
HOUSE BILL 1021

State of Washington

67th Legislature

2021 Regular Session

By Representatives MacEwen, Eslick, Young, and Graham

Prefiled 12/11/20. Read first time 01/11/21. Referred to Committee on Labor & Workplace Standards.

1 AN ACT Relating to relief of benefit charges when discharge is a
2 result of a gubernatorial declaration of emergency or related
3 executive order; amending RCW 50.29.100 and 50.16.100; creating a new
4 section; making an appropriation; providing an expiration date; and
5 declaring an emergency.

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

7 **Sec. 1.** RCW 50.29.100 and 2020 c 7 s 5 are each amended to read
8 as follows:

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

16 (2) The department should not approve an application if the
17 benefits paid will not otherwise be charged to the employer's
18 experience rating account or if the employer was otherwise eligible
19 to receive relief of benefit charges.

20 (3) If the department approves an employer's application, the
21 department will not charge the forgiven benefits to the employer's

1 experience rating account. The commissioner shall instead transfer
2 from the COVID-19 unemployment account to the unemployment trust fund
3 account an amount equal to the forgiven benefits.

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

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

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

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

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

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

17 ~~(iv)) a gubernatorial declaration of emergency or related~~
18 ~~executive order; and~~

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

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

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

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

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

32 (~~(e))~~ (f) "Forgiven benefits" means the approved benefits for
33 an individual employer multiplied by the forgiveness ratio.

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

36 (7) This section expires (~~July 30, 2021~~) December 1, 2022.

37 **Sec. 2.** RCW 50.16.100 and 2020 c 7 s 4 are each amended to read
38 as follows:

1 (1) The COVID-19 unemployment account is created in the custody
2 of the state treasurer. Revenues to the account shall consist of
3 appropriations and transfers by the legislature and all other funding
4 directed for deposit into the account. Only the commissioner of the
5 employment security department or the commissioner's designee may
6 authorize expenditures from the account. Expenditures from the
7 account may be used only for reimbursing the unemployment trust fund
8 account for unemployment benefits paid to the approved employees of
9 employers approved for such reimbursement pursuant to RCW 50.29.100.
10 The account is subject to the allotment procedures under chapter
11 43.88 RCW, but an appropriation is not required for expenditures.

12 (2) Any federal funding or relief for novel coronavirus that
13 could be used for the purposes of RCW 50.29.100 must be used first
14 before spending from the account. Additionally, if the employment
15 security department subsequently receives reimbursements from federal
16 sources for amounts spent from the account, the department must remit
17 the federal funding to the state treasurer for reimbursement to the
18 budget stabilization account. If federal law or rules would prevent
19 such remittance, the department must notify the office of financial
20 management and the fiscal committees of the legislature within thirty
21 days of receipt of the reimbursement.

22 (3) ~~((By July 1, 2021, the commissioner must certify to the state~~
23 ~~treasurer the amount of any unobligated moneys in the COVID-19~~
24 ~~unemployment account that are attributable to the budget~~
25 ~~stabilization account appropriation in section 3, chapter 7, Laws of~~
26 ~~2020, and the treasurer must transfer those moneys back to the budget~~
27 ~~stabilization account.)) By July 1, 2022, the commissioner must~~

28 certify to the state treasurer the amount of any unobligated moneys
29 in the COVID-19 unemployment account that are attributable to the
30 budget stabilization account appropriation in section 3 of this act,
31 and the treasurer must transfer those moneys back to the budget
32 stabilization account.

33 NEW SECTION. Sec. 3. The sum of \$500,000,000 is appropriated
34 from the budget stabilization account for the fiscal year ending June
35 30, 2021, and is provided solely for expenditure into the COVID-19
36 unemployment account for the purposes described in section 1 of this
37 act.

1 NEW SECTION. **Sec. 4.** If any part of this act is found to be in
2 conflict with federal requirements that are a prescribed condition to
3 the allocation of federal funds to the state or the eligibility of
4 employers in this state for federal unemployment tax credits, the
5 conflicting part of this act is inoperative solely to the extent of
6 the conflict, and the finding or determination does not affect the
7 operation of the remainder of this act. Rules adopted under this act
8 must meet federal requirements that are a necessary condition to the
9 receipt of federal funds by the state or the granting of federal
10 unemployment tax credits to employers in this state.

11 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of
13 the state government and its existing public institutions, and takes
14 effect immediately.

--- END ---