
HOUSE BILL 2269

State of Washington

61st Legislature

2009 Regular Session

By Representative Anderson

1 AN ACT Relating to reforming the unemployment compensation system;
2 amending RCW 50.04.030, 50.04.310, 50.20.099, 50.20.050, 50.20.066,
3 50.20.120, 50.22.150, 50.29.021, 50.29.025, 50.29.062, 50.16.010, and
4 43.185.050; reenacting and amending RCW 43.185A.030; adding a new
5 section to chapter 82.04 RCW; and creating new sections.

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

7 **PART I - BENEFITS**

8 **Sec. 1.** RCW 50.04.030 and 1991 c 117 s 1 are each amended to read
9 as follows:

10 "Benefit year" with respect to each individual, means the fifty-two
11 consecutive week period beginning with the first day of the calendar
12 week in which the individual files an application for an initial
13 determination and thereafter the fifty-two consecutive week period
14 beginning with the first day of the calendar week in which the
15 individual next files an application for an initial determination after
16 the expiration of the individual's last preceding benefit year:
17 PROVIDED, HOWEVER, That the foregoing limitation shall not be deemed to
18 preclude the establishment of a new benefit year under the laws of

1 another state pursuant to any agreement providing for the interstate
2 combining of employment and wages and the interstate payment of
3 benefits nor shall this limitation be deemed to preclude the
4 commissioner from backdating an initial application at the request of
5 the claimant either for the convenience of the department of employment
6 security or for any other reason deemed by the commissioner to be good
7 cause.

8 An individual's benefit year shall be extended to be fifty-three
9 weeks when at the expiration of fifty-two weeks the establishment of a
10 new benefit year would result in the use of a quarter of wages in the
11 new base year that had been included in the individual's prior base
12 year.

13 Before July 4, 2010, no benefit year will be established unless it
14 is determined that the individual earned wages in "employment" in not
15 less than six hundred eighty hours of the individual's base year((+
16 ~~PROVIDED, HOWEVER, That~~)). On or after July 4, 2010, no benefit year
17 will be established unless it is determined that the individual earned
18 wages in "employment" in not less than one thousand three hundred hours
19 of the individual's base year. However, a benefit year cannot be
20 established if the base year wages include wages earned prior to the
21 establishment of a prior benefit year unless the individual worked and
22 earned wages since the last separation from employment immediately
23 before the application for initial determination in the previous
24 benefit year if the applicant was an unemployed individual at the time
25 of application, or since the initial separation in the previous benefit
26 year if the applicant was not an unemployed individual at the time of
27 filing an application for initial determination for the previous
28 benefit year, of not less than six times the weekly benefit amount
29 computed for the individual's new benefit year.

30 If an individual's prior benefit year was based on the last four
31 completed calendar quarters, a new benefit year shall not be
32 established until the new base year does not include any hours used in
33 the establishment of the prior benefit year.

34 If the wages of an individual are not based upon a fixed duration
35 of time or if the individual's wages are paid at irregular intervals or
36 in such manner as not to extend regularly over the period of
37 employment, the wages for any week shall be determined in such manner
38 as the commissioner may by regulation prescribe. Such regulation

1 shall, so far as possible, secure results reasonably similar to those
2 which would prevail if the individual were paid his or her wages at
3 regular intervals.

4 **Sec. 2.** RCW 50.04.310 and 2007 c 146 s 5 are each amended to read
5 as follows:

6 (1) An individual is "unemployed" in any week during which the
7 individual performs no services and with respect to which no
8 remuneration is payable to the individual, or in any week of less than
9 full time work, if the remuneration payable to the individual with
10 respect to such week is less than one and one-third times the
11 individual's weekly benefit amount plus five dollars. The commissioner
12 shall prescribe regulations applicable to unemployed individuals making
13 such distinctions in the procedures as to such types of unemployment as
14 the commissioner deems necessary.

15 (2) An individual is not "unemployed" during any week which falls
16 totally within a period during which the individual, pursuant to a
17 collective bargaining agreement or individual employment contract, is
18 employed full time in accordance with a definition of full time
19 contained in the agreement or contract, and for which compensation for
20 full time work is payable. This subsection may not be applied
21 retroactively to an individual who had no guarantee of work at the
22 start of such period and subsequently is provided additional work by
23 the employer.

24 (3)(a) An officer of a corporation who owns ten percent or more of
25 the outstanding stock of the corporation, or a corporate officer who is
26 a family member of an officer who owns ten percent or more of the
27 outstanding stock of the corporation, whose claim for benefits is based
28 on any wages with that corporation, is:

29 ~~((+a))~~ (i) Not "unemployed" in any week during the individual's
30 term of office or ownership in the corporation, even if wages are not
31 being paid;

32 ~~((+b))~~ (ii) "Unemployed" in any week upon dissolution of the
33 corporation or if the officer permanently resigns or is permanently
34 removed from their appointment and responsibilities with that
35 corporation in accordance with its articles of incorporation or bylaws.

36 (b) This subsection does not apply to officers of corporations with
37 annual revenues of less than two million five hundred thousand dollars.

1 (4) As used in this section, "family member" means persons who are
2 members of a family by blood or marriage as parents, stepparents,
3 grandparents, spouses, children, brothers, sisters, stepchildren,
4 adopted children, or grandchildren.

5 **Sec. 3.** RCW 50.20.099 and 2000 c 2 s 10 are each amended to read
6 as follows:

7 (1) To ensure that unemployment insurance benefits are paid in
8 accordance with RCW 50.20.098, the employment security department shall
9 verify that an individual is eligible to work in the United States and
10 has a social security account number before the individual receives
11 ~~((training))~~ unemployment benefits under ~~((RCW 50.22.150))~~ this title.
12 The department may use the e-verify program administered by the United
13 States citizenship and immigration services for this purpose.

14 (2) By July 1, 2002, the employment security department shall:

15 (a) Develop and implement an effective method for determining,
16 where appropriate, eligibility to work in the United States for
17 individuals applying for unemployment benefits under this title;

18 (b) Review verification systems developed by federal agencies for
19 verifying a person's eligibility to receive unemployment benefits under
20 this title and evaluate the effectiveness of these systems for use in
21 this state; and

22 (c) Report its initial findings to the legislature by September 1,
23 2000, and its final report by July 1, 2002.

24 (3) Where federal law prohibits the conditioning of unemployment
25 benefits on a verification of an individual's status as a qualified or
26 authorized alien, the requirements of this section shall not apply.

27 **Sec. 4.** RCW 50.20.050 and 2008 c 323 s 1 are each amended to read
28 as follows:

29 (1) With respect to claims that have an effective date before
30 January 4, 2004:

31 (a) An individual shall be disqualified from benefits beginning
32 with the first day of the calendar week in which he or she has left
33 work voluntarily without good cause and thereafter for seven calendar
34 weeks and until he or she has obtained bona fide work in employment
35 covered by this title and earned wages in that employment equal to
36 seven times his or her weekly benefit amount.

1 The disqualification shall continue if the work obtained is a mere
2 sham to qualify for benefits and is not bona fide work. In determining
3 whether work is of a bona fide nature, the commissioner shall consider
4 factors including but not limited to the following:

5 (i) The duration of the work;

6 (ii) The extent of direction and control by the employer over the
7 work; and

8 (iii) The level of skill required for the work in light of the
9 individual's training and experience.

10 (b) An individual shall not be considered to have left work
11 voluntarily without good cause when:

12 (i) He or she has left work to accept a bona fide offer of bona
13 fide work as described in (a) of this subsection;

14 (ii) The separation was because of the illness or disability of the
15 claimant or the death, illness, or disability of a member of the
16 claimant's immediate family if the claimant took all reasonable
17 precautions, in accordance with any regulations that the commissioner
18 may prescribe, to protect his or her employment status by having
19 promptly notified the employer of the reason for the absence and by
20 having promptly requested reemployment when again able to assume
21 employment: PROVIDED, That these precautions need not have been taken
22 when they would have been a futile act, including those instances when
23 the futility of the act was a result of a recognized labor/management
24 dispatch system;

25 (iii) He or she has left work to relocate for the spouse's
26 employment that is due to an employer-initiated mandatory transfer that
27 is outside the existing labor market area if the claimant remained
28 employed as long as was reasonable prior to the move; or

29 (iv) The separation was necessary to protect the claimant or the
30 claimant's immediate family members from domestic violence, as defined
31 in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110.

32 (c) In determining under this subsection whether an individual has
33 left work voluntarily without good cause, the commissioner shall only
34 consider work-connected factors such as the degree of risk involved to
35 the individual's health, safety, and morals, the individual's physical
36 fitness for the work, the individual's ability to perform the work, and
37 such other work connected factors as the commissioner may deem
38 pertinent, including state and national emergencies. Good cause shall

1 not be established for voluntarily leaving work because of its distance
2 from an individual's residence where the distance was known to the
3 individual at the time he or she accepted the employment and where, in
4 the judgment of the department, the distance is customarily traveled by
5 workers in the individual's job classification and labor market, nor
6 because of any other significant work factor which was generally known
7 and present at the time he or she accepted employment, unless the
8 related circumstances have so changed as to amount to a substantial
9 involuntary deterioration of the work factor or unless the commissioner
10 determines that other related circumstances would work an unreasonable
11 hardship on the individual were he or she required to continue in the
12 employment.

