NEW SECTION. Sec. 4. This act shall take effect July 1, 1986.

Passed the Senate February 14, 1986.
Passed the House March 4, 1986.
Approved by the Governor March 21, 1986.
Filed in Office of Secretary of State March 21, 1986.

CHAPTER 111
[Senate Bill No. 4647]
UNEMPLOYMENT INSURANCE—EMPLOYERS QUALIFIED FOR EXPERIENCE RATING

AN ACT Relating to employers qualified for experience rating under unemployment insurance law; amending RCW 50.29.010 and 50.29.022; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 10, chapter 2, Laws of 1970 ex. sess. as last amended by section 3, chapter 205, Laws of 1984 and RCW 50.29.010 are each amended to read as follows:

As used in this chapter:
"Computation date" means July 1st of any year;
"Cut-off date" means September 30th next following the computation date;
"Qualification date" means April 1st of the third year preceding the computation date.
"Rate year" means the calendar year immediately following the computation date;
("Experience rating year" is the twelve-month period beginning with July 1st of one calendar year and ending on June 30th of the following calendar year;)
"Payroll" means all wages (as defined for contribution purposes) paid by an employer to individuals in his employment;
("Acquire" means the right to occupy or use the operating assets formerly in the possession of a predecessor employer whether that acquisition be by purchase, lease, gift, or by any legal process;
"Qualified employer" means: (1) Any employer as of the computation date who had some employment in the twelve-month period immediately preceding April 1st of the first of the three consecutive calendar years immediately preceding the computation date and who had no period of four or more consecutive calendar quarters in such three years for which he reported no employment, except that no employer shall be deemed a qualified employer unless all contributions, interest, and penalties required under this title from that employer for the thirty-six month period immediately preceding the computation date have been paid by the cut-off date; or (2) Any employer as of the computation date who has not been subject to this title for a period of time sufficient to be classified as a qualified employer under
the provision of subdivision (1) of this paragraph but who had some employment in the twelve-month period immediately preceding April 1st of the first of the two consecutive calendar years immediately preceding the computation date and who had no period of four or more consecutive calendar quarters in such two years for which he reported no employment, except that no employer shall be deemed a qualified employer unless all contributions, interest, and penalties required under this title from that employer for the twenty-four month period immediately preceding the computation date have been paid by the cut-off date. PROVIDED, That for the purpose of this section, unpaid contributions, interest, or penalties of twenty-five dollars or less or unpaid contributions, interest, or penalties of one-half of one percent of the employer's total tax reported for the twelve-month period immediately preceding the computation date may be disregarded if showing is made to the satisfaction of the commissioner that an otherwise qualified employer acted in good faith and that forfeiture of qualification for a reduced contribution rate because of such delinquency would be inequitable.)

"Qualified employer" means any employer who (1) reported some employment in the twelve-month period beginning with the qualification date, (2) had no period of four or more consecutive calendar quarters for which he or she reported no employment in the two calendar years immediately preceding the computation date, and (3) has submitted by the cut-off date all reports, contributions, interest, and penalties required under this title for the period preceding the computation date. Unpaid contributions, interest, and penalties may be disregarded for the purposes of this section if they constitute less than either twenty-five dollars or one-half of one percent of the employer's total tax reported for the twelve-month period immediately preceding the computation date. Late reports, contributions, penalties, or interest from employment defined under RCW 50.04.160 may be disregarded for the purposes of this section if showing is made to the satisfaction of the commissioner that an otherwise qualified employer acted in good faith and that forfeiture of qualification for a reduced contribution rate because of such delinquency would be inequitable.

NEW SECTION. Sec. 2. If any part of this act is found to be in conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this act. The rules under this act shall meet federal requirements which are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

Sec. 3. Section 1, chapter 270, Laws of 1985 and RCW 50.29.022 are each amended to read as follows:
(1) For the purpose of establishing an employer's rate of contribution for the tax year beginning January 1, 1985, the department shall calculate a percentage rate of savings for benefit charges for the fiscal year ending June 30, 1985 and apply the rate as though RCW 50.29.020(2)(g) had been in effect for fiscal years 1984, 1983, 1982, and 1981. For fiscal years ending June 30, 1986, and beyond, benefit charges will be calculated pursuant to RCW 50.29.020(2)(g).

(2) For the purpose of establishing an employer's rate of contribution for the tax year beginning January 1, 1986, the department shall calculate the percentage rate of savings for benefit charges for the fiscal year ending 1985, and apply the rate to fiscal years 1984, 1983, and 1982.

(3) For the purpose of establishing an employer's rate of contribution for the tax year beginning January 1, 1987, the department shall calculate the average percentage rate of savings for benefit charges for fiscal years 1986 and 1985, and apply the rate to fiscal years 1984 and 1983.

(4) For the purpose of establishing an employer's rate of contribution for the tax year beginning January 1, 1988, the department shall calculate the average percentage rate of savings for benefit charges for fiscal years 1987, 1986, and 1985, and apply the rate to fiscal year 1984.

(5) If any part of this section is found to be in conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this section is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this section. The rules under this section shall meet federal requirements which are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

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

Passed the Senate March 4, 1986.
Passed the House March 1, 1986.
Approved by the Governor March 21, 1986.
Filed in Office of Secretary of State March 21, 1986.

CHAPTER 112
[Substitute House Bill No. 14011]
ECONOMIC FORECASTS—GOVERNOR’S BUDGET OR BUDGET DOCUMENT
AN ACT Relating to economic forecasts; and amending RCW 43.88.030 and 82.01.120.
Be it enacted by the Legislature of the State of Washington: