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HOUSE BILL NO. 798

Offered January 8, 2014

Prefiled January 7, 2014

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 60.2-709, relating to unemployment compensation; Self-Employment Assistance Pilot Program; report.*

 Patron—Lopez

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 60.2-709, as follows:

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

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

"Program" means the Self-Employment Assistance Pilot Program.

"Regular benefits" means benefits payable to an individual under this title, including benefits payable to federal civilian employees and to ex-service members 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. Self-Employment Assistance Pilot Program.

The Commission shall develop and implement a Self-Employment Assistance Pilot Program to evaluate the viability of a permanent program providing support for self-employment assistance activities.

§ 60.2-702. 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.

§ 60.2-703. 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.

§ 60.2-704. 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

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59 establishment of a business with funds provided pursuant to this chapter.

60 **§ 60.2-705. Limitation on number of individuals receiving a self-employment assistance allowance.**

61 The aggregate number of individuals receiving a self-employment assistance allowance under this
62 chapter at any time shall not exceed 100 qualified individuals. The Commission shall, through
63 regulations, prescribe such actions as are necessary to assure the requirements of this section are met.
64 No new participants shall be provided the self-employment assistance allowance after June 30, 2015.

65 **§ 60.2-706. Financing costs of a self-employment assistance allowance.**

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

68 **§ 60.2-707. Limit on Program cost.**

69 The Program shall not result in any cost to the Unemployment Trust Fund in excess of the cost that
70 would be incurred by the Commonwealth and charged to the Unemployment Trust Fund had the
71 Program not been operated.

72 **§ 60.2-708. Compliance with federal program requirements.**

73 Self-employment assistance allowances paid under this chapter shall be paid in accordance with any
74 additional program requirements established by the U.S. Secretary of Labor pursuant to 26 U.S.C.
75 § 3306(t).

76 **§ 60.2-709. Report.**

77 The Commission shall submit to the Governor and the General Assembly on or before November 30
78 of each year a report that shall include (i) the total number of participants in the Program, (ii) a fiscal
79 analysis of the Program, and (iii) any other information that will assist in determining the viability of
80 the Program.

81 **2. That the provisions of this act enhance the benefits payable to an individual pursuant to Title**
82 **60.2 of the Code of Virginia. Pursuant to § 30-19.03:1.2 of the Code of Virginia, the Virginia**
83 **Employment Commission, in consultation with the Department of Planning and Budget, estimates**
84 **that over the ensuing eight years (i) the provisions of this act are projected to reduce the solvency**
85 **level of the Unemployment Trust Fund by an average of 0 percent in each of the eight years and**
86 **(ii) the projected average annual increase in state unemployment tax liability of employers on a**
87 **per-employee basis that would result from the provisions of this act is \$ 0 .**