13 (d) Subsection (1)(a) and (c) of this section shall not apply to an
14 individual whose marital status or domestic responsibilities cause him
15 or her to leave employment. Such an individual shall not be eligible
16 for unemployment insurance benefits beginning with the first day of the
17 calendar week in which he or she left work and thereafter for seven
18 calendar weeks and until he or she has requalified, either by obtaining
19 bona fide work in employment covered by this title and earning wages in
20 that employment equal to seven times his or her weekly benefit amount
21 or by reporting in person to the department during ten different
22 calendar weeks and certifying on each occasion that he or she is ready,
23 able, and willing to immediately accept any suitable work which may be
24 offered, is actively seeking work pursuant to customary trade
25 practices, and is utilizing such employment counseling and placement
26 services as are available through the department. This subsection does
27 not apply to individuals covered by (b)(ii) or (iii) of this
28 subsection.

29 (2) With respect to claims that have an effective date on or after
30 January 4, 2004, and before July 4, 2010:

31 (a) An individual shall be disqualified from benefits beginning
32 with the first day of the calendar week in which he or she has left
33 work voluntarily without good cause and thereafter for seven calendar
34 weeks and until he or she has obtained bona fide work in employment
35 covered by this title and earned wages in that employment equal to
36 seven times his or her weekly benefit amount.

37 The disqualification shall continue if the work obtained is a mere

1 sham to qualify for benefits and is not bona fide work. In determining
2 whether work is of a bona fide nature, the commissioner shall consider
3 factors including but not limited to the following:

4 (i) The duration of the work;

5 (ii) The extent of direction and control by the employer over the
6 work; and

7 (iii) The level of skill required for the work in light of the
8 individual's training and experience.

9 (b) An individual is not disqualified from benefits under (a) of
10 this subsection when:

11 (i) He or she has left work to accept a bona fide offer of bona
12 fide work as described in (a) of this subsection;

13 (ii) The separation was necessary because of the illness or
14 disability of the claimant or the death, illness, or disability of a
15 member of the claimant's immediate family if:

16 (A) The claimant pursued all reasonable alternatives to preserve
17 his or her employment status by requesting a leave of absence, by
18 having promptly notified the employer of the reason for the absence,
19 and by having promptly requested reemployment when again able to assume
20 employment. These alternatives need not be pursued, however, when they
21 would have been a futile act, including those instances when the
22 futility of the act was a result of a recognized labor/management
23 dispatch system; and

24 (B) The claimant terminated his or her employment status, and is
25 not entitled to be reinstated to the same position or a comparable or
26 similar position;

27 (iii)(A) With respect to claims that have an effective date before
28 July 2, 2006, he or she: (I) Left work to relocate for the spouse's
29 employment that, due to a mandatory military transfer: (1) Is outside
30 the existing labor market area; and (2) is in Washington or another
31 state that, pursuant to statute, does not consider such an individual
32 to have left work voluntarily without good cause; and (II) remained
33 employed as long as was reasonable prior to the move;

34 (B) With respect to claims that have an effective date on or after
35 July 2, 2006, and before July 4, 2010, he or she: (I) Left work to
36 relocate for the spouse's employment that, due to a mandatory military
37 transfer, is outside the existing labor market area; and (II) remained
38 employed as long as was reasonable prior to the move;

1 (iv) The separation was necessary to protect the claimant or the
2 claimant's immediate family members from domestic violence, as defined
3 in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110;

4 (v) The individual's usual compensation was reduced by twenty-five
5 percent or more;

6 (vi) The individual's usual hours were reduced by twenty-five
7 percent or more;

8 (vii) The individual's worksite changed, such change caused a
9 material increase in distance or difficulty of travel, and, after the
10 change, the commute was greater than is customary for workers in the
11 individual's job classification and labor market;

12 (viii) The individual's worksite safety deteriorated, the
13 individual reported such safety deterioration to the employer, and the
14 employer failed to correct the hazards within a reasonable period of
15 time;

16 (ix) The individual left work because of illegal activities in the
17 individual's worksite, the individual reported such activities to the
18 employer, and the employer failed to end such activities within a
19 reasonable period of time;

20 (x) The individual's usual work was changed to work that violates
21 the individual's religious convictions or sincere moral beliefs; or

22 (xi) The individual left work to enter an apprenticeship program
23 approved by the Washington state apprenticeship training council.
24 Benefits are payable beginning Sunday of the week prior to the week in
25 which the individual begins active participation in the apprenticeship
26 program.

27 (3) With respect to claims that have an effective date on or after
28 July 4, 2010, an individual shall be disqualified from benefits
29 beginning with the first day of the calendar week in which he or she
30 has left work voluntarily and thereafter for seven calendar weeks and
31 until he or she has obtained bona fide work in employment covered by
32 this title and earned wages in that employment equal to seven times his
33 or her weekly benefit amount.

34 The disqualification shall continue if the work obtained is a mere
35 sham to qualify for benefits and is not bona fide work. In determining
36 whether work is of a bona fide nature, the commissioner shall consider
37 factors including but not limited to the following: (a) The duration

1 of the work; (b) the extent of direction and control by the employer
2 over the work; and (c) the level of skill required for the work in
3 light of the individual's training and experience.

4 **Sec. 5.** RCW 50.20.066 and 2006 c 13 s 13 are each amended to read
5 as follows:

6 With respect to claims that have an effective date on or after
7 January 4, 2004:

8 (1) An individual shall be disqualified from benefits beginning
9 with the first day of the calendar week in which he or she has been
10 discharged or suspended for misconduct connected with his or her work
11 and thereafter for ten calendar weeks and until he or she has obtained
12 bona fide work in employment covered by this title and earned wages in
13 that employment equal to ten times his or her weekly benefit amount.
14 Alcoholism shall not constitute a defense to disqualification from
15 benefits due to misconduct.

16 (2)(a) With respect to claims that have an effective date on or
17 after January 4, 2004, and before July 4, 2010, an individual who has
18 been discharged from his or her work because of gross misconduct shall
19 have all hourly wage credits based on that employment or six hundred
20 eighty hours of wage credits, whichever is greater, canceled.

21 (b) With respect to claims that have an effective date on or after
22 July 4, 2010, an individual who has been discharged from his or her
23 work because of gross misconduct shall have all hourly wage credits
24 based on that employment, or one thousand three hundred hours of wage
25 credits, whichever is greater, canceled.

26 (3) The employer shall notify the department of a felony or gross
27 misdemeanor of which an individual has been convicted, or has admitted
28 committing to a competent authority, not later than six months
29 following the admission or conviction.

30 (4) The claimant shall disclose any conviction of the claimant of
31 a work-connected felony or gross misdemeanor occurring in the previous
32 two years to the department at the time of application for benefits.

33 (5) All benefits that are paid in error based on this section are
34 recoverable, notwithstanding RCW 50.20.190 or 50.24.020 or any other
35 provisions of this title.

1 **Sec. 6.** RCW 50.20.120 and 2006 c 13 s 1 are each amended to read
2 as follows:

3 (1)(a) Subject to the other provisions of this title, benefits
4 shall be payable to any eligible individual during the individual's
5 benefit year in a maximum amount equal to the lesser of thirty times
6 the weekly benefit amount, as determined in subsection (2) of this
7 section, or one-third of the individual's base year wages under this
8 title: PROVIDED, That as to any week which falls in an extended
9 benefit period as defined in RCW 50.22.010(1), an individual's
10 eligibility for maximum benefits in excess of twenty-six times his or
11 her weekly benefit amount will be subject to the terms and conditions
12 set forth in RCW 50.22.020.

13 (b) With respect to claims that have an effective date on or after
14 the first Sunday of the calendar month immediately following the month
15 in which the commissioner finds that the state unemployment rate is six
16 and eight-tenths percent or less and before July 4, 2010, benefits
17 shall be payable to any eligible individual during the individual's
18 benefit year in a maximum amount equal to the lesser of twenty-six
19 times the weekly benefit amount, as determined in subsection (2) of
20 this section, or one-third of the individual's base year wages under
21 this title.

22 (c) With respect to claims that have an effective date on or after
23 July 4, 2010, benefits shall be payable to any eligible individual
24 during the individual's benefit year in a maximum amount equal to one-
25 third of the individual's base year wages. In no case shall benefits
26 paid during the individual's benefit year be more than fifty thousand
27 dollars.

28 (2)(a) For claims with an effective date before January 4, 2004, an
29 individual's weekly benefit amount shall be an amount equal to one
30 twenty-fifth of the average quarterly wages of the individual's total
31 wages during the two quarters of the individual's base year in which
32 such total wages were highest.

33 (b) With respect to claims with an effective date on or after
34 January 4, 2004, and before January 2, 2005, an individual's weekly
35 benefit amount shall be an amount equal to one twenty-fifth of the
36 average quarterly wages of the individual's total wages during the
37 three quarters of the individual's base year in which such total wages
38 were highest.

1 (c)(i) With respect to claims with an effective date on or after
2 January 2, 2005, except as provided in (c)(ii) of this subsection, an
3 individual's weekly benefit amount shall be an amount equal to one
4 percent of the total wages paid in the individual's base year.

5 (ii) With respect to claims with an effective date on or after the
6 first Sunday following April 22, 2005, and before July 4, 2010, an
7 individual's weekly benefit amount shall be an amount equal to three
8 and eighty-five one-hundredths percent of the average quarterly wages
9 of the individual's total wages during the two quarters of the
10 individual's base year in which such total wages were highest.

