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HOUSE BILL NO. 1935

Offered January 9, 2013

Prefiled January 9, 2013

A *BILL to amend the Code of Virginia by adding in Title 60.2 a chapter numbered 7, consisting of sections numbered 60.2-700 through 60.2-707, relating to unemployment compensation; Self-Employment Assistance Program.*

Patrons—Lopez and McClellan

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 60.2 a chapter numbered 7, consisting of sections numbered 60.2-700 through 60.2-707, as follows:

CHAPTER 7.**SELF-EMPLOYMENT ASSISTANCE PROGRAM.****§ 60.2-700. Definitions:**

As used in this chapter, unless the context requires otherwise:

"Regular benefits" means benefits payable to an individual under this title, including benefits payable to federal civilian employees and to ex-servicemembers pursuant to 5 U.S.C. Chapter 85, but not including additional benefits and extended benefits.

"Self-employment assistance activities" means activities approved by the Commission in which an individual identified through a worker profiling system as likely to exhaust regular unemployment compensation participates for the purpose of establishing a business and becoming self-employed. "Self-employment assistance activities" includes entrepreneurial training, business counseling, and technical assistance.

"Self-employment assistance allowance" means an allowance payable, in lieu of regular benefits, from the Unemployment Compensation Fund to an individual participating in self-employment assistance activities who meets the requirements of this chapter.

§ 60.2-701. Weekly amount of self-employment assistance allowance.

The weekly amount of a self-employment assistance allowance payable to an individual under this chapter is equal to the weekly benefit amount for regular benefits otherwise payable under § 60.2-602.

§ 60.2-702. Maximum amount of benefits.

The sum of (i) the allowance paid under this chapter and (ii) the regular unemployment compensation paid under this title with respect to any benefit year shall not exceed the maximum benefit amount as established by this title with respect to such benefit year.

§ 60.2-703. Eligibility.

A self-employment assistance allowance shall be payable to an individual at the same interval, on the same terms, and subject to the same conditions as regular unemployment compensation under this title, except that:

1. The requirements of § 60.2-612 relating to availability for work and active search for work are not applicable to the individual;

2. The requirements of § 60.2-618 relating to refusal to accept work are not applicable to the individual;

3. The requirements of this title relating to self-employment income are not applicable to the individual;

4. An individual who meets the requirements of this chapter shall be considered to be unemployed for the purposes of § 60.2-612;

5. An individual who fails to participate in self-employment assistance activities or who fails to actively engage on a full-time basis in activities, which may include training, related to establishing a business and becoming self-employed shall be denied benefits for the week the failure occurs; and

6. An individual receiving a self-employment assistance allowance under this chapter shall become ineligible for further allowances if he fails to provide to the Commission such information as may be required regarding the number of jobs created and revenue generated as a result of the individual's establishment of a business with funds provided pursuant to this chapter.

§ 60.2-704. Limitation on number of individuals receiving a self-employment assistance allowance.

The aggregate number of individuals receiving a self-employment assistance allowance under this chapter at any time shall not exceed five percent of the number of individuals receiving regular unemployment compensation benefits at that time. The Commission shall, through regulations, prescribe

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59 *such actions as are necessary to assure the requirements of this section are met.*

60 **§ 60.2-705. *Financing costs of a self-employment assistance allowance.***

61 *Self-employment assistance allowances shall be charged to an employer's account in accordance with*
62 *Chapter 5 (§ 60.2-500 et seq.).*

63 **§ 60.2-706. *Limit on program cost.***

64 *The Self-Employment Assistance Program shall not result in any cost to the Unemployment Trust*
65 *Fund in excess of the cost that would be incurred by the Commonwealth and charged to the Fund had*
66 *the program not been operated.*

67 **§ 60.2-707. *Compliance with federal program requirements.***

68 *Self-employment assistance allowances paid under this chapter shall be paid in accordance with any*
69 *additional program requirements established by the U.S. Secretary of Labor pursuant to 26 U.S.C.*
70 *§ 3306(t).*

71 **2. That the provisions of this act enhance the benefits payable to an individual pursuant to Title**
72 **60.2 of the Code of Virginia. Pursuant to § 30-19.03:1.2 of the Code of Virginia, the Virginia**
73 **Employment Commission, in consultation with the Department of Planning and Budget, estimates**
74 **that over the ensuing eight years (i) the provisions of this act are projected to reduce the solvency**
75 **level of the Unemployment Trust Fund by an average of zero percent in each of the eight years**
76 **and (ii) the projected average annual increase in state unemployment tax liability of employers on**
77 **a per-employee basis that would result from the provisions of this act is \$0.07.**