

# WEST VIRGINIA LEGISLATURE

## 2016 REGULAR SESSION

**Introduced**

### **House Bill 4032**

**FISCAL  
NOTE**

BY MR. SPEAKER, MR. ARMSTEAD AND DELEGATE MILEY

[BY REQUEST OF THE EXECUTIVE]

[Introduced January 15, 2016; Referred

to the Committee on Small Business, Entrepreneurship

and Economic Development then Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
 2 designated §21A-1-9, relating to the creation of the Self-Employment Assistance Act,  
 3 which provides assistance to eligible participants engaged full-time in starting a business  
 4 and becoming self-employed, and granting rule-making authority.

*Be it enacted by the Legislature of West Virginia:*

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new  
 2 section, designated §21A-1-9, to read as follows:

**ARTICLE 1. UNEMPLOYMENT COMPENSATION.**

**§21A-1-9. Self-Employment Assistance Act.**

1 (a) The following words and phrases, when used in this section, shall have the meanings  
 2 given to them in this section unless the context clearly indicates otherwise:

3 (1) "Full-time basis" means the devoting of such amount of time as is prescribed by  
 4 Workforce West Virginia to be necessary for a program participant to establish a business and  
 5 become self-employed.

6 (2) "Program" means the Self-Employment Assistance Program established in this  
 7 section.

8 (3) "Program participant" means an individual:

9 (A) Who is selected for participation in the program, at the discretion of Workforce West  
 10 Virginia from among individuals who are eligible for regular benefits and are identified to  
 11 Workforce West Virginia, through a worker profiling system as likely to exhaust regular benefits;

12 (B) Who is eligible for funding for participation in the program;

13 (C) For whom funding for participation in the program is available; and

14 (D) Who has not been terminated from or voluntarily left the program.

15 (4) "Regular benefits" means benefits payable to an individual under this chapter, or  
 16 unemployment compensation benefits payable to federal civilian employees and to ex-service  
 17 members pursuant to federal law, other than additional and extended benefits.

18 (5) "Self-employment assistance activities" means activities, including, but not limited to,  
19 entrepreneurial training, business counseling and technical assistance, approved by Workforce  
20 West Virginia for the program participant. These activities may be provided by either the Small  
21 Business Development Center of the West Virginia Development Office or its designated service  
22 provider.

23 (6) "Self-employment assistance allowance" means an allowance in lieu of regular benefits  
24 and funded in the same manner as regular benefits, payable to a program participant who meets  
25 the requirements of this section.

26 (b) Workforce West Virginia shall establish a self-employment assistance program in  
27 accordance with the provisions of this section, subject to the availability of all funds necessary for  
28 the program. Workforce West Virginia may implement the program on a pilot basis. Information  
29 about the program shall be made available to potential program participants.

30 (c) Subject to the provisions of subsection (d) of this section, the weekly self-employment  
31 assistance allowance payable under this section to a program participant shall be equal to the  
32 weekly benefit amount for regular benefits otherwise payable. The sum of the allowances paid  
33 under this section and regular benefits paid with respect to any benefit year shall not exceed the  
34 maximum amount payable for the benefit year under article six of this chapter.

35 (d) Eligibility.--

36 (1) General Rule. The self-employment assistance allowance described in subsection (c)  
37 of this section shall be payable to a program participant who participates in self-employment  
38 assistance activities and is actively engaged on a full-time basis in efforts to establish a business  
39 and become self-employed. The self-employment assistance allowance shall be payable at the  
40 same interval, on the same terms and subject to the same conditions as regular benefits, with the  
41 following exceptions:

42 (A) The requirements of subdivision (1), section one, article six of this chapter, and  
43 subdivision (3), section three, article six of this chapter are not applicable to such program

44 participant; and

45 (B) Such program participant shall be considered to be unemployed under article six of  
46 this chapter.

47 (2) Ineligibility. A program participant who fails to participate in self-employment  
48 assistance activities or who fails to actively engage on a full-time basis in efforts to establish a  
49 business and become self-employed shall be ineligible for self-employment assistance allowance  
50 for a week in which such failure occurs.

51 (e) A program participant may be terminated from the program by Workforce West Virginia  
52 if the individual fails to participate in self-employment assistance activities or fails to actively  
53 engage on a full-time basis in efforts to establish a business and become self-employed.  
54 Individuals who are terminated from or voluntarily leave the program may receive, if otherwise  
55 eligible, regular benefits with respect to the benefit year, provided that the sum of the regular  
56 benefits paid and self-employment assistance allowances paid with respect to the benefit year  
57 shall not exceed the maximum amount payable for the benefit year under article six of this chapter.

58 (f) For a specific time period, the number of program participants receiving a self-  
59 employment assistance allowance under this section may not exceed five percent of the number  
60 of individuals receiving regular benefits during that time period.

61 (g) Self-employment assistance allowances paid under this section shall be charged to  
62 employers as regular benefits are charged under this chapter.

63 (h) Applicability of Unemployment Compensation Laws.--

64 (1) Except where inconsistent with this section, all terms and conditions of federal law and  
65 the provisions of this chapter applicable to regular benefits shall be applicable to self-employment  
66 assistance allowances under this section.

67 (2) Article seven of this chapter shall apply to determinations under this section.

68 (i) Workforce West Virginia may propose rules for legislative approval in accordance with  
69 article three, chapter twenty-nine-a of this code to carry out the purposes of this section.

70 (j) The provisions of this section shall apply to those weeks commencing after the  
71 following, whichever is later:

72 (1) Ninety days after the enactment of this section; or

73 (2) The date of notice published in the State Register that this act and Workforce West  
74 Virginia's implementation plan have been approved by the United States Department of Labor.

75 The application of this act shall terminate as of the end of the week preceding the date that federal  
76 law no longer authorizes the provisions of this act.

NOTE: The purpose of this bill is to establish the Self-Employment Assistance Act, which would allow certain entrepreneurs to continue to receive unemployment compensation while starting a new business.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.