11 (d) With respect to claims with an effective date on or after July
12 4, 2010, the weekly benefit amount for an individual with total wages
13 in the individual's base year of less than one hundred thousand dollars
14 shall be as follows:

15 (i) During the first nine weeks of benefits, the weekly benefit
16 amount shall be an amount equal to seven percent of the average
17 quarterly wages of the individual's total wages during the two quarters
18 of the individual's base year in which such total wages were highest.

19 (ii) During the nine weeks of benefits following the nine weeks of
20 benefits subject to (d)(i) of this subsection, the weekly benefit
21 amount shall be an amount equal to five percent of the average
22 quarterly wages of the individual's total wages during the two quarters
23 of the individual's base year in which such total wages were highest.

24 (iii) During the remaining eight weeks of benefits, the weekly
25 benefit amount shall be an amount equal to three percent of the average
26 quarterly wages of the individual's total wages during the two quarters
27 of the individual's base year in which such total wages were highest.

28 (e) With respect to claims with an effective date on or after July
29 4, 2010, the weekly benefit amount for an individual with total wages
30 in the individual's base year of more than one hundred thousand dollars
31 shall be as follows:

32 (i) During the first nine weeks of benefits, the weekly benefit
33 amount shall be an amount equal to five percent of the average
34 quarterly wages of the individual's total wages during the two quarters
35 of the individual's base year in which such total wages were highest.

36 (ii) During the nine weeks of benefits following the nine weeks of
37 benefits subject to (d)(i) of this subsection, the weekly benefit

1 amount shall be an amount equal to three percent of the average
2 quarterly wages of the individual's total wages during the two quarters
3 of the individual's base year in which such total wages were highest.

4 (iii) During the remaining eight weeks of benefits, the weekly
5 benefit amount shall be an amount equal to one percent of the average
6 quarterly wages of the individual's total wages during the two quarters
7 of the individual's base year in which such total wages were highest.

8 (3) The maximum and minimum amounts payable weekly shall be
9 determined as of each June 30th to apply to benefit years beginning in
10 the twelve-month period immediately following such June 30th.

11 (a)(i) With respect to claims that have an effective date before
12 January 4, 2004, the maximum amount payable weekly shall be seventy
13 percent of the "average weekly wage" for the calendar year preceding
14 such June 30th.

15 (ii) With respect to claims that have an effective date on or after
16 January 4, 2004, and before July 4, 2010, the maximum amount payable
17 weekly shall be either four hundred ninety-six dollars or sixty-three
18 percent of the "average weekly wage" for the calendar year preceding
19 such June 30th, whichever is greater.

20 (iii) With respect to claims that have an effective date on or
21 after July 4, 2010, the maximum amount payable weekly shall be: (A)
22 One thousand eight hundred seventy-five dollars during the first nine
23 weeks of benefits; (B) one thousand one hundred twenty-five dollars
24 during the nine weeks of benefits following the nine weeks of benefits
25 subject to subsection (2)(d)(i) of this section; and (C) one hundred
26 twenty-five percent of the federal poverty level for a family of four
27 as determined annually by the federal department of health and human
28 services.

29 (b)(i) With respect to claims that have an effective date before
30 July 4, 2010, the minimum amount payable weekly shall be fifteen
31 percent of the "average weekly wage" for the calendar year preceding
32 such June 30th.

33 (ii) With respect to claims that have an effective date on or after
34 July 4, 2010, the minimum amount payable weekly shall be one hundred
35 twenty-five percent of the federal poverty level as adjusted for family
36 size and determined annually by the federal department of health and
37 human services, but shall not exceed one hundred twenty-five percent of
38 the federal poverty level for a family of four.

1 (4) If any weekly benefit, maximum benefit, or minimum benefit
2 amount computed herein is not a multiple of one dollar, it shall be
3 reduced to the next lower multiple of one dollar.

4 **Sec. 7.** RCW 50.22.150 and 2002 c 149 s 2 are each amended to read
5 as follows:

6 (1) Subject to availability of funds, training benefits are
7 available for an individual who is eligible for or has exhausted
8 entitlement to unemployment compensation benefits and who:

9 (a) Is a dislocated worker as defined in RCW 50.04.075;

10 (b) Except as provided under subsection (2) of this section, has
11 demonstrated, through a work history, sufficient tenure in an
12 occupation or in work with a particular skill set. This screening will
13 take place during the assessment process;

14 (c) Is, after assessment of demand for the individual's occupation
15 or skills in the individual's labor market, determined to need job-
16 related training to find suitable employment in his or her labor
17 market. Beginning July 1, 2001, the assessment of demand for the
18 individual's occupation or skill sets must be substantially based on
19 declining occupation or skill sets identified in local labor market
20 areas by the local workforce development councils, in cooperation with
21 the employment security department and its labor market information
22 division, under subsection (10) of this section;

23 (d) Develops an individual training program that is submitted to
24 the commissioner for approval within (~~sixty~~) ninety days after the
25 individual is notified by the employment security department of the
26 requirements of this section;

27 (e) Enters the approved training program (~~by ninety days after the~~
28 ~~date of the notification, unless the employment security department~~
29 ~~determines that the training is not available during the ninety day~~
30 ~~period, in which case the individual enters training)) as soon as it is~~
31 available, but not later than the academic term beginning after the
32 commissioner approves the individual training plan; and

33 (f) Is enrolled in training approved under this section on a full-
34 time basis as determined by the educational institution, and is making
35 satisfactory progress in the training as certified by the educational
36 institution.

1 (2) Until June 30, 2002, the following individuals who meet the
2 requirements of subsection (1) of this section may, without regard to
3 the tenure requirements under subsection (1)(b) of this section,
4 receive training benefits as provided in this section:

5 (a) An exhaustee who has base year employment in the aerospace
6 industry assigned the standard industrial classification code "372" or
7 the North American industry classification system code "336411";

8 (b) An exhaustee who has base year employment in the forest
9 products industry, determined by the department, but including the
10 industries assigned the major group standard industrial classification
11 codes "24" and "26" or any equivalent codes in the North American
12 industry classification system code, and the industries involved in the
13 harvesting and management of logs, transportation of logs and wood
14 products, processing of wood products, and the manufacturing and
15 distribution of wood processing and logging equipment; or

16 (c) An exhaustee who has base year employment in the fishing
17 industry assigned the standard industrial classification code "0912" or
18 any equivalent codes in the North American industry classification
19 system code.

20 (3) An individual is not eligible for training benefits under this
21 section if he or she:

22 (a) Is a standby claimant who expects recall to his or her regular
23 employer;

24 (b) Has a definite recall date that is within six months of the
25 date he or she is laid off; or

26 (c) Is unemployed due to a regular seasonal layoff (~~which~~
27 ~~demonstrates a pattern of unemployment consistent with the provisions~~
28 ~~of RCW 50.20.015)). Regular seasonal layoff does not include layoff~~
29 ~~due to permanent structural downsizing or structural changes in the~~
30 ~~individual's labor market.~~

31 (4) The definitions in this subsection apply throughout this
32 section unless the context clearly requires otherwise.

33 (a) "Educational institution" means an institution of higher
34 education as defined in RCW 28B.10.016 or an educational institution as
35 defined in RCW 28C.04.410, including equivalent educational
36 institutions in other states.

37 (b) "Sufficient tenure" means earning a plurality of wages in a

1 particular occupation or using a particular skill set during the base
2 year and at least two of the four twelve-month periods immediately
3 preceding the base year.

4 (c) "Training benefits" means additional benefits paid under this
5 section.

6 (d) "Training program" means:

7 (i) An education program determined to be necessary as a
8 prerequisite to vocational training after counseling at the educational
9 institution in which the individual enrolls under his or her approved
10 training program; or

11 (ii) A vocational training program at an educational institution:

12 (A) That is targeted to training for a high demand occupation.
13 Beginning July 1, 2001, the assessment of high demand occupations
14 authorized for training under this section must be substantially based
15 on labor market and employment information developed by local workforce
16 development councils, in cooperation with the employment security
17 department and its labor market information division, under subsection
18 (10) of this section;

19 (B) That is likely to enhance the individual's marketable skills
20 and earning power; and

21 (C) That meets the criteria for performance developed by the
22 workforce training and education coordinating board for the purpose of
23 determining those training programs eligible for funding under Title I
24 of P.L. 105-220.

25 "Training program" does not include any course of education
26 primarily intended to meet the requirements of a baccalaureate or
27 higher degree, unless the training meets specific requirements for
28 certification, licensing, or for specific skills necessary for the
29 occupation.

30 (5) Benefits shall be paid as follows:

31 (a)(i) Except as provided in (a)(iii) of this subsection, for
32 exhaustees who are eligible under subsection (1) of this section, the
33 total training benefit amount shall be fifty-two times the individual's
34 weekly benefit amount, reduced by the total amount of regular benefits
35 and extended benefits paid, or deemed paid, with respect to the benefit
36 year; or

37 (ii) For exhaustees who are eligible under subsection (2) of this
38 section, for claims filed before June 30, 2002, the total training

1 benefit amount shall be seventy-four times the individual's weekly
2 benefit amount, reduced by the total amount of regular benefits and
3 extended benefits paid, or deemed paid, with respect to the benefit
4 year; or

5 (iii) For exhaustees eligible under subsection (1) of this section
6 from industries listed under subsection (2)(a) of this section, for
7 claims filed on or after June 30, 2002, but before January 5, 2003, the
8 total training benefit amount shall be seventy-four times the
9 individual's weekly benefit amount, reduced by the total amount of
10 regular benefits and extended benefits paid, or deemed paid, with
11 respect to the benefit year.

