32 and granting of benefits under this title.

33 **NEW SECTION. Sec. 102.** (1) For benefits payable to individuals  
34 under section 101(2) of this act:

35 (a) The maximum amounts of benefits payable are the same as the  
36 maximum amount of benefits payable under RCW 50.20.120(1); and

1 (b) The weekly benefit amounts payable under section 101 of this  
2 act are the same as the weekly amount payable during the applicable  
3 benefit year under RCW 50.20.120(2).

4 (2) For benefits payable to individuals under section 101(3) of  
5 this act, the amount payable is equal to thirty times the weekly amount  
6 payable during the applicable benefit year under RCW 50.20.120(2) or  
7 one-third of the individual's base year wages under this title.

8 (3) Except as provided for in section 101 of this act, the  
9 commissioner shall pay benefits under section 101 of this act under the  
10 same terms and conditions as benefits payable under chapter 50.20 RCW.

11 NEW SECTION. **Sec. 103.** (1) An individual filing a new claim for  
12 natural disaster benefits under this title must, at the time of filing  
13 the claim, disclose whether or not the individual owes child support  
14 obligations. If the individual discloses that he or she owes child  
15 support obligations and is determined to be eligible for benefits, the  
16 commissioner must notify the state or local child support enforcement  
17 agency enforcing those obligations that the individual has been  
18 determined to be eligible for natural disaster benefits.

19 (2) The commissioner must deduct and withhold from any benefits  
20 payable to an individual who owes child support obligations:

21 (a) The amount specified by the individual to the commissioner to  
22 be deducted and withheld under this subsection, if neither (b) nor (c)  
23 of this subsection is applicable;

24 (b) The amount, if any, determined under an agreement submitted to  
25 the commissioner under section 454(20)(B)(i) of the social security act  
26 by the state or local child support enforcement agency, unless (c) of  
27 this subsection is applicable; or

28 (c) Any amount otherwise required to be so deducted and withheld  
29 from such benefits pursuant to legal process, as that term is defined  
30 in section 462(e) of the social security act, properly served upon the  
31 commissioner.

32 (3) Any amount deducted and withheld under subsection (2) of this  
33 section must be paid by the commissioner to the appropriate state or  
34 local child support enforcement agency.

35 (4) Any amount deducted and withheld under subsection (2) of this  
36 section must be treated for all purposes as if it were paid to the  
37 individual as natural disaster benefits and paid by that individual to

1 the state or local child support enforcement agency in satisfaction of  
2 the individual's child support obligations.

3 (5) This section applies only if appropriate arrangements have been  
4 made for reimbursement by the state or local child support enforcement  
5 agency for the administrative costs incurred by the commissioner under  
6 this section that are attributable to child support obligations being  
7 enforced by the state or local child support enforcement agency.

8 (6) The definitions in this subsection apply throughout this  
9 section unless the context clearly requires otherwise.

10 (a) "Child support obligations" means only those obligations that  
11 are being enforced under a plan described in section 454 of the social  
12 security act that has been approved by the secretary of health and  
13 human services under part D of Title IV of the social security act.

14 (b) "State or local child support enforcement agency" means any  
15 agency of this state or a political subdivision thereof operating  
16 pursuant to a plan described in (a) of this subsection.

17 **PART II**

18 **FUNDING**

19 NEW SECTION. **Sec. 201.** (1) A natural disaster benefits trust  
20 account is established as a separate account, identifiable and apart  
21 from all public money or funds of this state, which must be  
22 administered by the commissioner of the employment security department  
23 exclusively for the purposes of this title, and to which RCW 43.01.050  
24 is not applicable. All money designated for the natural disaster  
25 benefits trust account from appropriations and from other sources must  
26 be deposited into the account. Money deposited in the natural disaster  
27 benefits trust account is held in trust by the state and expenditures  
28 from the account may be used only to pay natural disaster benefits and  
29 to administer the natural disaster benefits program established in this  
30 title and the natural disaster benefits trust account. Except to pay  
31 benefits, money in the account may be spent only after appropriation.

32 (2)(a) The commissioner must designate a treasurer and custodian of  
33 the natural disaster benefits trust account who must administer such  
34 funds in accordance with the directions of the commissioner and must  
35 issue his or her warrants upon them in accordance with such regulations  
36 as the commissioner prescribes. Money in the natural disaster benefits  
37 trust account must not be commingled with other state funds, but must

1 be deposited by the treasurer, under the direction of the commissioner,  
2 in any bank or public depository in which general funds of the state  
3 may be deposited, but no public deposit insurance charge or premium may  
4 be paid out of the fund. Such money must be secured by the bank or  
5 public depository to the same extent and in the same manner as required  
6 by the general depository law of the state and collateral pledged must  
7 be maintained in a separate custody account.