12 (b) The weekly benefit amount shall be the same as the regular
13 weekly amount payable during the applicable benefit year and shall be
14 paid under the same terms and conditions as regular benefits. The
15 training benefits shall be paid before any extended benefits but not
16 before any similar federally funded program.

17 (c) Training benefits are not payable for weeks more than two years
18 beyond the end of the benefit year of the regular claim.

19 (6) The requirement under RCW 50.22.010(10) relating to exhausting
20 regular benefits does not apply to an individual otherwise eligible for
21 training benefits under this section when the individual's benefit year
22 ends before his or her training benefits are exhausted and the
23 individual is eligible for a new benefit year. These individuals will
24 have the option of remaining on the original claim or filing a new
25 claim.

26 (7)(a) Except as provided in (b) of this subsection, individuals
27 who receive training benefits under this section or under any previous
28 additional benefits program for training are not eligible for training
29 benefits under this section for five years from the last receipt of
30 training benefits under this section or under any previous additional
31 benefits program for training.

32 (b) With respect to claims that are filed before January 5, 2003,
33 an individual in the aerospace industry assigned the standard
34 industrial code "372" or the North American industry classification
35 system code "336411" who received training benefits under this section,
36 and who had been making satisfactory progress in a training program but
37 did not complete the program, is eligible, without regard to the five-
38 year limitation of this section and without regard to the requirement

1 of subsection (1)(b) of this section, if applicable, to receive
2 training benefits under this section in order to complete that training
3 program. The total training benefit amount that applies to the
4 individual is seventy-four times the individual's weekly benefit
5 amount, reduced by the total amount of regular benefits paid, or deemed
6 paid, with respect to the benefit year in which the training program
7 resumed and, if applicable, reduced by the amount of training benefits
8 paid, or deemed paid, with respect to the benefit year in which the
9 training program commenced.

10 (8) An individual eligible to receive a trade readjustment
11 allowance under chapter 2 of Title II of the Trade Act of 1974, as
12 amended, shall not be eligible to receive benefits under this section
13 for each week the individual receives such trade readjustment
14 allowance. An individual eligible to receive emergency unemployment
15 compensation, so called, under any federal law, shall not be eligible
16 to receive benefits under this section for each week the individual
17 receives such compensation.

18 (9) All base year employers are interested parties to the approval
19 of training and the granting of training benefits.

20 (10) By July 1, 2001, each local workforce development council, in
21 cooperation with the employment security department and its labor
22 market information division, must identify occupations and skill sets
23 that are declining and occupations and skill sets that are in high
24 demand. For the purposes of RCW 50.22.130 through 50.22.150 and
25 section 9, chapter 2, Laws of 2000, "high demand" means demand for
26 employment that exceeds the supply of qualified workers for occupations
27 or skill sets in a labor market area. Local workforce development
28 councils must use state and locally developed labor market information.
29 Thereafter, each local workforce development council shall update this
30 information annually or more frequently if needed.

31 (11) The commissioner shall adopt rules as necessary to implement
32 this section.

33 **PART II - FINANCING**

34 **Sec. 8.** RCW 50.29.021 and 2008 c 323 s 2 are each amended to read
35 as follows:

1 (1) This section applies to benefits charged to the experience
2 rating accounts of employers for claims that have an effective date on
3 or after January 4, 2004.

4 (2)(a) An experience rating account shall be established and
5 maintained for each employer, except employers as described in RCW
6 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make
7 payments in lieu of contributions, taxable local government employers
8 as described in RCW 50.44.035, and those employers who are required to
9 make payments in lieu of contributions, based on existing records of
10 the employment security department.

11 (b) Benefits paid to an eligible individual shall be charged to the
12 experience rating accounts of each of such individual's employers
13 during the individual's base year in the same ratio that the wages paid
14 by each employer to the individual during the base year bear to the
15 wages paid by all employers to that individual during that base year,
16 except as otherwise provided in this section.

17 (c) When the eligible individual's separating employer is a covered
18 contribution paying base year employer, benefits paid to the eligible
19 individual shall be charged to the experience rating account of only
20 the individual's separating employer if the individual qualifies for
21 benefits under:

22 (i) RCW 50.20.050(2)(b)(i), as applicable, and became unemployed
23 after having worked and earned wages in the bona fide work; or

24 (ii) RCW 50.20.050(2)(b) (v) through (x).

25 (3) The legislature finds that certain benefit payments, in whole
26 or in part, should not be charged to the experience rating accounts of
27 employers except those employers described in RCW 50.44.010, 50.44.030,
28 and 50.50.030 who have properly elected to make payments in lieu of
29 contributions, taxable local government employers described in RCW
30 50.44.035, and those employers who are required to make payments in
31 lieu of contributions, as follows:

32 (a) Benefits paid to any individual later determined to be
33 ineligible shall not be charged to the experience rating account of any
34 contribution paying employer. However, when a benefit claim becomes
35 invalid due to an amendment or adjustment of a report where the
36 employer failed to report or inaccurately reported hours worked or
37 remuneration paid, or both, all benefits paid will be charged to the
38 experience rating account of the contribution paying employer or

1 employers that originally filed the incomplete or inaccurate report or
2 reports. An employer who reimburses the trust fund for benefits paid
3 to workers and who fails to report or inaccurately reported hours
4 worked or remuneration paid, or both, shall reimburse the trust fund
5 for all benefits paid that are based on the originally filed incomplete
6 or inaccurate report or reports.

7 (b) Benefits paid to an individual filing under the provisions of
8 chapter 50.06 RCW shall not be charged to the experience rating account
9 of any contribution paying employer only if:

10 (i) The individual files under RCW 50.06.020(1) after receiving
11 crime victims' compensation for a disability resulting from a nonwork-
12 related occurrence; or

13 (ii) The individual files under RCW 50.06.020(2).

14 (c) Benefits paid which represent the state's share of benefits
15 payable as extended benefits defined under RCW 50.22.010(6) shall not
16 be charged to the experience rating account of any contribution paying
17 employer.

18 (d) In the case of individuals who requalify for benefits under RCW
19 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
20 the disqualifying separation shall not be charged to the experience
21 rating account of the contribution paying employer from whom that
22 separation took place.

23 (e) Benefits paid to an individual who qualifies for benefits under
24 RCW 50.20.050(2)(b) (iv) or (xi), as applicable, shall not be charged
25 to the experience rating account of any contribution paying employer.

26 (f) With respect to claims with an effective date on or after the
27 first Sunday following April 22, 2005, benefits paid that exceed the
28 benefits that would have been paid if the weekly benefit amount for the
29 claim had been determined as one percent of the total wages paid in the
30 individual's base year shall not be charged to the experience rating
31 account of any contribution paying employer. This subsection does not
32 apply with respect to the calculation of contribution rates for rate
33 year 2010 and thereafter.

34 (4)(a) A contribution paying base year employer, not otherwise
35 eligible for relief of charges for benefits under this section, may
36 receive such relief if the benefit charges result from payment to an
37 individual who:

1 (i) Last left the employ of such employer voluntarily for reasons
2 not attributable to the employer;

3 (ii) Was discharged for misconduct or gross misconduct connected
4 with his or her work not a result of inability to meet the minimum job
5 requirements;

6 (iii) Is unemployed as a result of closure or severe curtailment of
7 operation at the employer's plant, building, worksite, or other
8 facility. This closure must be for reasons directly attributable to a
9 catastrophic occurrence such as fire, flood, or other natural disaster;
10 or

11 (iv) Continues to be employed on a regularly scheduled permanent
12 part-time basis by a base year employer and who at some time during the
13 base year was concurrently employed and subsequently separated from at
14 least one other base year employer. Benefit charge relief ceases when
15 the employment relationship between the employer requesting relief and
16 the claimant is terminated. This subsection does not apply to shared
17 work employers under chapter 50.06 RCW.

18 (b) The employer requesting relief of charges under this subsection
19 must request relief in writing within thirty days following mailing to
20 the last known address of the notification of the valid initial
21 determination of such claim, stating the date and reason for the
22 separation or the circumstances of continued employment. The
23 commissioner, upon investigation of the request, shall determine
24 whether relief should be granted.

25 **Sec. 9.** RCW 50.29.025 and 2007 c 51 s 1 are each amended to read
26 as follows:

27 (1) Except as provided in subsections (2) and (3) of this section,
28 the contribution rate for each employer subject to contributions under
29 RCW 50.24.010 shall be determined under this subsection.

30 (a) A fund balance ratio shall be determined by dividing the
31 balance in the unemployment compensation fund as of the September 30th
32 immediately preceding the rate year by the total remuneration paid by
33 all employers subject to contributions during the second calendar year
34 preceding the rate year and reported to the department by the following
35 March 31st. The division shall be carried to the fourth decimal place
36 with the remaining fraction, if any, disregarded. The fund balance
37 ratio shall be expressed as a percentage.

1 (b) The interval of the fund balance ratio, expressed as a
2 percentage, shall determine which tax schedule in (e) of this
3 subsection shall be in effect for assigning tax rates for the rate
4 year. The intervals for determining the effective tax schedule shall
5 be:

6	Interval of the	
7	Fund Balance Ratio	Effective
8	Expressed as a Percentage	Tax Schedule
9	2.90 and above	AA
10	2.10 to 2.89	A
11	1.70 to 2.09	B
12	1.40 to 1.69	C
13	1.00 to 1.39	D
14	0.70 to 0.99	E
15	Less than 0.70	F

16 (c) An array shall be prepared, listing all qualified employers in
17 ascending order of their benefit ratios. The array shall show for each
18 qualified employer: (i) Identification number; (ii) benefit ratio;
19 (iii) taxable payrolls for the four calendar quarters immediately
20 preceding the computation date and reported to the department by the
21 cut-off date; (iv) a cumulative total of taxable payrolls consisting of
22 the employer's taxable payroll plus the taxable payrolls of all other
23 employers preceding him or her in the array; and (v) the percentage
24 equivalent of the cumulative total of taxable payrolls.

25 (d) Each employer in the array shall be assigned to one of twenty
26 rate classes according to the percentage intervals of cumulative
27 taxable payrolls set forth in (e) of this subsection: PROVIDED, That
28 if an employer's taxable payroll falls within two or more rate classes,
29 the employer and any other employer with the same benefit ratio shall
30 be assigned to the lowest rate class which includes any portion of the
31 employer's taxable payroll.

32 (e) Except as provided in RCW 50.29.026, the contribution rate for
33 each employer in the array shall be the rate specified in the following
34 tables for the rate class to which he or she has been assigned, as
35 determined under (d) of this subsection, within the tax schedule which
36 is to be in effect during the rate year:

Percent of		Schedules of Contributions Rates									
Cumulative		for Effective Tax Schedule									
Taxable Payrolls											
Rate											
From	To Class	AA	A	B	C	D	E	F			
0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47		
5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67		
10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87		
15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98		
20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08		
25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18		
30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27		
35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47		
40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66		
45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86		
50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95		
55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15		
60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34		
65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54		
70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63		
75.01	80.00	16	2.87	3.09	3.42	3.81	4.22	4.53	4.73		
80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97		
85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17		
90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37		
95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40		

(f) The contribution rate for each employer not qualified to be in the array shall be as follows:

(i) Employers who do not meet the definition of "qualified employer" by reason of failure to pay contributions when due shall be assigned a contribution rate two-tenths higher than that in rate class 20 for the applicable rate year, except employers who have an approved agency-deferred payment contract by September 30 of the previous rate year. If any employer with an approved agency-deferred payment contract fails to make any one of the succeeding deferred payments or fails to submit any succeeding tax report and payment in a timely manner, the employer's tax rate shall immediately revert to a contribution rate two-tenths higher than that in rate class 20 for the applicable rate year; and

1 (ii) For all other employers not qualified to be in the array, the
2 contribution rate shall be a rate equal to the average industry rate as
3 determined by the commissioner; however, the rate may not be less than
4 one percent.

5 (2) (~~Beginning with~~) For contributions assessed for rate years
6 2005 through 2009, the contribution rate for each employer subject to
7 contributions under RCW 50.24.010 shall be the sum of the array
8 calculation factor rate and the graduated social cost factor rate
9 determined under this subsection, and the solvency surcharge determined
10 under RCW 50.29.041, if any.

11 (a) The array calculation factor rate shall be determined as
12 follows:

13 (i) An array shall be prepared, listing all qualified employers in
14 ascending order of their benefit ratios. The array shall show for each
15 qualified employer: (A) Identification number; (B) benefit ratio; and
16 (C) taxable payrolls for the four consecutive calendar quarters
17 immediately preceding the computation date and reported to the
18 employment security department by the cut-off date.

19 (ii) Each employer in the array shall be assigned to one of forty
20 rate classes according to his or her benefit ratio as follows, and,
21 except as provided in RCW 50.29.026, the array calculation factor rate
22 for each employer in the array shall be the rate specified in the rate
23 class to which the employer has been assigned:

Benefit Ratio		Rate	Rate
At least	Less than	Class	(percent)
	0.000001	1	0.00
0.000001	0.001250	2	0.13
0.001250	0.002500	3	0.25
0.002500	0.003750	4	0.38
0.003750	0.005000	5	0.50
0.005000	0.006250	6	0.63
0.006250	0.007500	7	0.75
0.007500	0.008750	8	0.88
0.008750	0.010000	9	1.00
0.010000	0.011250	10	1.15
0.011250	0.012500	11	1.30

1	0.012500	0.013750	12	1.45
2	0.013750	0.015000	13	1.60
3	0.015000	0.016250	14	1.75
4	0.016250	0.017500	15	1.90
5	0.017500	0.018750	16	2.05
6	0.018750	0.020000	17	2.20
7	0.020000	0.021250	18	2.35
8	0.021250	0.022500	19	2.50
9	0.022500	0.023750	20	2.65
10	0.023750	0.025000	21	2.80
11	0.025000	0.026250	22	2.95
12	0.026250	0.027500	23	3.10
13	0.027500	0.028750	24	3.25
14	0.028750	0.030000	25	3.40
15	0.030000	0.031250	26	3.55
16	0.031250	0.032500	27	3.70
17	0.032500	0.033750	28	3.85
18	0.033750	0.035000	29	4.00
19	0.035000	0.036250	30	4.15
20	0.036250	0.037500	31	4.30
21	0.037500	0.040000	32	4.45
22	0.040000	0.042500	33	4.60
23	0.042500	0.045000	34	4.75
24	0.045000	0.047500	35	4.90
25	0.047500	0.050000	36	5.05
26	0.050000	0.052500	37	5.20
27	0.052500	0.055000	38	5.30
28	0.055000	0.057500	39	5.35
29	0.057500		40	5.40

30 (b) The graduated social cost factor rate shall be determined as
31 follows:

32 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,
33 the commissioner shall calculate the flat social cost factor for a rate
34 year by dividing the total social cost by the total taxable payroll.
35 The division shall be carried to the second decimal place with the
36 remaining fraction disregarded unless it amounts to five hundredths or
37 more, in which case the second decimal place shall be rounded to the

1 next higher digit. The flat social cost factor shall be expressed as
2 a percentage.

3 (B) If, on the cut-off date, the balance in the unemployment
4 compensation fund is determined by the commissioner to be an amount
5 that will provide more than ten months of unemployment benefits, the
6 commissioner shall calculate the flat social cost factor for the rate
7 year immediately following the cut-off date by reducing the total
8 social cost by the dollar amount that represents the number of months
9 for which the balance in the unemployment compensation fund on the cut-
10 off date will provide benefits above ten months and dividing the result
11 by the total taxable payroll. However, the calculation under this
12 subsection (2)(b)(i)(B) for a rate year may not result in a flat social
13 cost factor that is more than four-tenths lower than the calculation
14 under (b)(i)(A) of this subsection for that rate year.

15 For the purposes of this subsection, the commissioner shall
16 determine the number of months of unemployment benefits in the
17 unemployment compensation fund using the benefit cost rate for the
18 average of the three highest calendar benefit cost rates in the twenty
19 consecutive completed calendar years immediately preceding the cut-off
20 date or a period of consecutive calendar years immediately preceding
21 the cut-off date that includes three recessions, if longer.

22 (C) The minimum flat social cost factor calculated under this
23 subsection (2)(b) shall be six-tenths of one percent, except that if
24 the balance in the unemployment compensation fund is determined by the
25 commissioner to be an amount that will provide:

26 (I) At least twelve months but less than fourteen months of
27 unemployment benefits, the minimum shall be five-tenths of one percent;
28 or

29 (II) At least fourteen months of unemployment benefits, the minimum
30 shall be five-tenths of one percent, except that, for employers in rate
31 class 1, the minimum shall be forty-five hundredths of one percent.

32 (ii)(A) Except as provided in (b)(ii)(B) of this subsection, the
33 graduated social cost factor rate for each employer in the array is the
34 flat social cost factor multiplied by the percentage specified as
35 follows for the rate class to which the employer has been assigned in
36 (a)(ii) of this subsection, except that the sum of an employer's array
37 calculation factor rate and the graduated social cost factor rate may
38 not exceed six and five-tenths percent or, for employers whose North

1 American industry classification system code is within "111," "112,"
2 "1141," "115," "3114," "3117," "42448," or "49312," may not exceed six
3 percent through rate year 2007 and may not exceed five and seven-tenths
4 percent for rate year 2008 and thereafter:

- 5 (I) Rate class 1 - 78 percent;
- 6 (II) Rate class 2 - 82 percent;
- 7 (III) Rate class 3 - 86 percent;
- 8 (IV) Rate class 4 - 90 percent;
- 9 (V) Rate class 5 - 94 percent;
- 10 (VI) Rate class 6 - 98 percent;
- 11 (VII) Rate class 7 - 102 percent;
- 12 (VIII) Rate class 8 - 106 percent;
- 13 (IX) Rate class 9 - 110 percent;
- 14 (X) Rate class 10 - 114 percent;
- 15 (XI) Rate class 11 - 118 percent; and
- 16 (XII) Rate classes 12 through 40 - 120 percent.