8 (b) The treasurer must give a bond conditioned upon the faithful  
9 performance of his or her duties as a custodian of the funds in an  
10 amount fixed by the director of the department of general  
11 administration and in a form prescribed by law or approved by the  
12 attorney general. Premiums for the bond must be paid from the natural  
13 disaster benefits trust account. All sums recovered on official bonds  
14 for losses sustained by the natural disaster benefits trust account  
15 must be deposited in the account.

16 (3)(a) The state investment board has the full power to invest,  
17 reinvest, manage, contract, sell, or exchange investment money in the  
18 natural disaster benefits trust account. All investment and operating  
19 costs associated with the investment of money must be paid as required  
20 by RCW 43.33A.160 and 43.84.160. With the exception of these expenses,  
21 the earnings from the investment of the money must be retained by the  
22 account.

23 (b) All investments made by the state investment board must be made  
24 with the exercise of that degree of judgment and care required under  
25 RCW 43.33A.140 and the investment policies established by the state  
26 investment board.

27 (c) As deemed appropriate by the state investment board, money in  
28 the account may be commingled for investment with other funds subject  
29 to investment by the board.

30 NEW SECTION. **Sec. 202.** A new section is added to chapter 43.33A  
31 RCW to read as follows:

32 Pursuant to section 201 of this act, the state investment board  
33 must invest money in the natural disaster benefits trust account  
34 established in section 201 of this act with full power to establish  
35 investment policies for the account.

36 **Sec. 203.** RCW 43.88.180 and 1973 1st ex.s. c 100 s 8 are each  
37 amended to read as follows:



1 Appropriations shall not be required for refunds, as provided in  
2 RCW 43.88.170, nor in the case of payments other than for  
3 administrative expenses or capital improvements to be made from trust  
4 funds specifically created by law to discharge awards, claims,  
5 annuities and other liabilities of the state. Said trust funds shall  
6 include, but shall not be limited to, the accident fund, medical aid  
7 fund, natural disaster benefits trust account, retirement system fund,  
8 Washington state patrol retirement fund and unemployment trust fund.  
9 Appropriations may be required in the case of public service  
10 enterprises defined for the purposes of this section as proprietary  
11 functions conducted by an agency of the state. An appropriation may be  
12 required to permit payment of obligations by revolving funds, as  
13 provided in RCW 43.88.190.

14 **PART III**  
15 **ADMINISTRATION**

16 NEW SECTION. **Sec. 301.** When a natural disaster causes the  
17 governor to proclaim a state of emergency and to direct the  
18 commissioner to pay natural disaster benefits under this title, the  
19 governor must notify the secretary of the senate and the chief clerk of  
20 the house of representatives. Within thirty days after the end of a  
21 natural disaster benefit period, the governor must also notify the  
22 appropriate committees of the legislature of the amount of benefits  
23 paid under this title, the number of claimants who received benefits  
24 under this title, and other related information requested by the  
25 legislative committees.

26 NEW SECTION. **Sec. 302.** The commissioner may adopt rules necessary  
27 to implement this title.

28 **PART IV**  
29 **MISCELLANEOUS**

30 NEW SECTION. **Sec. 401.** The sum of . . . . . dollars, or as much  
31 thereof as may be necessary, is appropriated for the biennium ending  
32 June 30, 2003, from the . . . . . fund to the natural disaster  
33 benefits trust account created in section 201 of this act for the  
34 purposes of this act.

1        NEW SECTION.    **Sec. 402.**    The governor may transfer money from the  
2 governor's emergency fund to the natural disaster benefits trust  
3 account created in section 201 of this act.

4        NEW SECTION.    **Sec. 403.**    This act applies beginning with weeks of  
5 unemployment beginning after March 1, 2001.

6        NEW SECTION.    **Sec. 404.**    Part headings used in this act are not any  
7 part of the law.

8        NEW SECTION.    **Sec. 405.**    If any part of this act is found to be in  
9 conflict with federal requirements that are a prescribed condition to  
10 the allocation of federal funds to the state or the eligibility of  
11 employers in this state for federal unemployment tax credits, the  
12 conflicting part of this act is inoperative solely to the extent of the  
13 conflict, and the finding or determination does not affect the  
14 operation of the remainder of this act. Rules adopted under this act  
15 must meet federal requirements that are a necessary condition to the  
16 receipt of federal funds by the state or the granting of federal  
17 unemployment tax credits to employers in this state.

18        NEW SECTION.    **Sec. 406.**    If any provision of this act or its  
19 application to any person or circumstance is held invalid, the  
20 remainder of the act or the application of the provision to other  
21 persons or circumstances is not affected.

22        NEW SECTION.    **Sec. 407.**    This act is necessary for the immediate  
23 preservation of the public peace, health, or safety, or support of the  
24 state government and its existing public institutions, and takes effect  
25 immediately.

26        NEW SECTION.    **Sec. 408.**    Sections 1, 2, 101 through 103, 201, 301,  
27 and 302 of this act constitute a new title in the Revised Code of  
28 Washington.

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