17 (B) For contributions assessed beginning July 1, 2005, through
18 December 31, 2007, for employers whose North American industry
19 classification system code is "111," "112," "1141," "115," "3114,"
20 "3117," "42448," or "49312," the graduated social cost factor rate is
21 zero.

22 (iii) For the purposes of this section:

23 (A) "Total social cost" means the amount calculated by subtracting
24 the array calculation factor contributions paid by all employers with
25 respect to the four consecutive calendar quarters immediately preceding
26 the computation date and paid to the employment security department by
27 the cut-off date from the total unemployment benefits paid to claimants
28 in the same four consecutive calendar quarters. To calculate the flat
29 social cost factor for rate year 2005, the commissioner shall calculate
30 the total social cost using the array calculation factor contributions
31 that would have been required to be paid by all employers in the
32 calculation period if (a) of this subsection had been in effect for the
33 relevant period.

34 (B) "Total taxable payroll" means the total amount of wages subject
35 to tax, as determined under RCW 50.24.010, for all employers in the
36 four consecutive calendar quarters immediately preceding the
37 computation date and reported to the employment security department by
38 the cut-off date.

1 (c) For employers who do not meet the definition of "qualified
2 employer" by reason of failure to pay contributions when due:

3 (i) The array calculation factor rate shall be two-tenths higher
4 than that in rate class 40, except employers who have an approved
5 agency-deferred payment contract by September 30th of the previous rate
6 year. If any employer with an approved agency-deferred payment
7 contract fails to make any one of the succeeding deferred payments or
8 fails to submit any succeeding tax report and payment in a timely
9 manner, the employer's tax rate shall immediately revert to an array
10 calculation factor rate two-tenths higher than that in rate class 40;
11 and

12 (ii) The social cost factor rate shall be the social cost factor
13 rate assigned to rate class 40 under (b)(ii) of this subsection.

14 (d) For all other employers not qualified to be in the array:

15 (i) For rate years 2005, 2006, and 2007:

16 (A) The array calculation factor rate shall be a rate equal to the
17 average industry array calculation factor rate as determined by the
18 commissioner, plus fifteen percent of that amount; however, the rate
19 may not be less than one percent or more than the array calculation
20 factor rate in rate class 40; and

21 (B) The social cost factor rate shall be a rate equal to the
22 average industry social cost factor rate as determined by the
23 commissioner, plus fifteen percent of that amount, but not more than
24 the social cost factor rate assigned to rate class 40 under (b)(ii) of
25 this subsection.

26 (ii) Beginning with contributions assessed for rate year 2008:

27 (A) The array calculation factor rate shall be a rate equal to the
28 average industry array calculation factor rate as determined by the
29 commissioner, multiplied by the history factor, but not less than one
30 percent or more than the array calculation factor rate in rate class
31 40;

32 (B) The social cost factor rate shall be a rate equal to the
33 average industry social cost factor rate as determined by the
34 commissioner, multiplied by the history factor, but not more than the
35 social cost factor rate assigned to rate class 40 under (b)(ii) of this
36 subsection; and

37 (C) The history factor shall be based on the total amounts of
38 benefits charged and contributions paid in the three fiscal years

1 ending prior to the computation date by employers not qualified to be
 2 in the array, other than employers in (c) of this subsection, who were
 3 first subject to contributions in the calendar year ending three years
 4 prior to the computation date. The commissioner shall calculate the
 5 history ratio by dividing the total amount of benefits charged by the
 6 total amount of contributions paid in this three-year period by these
 7 employers. The division shall be carried to the second decimal place
 8 with the remaining fraction disregarded unless it amounts to five
 9 one-hundredths or more, in which case the second decimal place shall be
 10 rounded to the next higher digit. The commissioner shall determine the
 11 history factor according to the history ratio as follows:

	History		History
	Ratio		Factor
			(percent)
	At least	Less than	
16 (I)		.95	90
17 (II)	.95	1.05	100
18 (III)	1.05		115

19 (3) For contributions assessed for rate year 2010 and thereafter,
 20 the contribution rate for each employer subject to contributions under
 21 RCW 50.24.010 shall be the sum of the array calculation factor rate and
 22 the solvency surcharge determined under RCW 50.29.041, if any.

23 (a) The array calculation factor rate shall be determined as
 24 follows:

25 (i) An array shall be prepared, listing all qualified employers in
 26 ascending order of their benefit ratios. The array shall show for each
 27 qualified employer: (A) Identification number; (B) benefit ratio; and
 28 (C) taxable payrolls for the four consecutive calendar quarters
 29 immediately preceding the computation date and reported to the
 30 employment security department by the cut-off date.

31 (ii) Each employer in the array shall be assigned to one of forty
 32 rate classes according to his or her benefit ratio as follows, and,
 33 except as provided in RCW 50.29.026, the array calculation factor rate
 34 for each employer in the array shall be the rate specified in the rate
 35 class to which the employer has been assigned:

	<u>Benefit Ratio</u>		<u>Rate</u>	<u>Rate</u>
	<u>At least</u>	<u>Less than</u>	<u>Class</u>	<u>(percent)</u>
1		<u>0.000001</u>	<u>1</u>	<u>0.00</u>
2	<u>0.000001</u>	<u>0.001250</u>	<u>2</u>	<u>0.09</u>
3	<u>0.001250</u>	<u>0.002500</u>	<u>3</u>	<u>0.18</u>
4	<u>0.002500</u>	<u>0.003750</u>	<u>4</u>	<u>0.28</u>
5	<u>0.003750</u>	<u>0.005000</u>	<u>5</u>	<u>0.37</u>
6	<u>0.005000</u>	<u>0.006250</u>	<u>6</u>	<u>0.46</u>
7	<u>0.006250</u>	<u>0.007500</u>	<u>7</u>	<u>0.55</u>
8	<u>0.007500</u>	<u>0.008750</u>	<u>8</u>	<u>0.64</u>
9	<u>0.008750</u>	<u>0.010000</u>	<u>9</u>	<u>0.74</u>
10	<u>0.010000</u>	<u>0.011250</u>	<u>10</u>	<u>0.83</u>
11	<u>0.011250</u>	<u>0.012500</u>	<u>11</u>	<u>0.92</u>
12	<u>0.012500</u>	<u>0.013750</u>	<u>12</u>	<u>1.01</u>
13	<u>0.013750</u>	<u>0.015000</u>	<u>13</u>	<u>1.11</u>
14	<u>0.015000</u>	<u>0.016250</u>	<u>14</u>	<u>1.20</u>
15	<u>0.016250</u>	<u>0.017500</u>	<u>15</u>	<u>1.29</u>
16	<u>0.017500</u>	<u>0.018750</u>	<u>16</u>	<u>1.38</u>
17	<u>0.018750</u>	<u>0.020000</u>	<u>17</u>	<u>1.47</u>
18	<u>0.020000</u>	<u>0.021250</u>	<u>18</u>	<u>1.57</u>
19	<u>0.021250</u>	<u>0.022500</u>	<u>19</u>	<u>1.66</u>
20	<u>0.022500</u>	<u>0.023750</u>	<u>20</u>	<u>1.75</u>
21	<u>0.023750</u>	<u>0.025000</u>	<u>21</u>	<u>1.84</u>
22	<u>0.025000</u>	<u>0.026250</u>	<u>22</u>	<u>1.93</u>
23	<u>0.026250</u>	<u>0.027500</u>	<u>23</u>	<u>2.03</u>
24	<u>0.027500</u>	<u>0.028750</u>	<u>24</u>	<u>2.12</u>
25	<u>0.028750</u>	<u>0.030000</u>	<u>25</u>	<u>2.21</u>
26	<u>0.030000</u>	<u>0.031250</u>	<u>26</u>	<u>2.30</u>
27	<u>0.031250</u>	<u>0.032500</u>	<u>27</u>	<u>2.39</u>
28	<u>0.032500</u>	<u>0.033750</u>	<u>28</u>	<u>2.49</u>
29	<u>0.033750</u>	<u>0.035000</u>	<u>29</u>	<u>2.58</u>
30	<u>0.035000</u>	<u>0.036250</u>	<u>30</u>	<u>2.67</u>
31	<u>0.036250</u>	<u>0.037500</u>	<u>31</u>	<u>2.76</u>
32	<u>0.037500</u>	<u>0.040000</u>	<u>32</u>	<u>2.86</u>
33	<u>0.040000</u>	<u>0.042500</u>	<u>33</u>	<u>2.95</u>
34	<u>0.042500</u>	<u>0.045000</u>	<u>34</u>	<u>3.04</u>

1	<u>0.045000</u>	<u>0.047500</u>	<u>35</u>	<u>3.13</u>
2	<u>0.047500</u>	<u>0.050000</u>	<u>36</u>	<u>3.22</u>
3	<u>0.050000</u>	<u>0.052500</u>	<u>37</u>	<u>3.32</u>
4	<u>0.052500</u>	<u>0.055000</u>	<u>38</u>	<u>3.41</u>
5	<u>0.055000</u>	<u>0.057500</u>	<u>39</u>	<u>3.50</u>
6	<u>0.057500</u>		<u>40</u>	<u>5.40</u>

7 (iii) Each employer may deduct from the pay of each individual ten
8 percent of the amount of contributions that may be attributed to that
9 individual's employment.

10 (b) On the fifteenth day of the first month of each calendar
11 quarter, an amount equaling twenty-five percent of the total social
12 cost shall be transferred from the general fund into the unemployment
13 compensation fund. The maximum amount of the total social cost
14 transfer in any rate year shall be two and five-tenths percent of the
15 taxable wage base. Before January 1, 2011, adjustments to the maximum
16 amount of the total social cost transfer are prohibited, except as
17 specifically authorized upon the affirmative vote of sixty percent of
18 the members of each house of the legislature. For the purposes of this
19 section, "total social cost" means the amount calculated by subtracting
20 the array calculation factor contributions paid by all employers with
21 respect to the four consecutive calendar quarters immediately preceding
22 the computation date and paid to the employment security department by
23 the cut-off date from the total unemployment benefits paid to claimants
24 in the same four consecutive calendar quarters.

25 (c) For employers who do not meet the definition of "qualified
26 employer" by reason of failure to pay contributions when due, the array
27 calculation factor rate shall be two-tenths higher than that in rate
28 class 40, except employers who have an approved agency-deferred payment
29 contract by September 30th of the previous rate year. If any employer
30 with an approved agency-deferred payment contract fails to make any one
31 of the succeeding deferred payments or fails to submit any succeeding
32 tax report and payment in a timely manner, the employer's tax rate
33 shall immediately revert to an array calculation factor rate two-tenths
34 higher than that in rate class 40.

35 (d) For all other employers not qualified to be in the array, the
36 contribution rate shall be the contribution rate specified in this
37 subsection, but not less than one percent:

1 (i) In the first two consecutive rate years in which an employer is
2 not qualified, the array calculation factor rate shall be a rate equal
3 to fifty percent of the average industry array calculation factor rate
4 as determined by the commissioner; and

5 (ii) In the second two consecutive rate years in which an employer
6 is not qualified, the array calculation factor rate shall be a rate
7 equal to seventy-five percent of the average industry array calculation
8 factor rate as determined by the commissioner.

9 (4) Assignment of employers by the commissioner to industrial
10 classification, for purposes of this section, shall be in accordance
11 with established classification practices found (~~in the "Standard~~
12 ~~Industrial Classification Manual" issued by the federal office of~~
13 ~~management and budget to the third digit provided in the standard~~
14 ~~industrial classification code, or~~) in the North American industry
15 classification system code.

16 NEW SECTION. Sec. 10. A new section is added to chapter 82.04 RCW
17 to read as follows:

18 (1) In computing the tax imposed under this chapter, a credit is
19 allowed for eighty-five percent of contributions paid under chapter
20 50.24 RCW for the prior rate year.

21 (2) Credit under this section may be claimed against taxes due
22 under this chapter for any tax reporting period by the person claiming
23 credit under this section. The credit may not exceed the tax otherwise
24 due under this chapter for the tax reporting period. Unused credit may
25 be carried over and used in subsequent tax reporting periods. Refunds
26 shall not be granted for credits under this section.

27 (3) This section applies to tax reports due on or after January 1,
28 2011.

29 **Sec. 11.** RCW 50.29.062 and 2006 c 47 s 2 are each amended to read
30 as follows:

31 Except as provided in RCW 50.29.063, predecessor and successor
32 employer contribution rates shall be computed in the following manner:

33 (1) If the successor is an employer, as defined in RCW 50.04.080,
34 at the time of the transfer of a business, the following applies:

35 (a) The successor's contribution rate shall remain unchanged for
36 the remainder of the rate year in which the transfer occurs; and

1 (b) Beginning January 1st following the transfer, the successor's
2 contribution rate for each rate year shall be based on a combination of
3 the following:

4 (i) The successor's experience with payrolls and benefits; and

5 (ii) Any experience assigned to the predecessor involved in the
6 transfer. If only a portion of the business was transferred, then the
7 experience attributable to the acquired portion is assigned to the
8 successor.

9 (2) If the successor is not an employer at the time of the
10 transfer, the following applies:

11 (a) For transfers before January 1, 2005:

12 (i) Except as provided in (ii) of this subsection (2)(a), the
13 successor shall pay contributions at the lowest rate determined under
14 either of the following:

15 (A) The contribution rate of the rate class assigned to the
16 predecessor employer at the time of the transfer for the remainder of
17 that rate year. Any experience relating to the assignment of that rate
18 class attributable to the predecessor is transferred to the successor.
19 Beginning with the January 1st following the transfer, the successor's
20 contribution rate shall be based on a combination of the transferred
21 experience of the acquired business and the successor's experience
22 after the transfer; or

23 (B) The contribution rate equal to the average industry rate as
24 determined by the commissioner, but not less than one percent, and
25 continuing until the successor qualifies for a different rate in its
26 own right. Assignment of employers by the commissioner to industrial
27 classification, for purposes of this subsection, must be in accordance
28 with established classification practices found in the North American
29 industry classification system issued by the federal office of
30 management and budget to the fourth digit provided in the North
31 American industry classification system.

32 (ii) If the successor simultaneously acquires the business or a
33 portion of the business of two or more employers in different rate
34 classes, its rate from the date the transfer occurred until the end of
35 that rate year and until it qualifies in its own right for a new
36 rate((7)) shall be the rate of the highest rate class applicable at the
37 time of the acquisition to any predecessor employer who is a party to
38 the acquisition, but not less than one percent.

1 (b) For transfers on or after January 1, 2005:

2 (i) Except as provided in (ii) and (iii) of this subsection (2)(b),
3 the successor shall pay contributions:

4 (A) At the contribution rate assigned to the predecessor employer
5 at the time of the transfer and not the new employer rate for the
6 remainder of that rate year, so long as the successor retains at least
7 sixty percent of the predecessor's employees. Any experience
8 attributable to the predecessor relating to the assignment of the
9 predecessor's rate class is transferred to the successor.

10 (B) Beginning January 1st following the transfer, the successor's
11 contribution rate for each rate year shall be based on an array
12 calculation factor rate that is a combination of the following: The
13 successor's experience with payrolls and benefits; and any experience
14 assigned to the predecessor involved in the transfer. If only a
15 portion of the business was transferred, then the experience
16 attributable to the acquired portion is assigned to the successor if
17 qualified under RCW 50.29.010(6) by including the transferred
18 experience. If not qualified under RCW 50.29.010(6), the contribution
19 rate shall equal the sum of the rates determined by the commissioner
20 under RCW 50.29.025(2) (~~((c)(ii) and (d)(ii))~~) (d)(i), and 50.29.041,
21 if applicable, and continuing until the successor qualifies for a
22 different rate, including the transferred experience.

23 (ii) If there is a substantial continuity of ownership, control, or
24 management by the successor of the business of the predecessor, the
25 successor shall pay contributions at the contribution rate determined
26 for the predecessor employer at the time of the transfer for the
27 remainder of that rate year. Any experience attributable to the
28 predecessor relating to the assignment of the predecessor's rate class
29 is transferred to the successor. Beginning January 1st following the
30 transfer, the successor's array calculation factor rate shall be based
31 on a combination of the transferred experience of the acquired business
32 and the successor's experience after the transfer.

33 (iii) If the successor simultaneously acquires the business or a
34 portion of the business of two or more employers with different
35 contribution rates, the successor's rate from the date the transfer
36 occurred until the end of that rate year and until it qualifies in its
37 own right for a new rate, shall be the sum of the rates determined by
38 the commissioner under RCW 50.29.025(2) (a) and (b), and 50.29.041,

1 applicable at the time of the acquisition, to the predecessor employer
2 who, among the parties to the acquisition, had the largest total
3 payroll in the completed calendar quarter immediately preceding the
4 date of transfer, but not less than the sum of the rates determined by
5 the commissioner under RCW 50.29.025(2) (~~((c)(ii) and (d)(ii))~~) (d)(i),
6 and 50.29.041, if applicable.

7 (3) With respect to predecessor employers:

8 (a) The contribution rate on any payroll retained by a predecessor
9 employer shall remain unchanged for the remainder of the rate year in
10 which the transfer occurs.

11 (b) In all cases, beginning January 1st following the transfer, the
12 predecessor's contribution rate or the predecessor's array calculation
13 factor for each rate year shall be based on its experience with
14 payrolls and benefits as of the regular computation date for that rate
15 year excluding the experience of the transferred business or
16 transferred portion of business as that experience has transferred to
17 the successor: PROVIDED, That if all of the predecessor's business is
18 transferred to a successor or successors, the predecessor shall not be
19 a qualified employer until it satisfies the requirements of a
20 "qualified employer" as set forth in RCW 50.29.010.

21 (4) For purposes of this section, "transfer of a business" means
22 the same as RCW 50.29.063(4)(c).

23 **Sec. 12.** RCW 50.16.010 and 2008 c 329 s 915 are each amended to
24 read as follows:

25 (1) There shall be maintained as special funds, separate and apart
26 from all public moneys or funds of this state an unemployment
27 compensation fund, an administrative contingency fund, and a federal
28 interest payment fund, which shall be administered by the commissioner
29 exclusively for the purposes of this title, and to which RCW 43.01.050
30 shall not be applicable.

31 (2)(a) The unemployment compensation fund shall consist of:

32 (i) All contributions collected under RCW 50.24.010 and payments in
33 lieu of contributions collected pursuant to the provisions of this
34 title;

35 (ii) All amounts transferred from the general fund to the account
36 pursuant to RCW 50.29.025;

1 (iii) Any property or securities acquired through the use of moneys
2 belonging to the fund;
3 ~~((iii))~~ (iv) All earnings of such property or securities;
4 ~~((iv))~~ (v) Any moneys received from the federal unemployment
5 account in the unemployment trust fund in accordance with Title XII of
6 the social security act, as amended;
7 ~~((v))~~ (vi) All money recovered on official bonds for losses
8 sustained by the fund;
9 ~~((vi))~~ (vii) All money credited to this state's account in the
10 unemployment trust fund pursuant to section 903 of the social security
11 act, as amended;
12 ~~((vii))~~ (viii) All money received from the federal government as
13 reimbursement pursuant to section 204 of the federal-state extended
14 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and
15 ~~((viii))~~ (ix) All moneys received for the fund from any other
16 source.
17 (b) All moneys in the unemployment compensation fund shall be
18 commingled and undivided.
19 (3)(a) Except as provided in (b) of this subsection, the
20 administrative contingency fund shall consist of:
21 (i) All interest on delinquent contributions collected pursuant to
22 this title;
23 (ii) All fines and penalties collected pursuant to the provisions
24 of this title;
25 (iii) All sums recovered on official bonds for losses sustained by
26 the fund; and
27 (iv) Revenue received under RCW 50.24.014.
28 (b) All fees, fines, forfeitures, and penalties collected or
29 assessed by a district court because of the violation of this title or
30 rules adopted under this title shall be remitted as provided in chapter
31 3.62 RCW.
32 (c) During the 2007-2009 biennium, moneys available in the
33 administrative contingency fund, other than money in the special
34 account created under RCW 50.24.014(1)(a), shall be expended as
35 appropriated by the legislature for the (i) cost of the job skills
36 program at the community and technical colleges, and (ii) reemployment
37 services such as business and project development assistance, local
38 economic development capacity building, and local economic development

1 financial assistance at the department of community, trade, and
2 economic development, and the remaining appropriation upon the
3 direction of the commissioner, with the approval of the governor,
4 whenever it appears to him or her that such expenditure is necessary
5 solely for:

6 (i) The proper administration of this title and that insufficient
7 federal funds are available for the specific purpose to which such
8 expenditure is to be made, provided, the moneys are not substituted for
9 appropriations from federal funds which, in the absence of such moneys,
10 would be made available.

11 (ii) The proper administration of this title for which purpose
12 appropriations from federal funds have been requested but not yet
13 received, provided, the administrative contingency fund will be
14 reimbursed upon receipt of the requested federal appropriation.

15 (iii) The proper administration of this title for which compliance
16 and audit issues have been identified that establish federal claims
17 requiring the expenditure of state resources in resolution. Claims
18 must be resolved in the following priority: First priority is to
19 provide services to eligible participants within the state; second
20 priority is to provide substitute services or program support; and last
21 priority is the direct payment of funds to the federal government.

22 Money in the special account created under RCW 50.24.014(1)(a) may
23 only be expended, after appropriation, for the purposes specified in
24 this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
25 50.44.053, and 50.22.010.

26 **PART III - RENT SUBSIDIES AND MORTGAGE ASSISTANCE**

27 **Sec. 13.** RCW 43.185.050 and 2006 c 371 s 236 are each amended to
28 read as follows:

29 (1) The department shall use moneys from the housing trust fund and
30 other legislative appropriations to finance in whole or in part any
31 loans or grant projects that will provide housing for persons and
32 families with special housing needs and with incomes at or below fifty
33 percent of the median family income for the county or standard
34 metropolitan statistical area where the project is located. At least
35 thirty percent of these moneys used in any given funding cycle shall be
36 for the benefit of projects located in rural areas of the state as

1 defined by the department. If the department determines that it has
2 not received an adequate number of suitable applications for rural
3 projects during any given funding cycle, the department may allocate
4 unused moneys for projects in nonrural areas of the state.

5 (2) Activities eligible for assistance from the housing trust fund
6 and other legislative appropriations include, but are not limited to:

7 (a) New construction, rehabilitation, or acquisition of low and
8 very low-income housing units;

9 (b) Rent subsidies, including rent subsidy programs that give
10 preference to individuals receiving unemployment benefits under Title
11 50 RCW, who earned wages in employment in not less than one thousand
12 three hundred hours of each of the past three calendar years, and whose
13 income is less than two hundred percent of the federal poverty level as
14 adjusted for family size and determined annually by the federal
15 department of health and human services;

16 (c) Matching funds for social services directly related to
17 providing housing for special-need tenants in assisted projects;

18 (d) Technical assistance, design and finance services and
19 consultation, and administrative costs for eligible nonprofit community
20 or neighborhood-based organizations;

21 (e) Administrative costs for housing assistance groups or
22 organizations when such grant or loan will substantially increase the
23 recipient's access to housing funds other than those available under
24 this chapter;

25 (f) Shelters and related services for the homeless, including
26 emergency shelters and overnight youth shelters;

27 (g) Mortgage subsidies, including temporary rental and mortgage
28 payment subsidies to prevent homelessness, and mortgage subsidy
29 programs that give preference to individuals receiving unemployment
30 benefits under Title 50 RCW, who earned wages in employment in not less
31 than one thousand three hundred hours of each of the past three
32 calendar years, and whose income is less than two hundred percent of
33 the federal poverty level as adjusted for family size and determined
34 annually by the federal department of health and human services;

35 (h) Mortgage insurance guarantee or payments for eligible projects;

36 (i) Down payment or closing cost assistance for eligible first-time
37 home buyers;

1 (j) Acquisition of housing units for the purpose of preservation as
2 low-income or very low-income housing;

3 (k) Projects making housing more accessible to families with
4 members who have disabilities; and

5 (1) During the 2005-2007 fiscal biennium, a manufactured/mobile
6 home landlord-tenant ombudsman conflict resolution and park
7 registration program.

8 (3) During the 2005-2007 fiscal biennium, revenues generated under
9 RCW 36.22.178 may be used for the development of affordable housing
10 projects and other activities funded in section 108, chapter 371, Laws
11 of 2006.

12 (4) Legislative appropriations from capital bond proceeds may be
13 used only for the costs of projects authorized under subsection (2)(a),
14 (i), and (j) of this section, and not for the administrative costs of
15 the department.

16 (5) Moneys from repayment of loans from appropriations from capital
17 bond proceeds may be used for all activities necessary for the proper
18 functioning of the housing assistance program except for activities
19 authorized under subsection (2)(b) and (c) of this section.

20 (6) Administrative costs of the department shall not exceed five
21 percent of the annual funds available for the housing assistance
22 program.

23 **Sec. 14.** RCW 43.185A.030 and 2005 c 518 s 1803 and 2005 c 219 s 3
24 are each reenacted and amended to read as follows:

25 (1) Using moneys specifically appropriated for such purpose, the
26 department shall finance in whole or in part projects that will provide
27 housing for low-income households.

28 (2) Activities eligible for assistance include, but are not limited
29 to:

30 (a) New construction, rehabilitation, or acquisition of housing for
31 low-income households;

32 (b) Rent subsidies in new construction or rehabilitated multifamily
33 units, including rent subsidy programs that give preference to
34 individuals receiving unemployment benefits under Title 50 RCW, who
35 earned wages in employment in not less than one thousand three hundred
36 hours of each of the past three calendar years, and whose income is

1 less than two hundred percent of the federal poverty level as adjusted
2 for family size and determined annually by the federal department of
3 health and human services;

4 (c) Down payment or closing costs assistance for first-time home
5 buyers;

6 (d) Mortgage subsidies for new construction or rehabilitation of
7 eligible multifamily units, including mortgage subsidy programs that
8 give preference to individuals receiving unemployment benefits under
9 Title 50 RCW, who earned wages in employment in not less than one
10 thousand three hundred hours of each of the past three calendar years,
11 and whose income is less than two hundred percent of the federal
12 poverty level as adjusted for family size and determined annually by
13 the federal department of health and human services; and

14 (e) Mortgage insurance guarantee or payments for eligible projects.

15 (3) Legislative appropriations from capital bond proceeds may be
16 used only for the costs of projects authorized under subsection (2)
17 (a), (c), (d), and (e) of this section, and not for the administrative
18 costs of the department.

19 (4) Moneys from repayment of loans from appropriations from capital
20 bond proceeds may be used for all activities necessary for the proper
21 functioning of the affordable housing program except for activities
22 authorized under subsection (2)(b) of this section.

23 (5) Administrative costs of the department shall not exceed five
24 percent of the annual funds available for the affordable housing
25 program.

26 **PART IV - MISCELLANEOUS**

27 NEW SECTION. **Sec. 15.** If any part of this act is found to be in
28 conflict with federal requirements that are a prescribed condition to
29 the allocation of federal funds to the state or the eligibility of
30 employers in this state for federal unemployment tax credits, the
31 conflicting part of this act is inoperative solely to the extent of the
32 conflict, and the finding or determination does not affect the
33 operation of the remainder of this act. Rules adopted under this act
34 must meet federal requirements that are a necessary condition to the
35 receipt of federal funds by the state or the granting of federal
36 unemployment tax credits to employers in this state.

1 NEW SECTION. **Sec. 16.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 17.** As used in this act, part headings
6 constitute no part of the law.

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