
SUBSTITUTE HOUSE BILL 2775

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Goldsmith, McMorris and L. Thomas)

Read first time 02/02/96.

1 AN ACT Relating to exclusions from industrial insurance coverage
2 for beneficiaries of irrevocable trusts; and reenacting and amending
3 RCW 51.12.020.

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

5 **Sec. 1.** RCW 51.12.020 and 1991 c 324 s 18 and 1991 c 246 s 4 are
6 each reenacted and amended to read as follows:

7 The following are the only employments which shall not be included
8 within the mandatory coverage of this title:

9 (1) Any person employed as a domestic servant in a private home by
10 an employer who has less than two employees regularly employed forty or
11 more hours a week in such employment.

12 (2) Any person employed to do gardening, maintenance, repair,
13 remodeling, or similar work in or about the private home of the
14 employer.

15 (3) A person whose employment is not in the course of the trade,
16 business, or profession of his or her employer and is not in or about
17 the private home of the employer.

18 (4) Any person performing services in return for aid or sustenance
19 only, received from any religious or charitable organization.

1 (5) Sole proprietors (~~(or)~~), partners, or beneficiaries of
2 irrevocable trusts. For the purposes of this subsection, the
3 beneficiary of a trust is a holder of a transferable certificate
4 evidencing beneficial interests in the trust estate.

5 (6) Any child under eighteen years of age employed by his or her
6 parent or parents in agricultural activities on the family farm.

7 (7) Jockeys while participating in or preparing horses for race
8 meets licensed by the Washington horse racing commission pursuant to
9 chapter 67.16 RCW.

10 (8)(a) Except as otherwise provided in (b) of this subsection, any
11 bona fide officer of a corporation voluntarily elected or voluntarily
12 appointed in accordance with the articles of incorporation or bylaws of
13 the corporation, who at all times during the period involved is also a
14 bona fide director, and who is also a shareholder of the corporation.
15 Only such officers who exercise substantial control in the daily
16 management of the corporation and whose primary responsibilities do not
17 include the performance of manual labor are included within this
18 subsection.

19 (b) Alternatively, a corporation that is not a "public company" as
20 defined in RCW 23B.01.400(~~(+19+)~~) (21) may exempt eight or fewer bona
21 fide officers, who are voluntarily elected or voluntarily appointed in
22 accordance with the articles of incorporation or bylaws of the
23 corporation and who exercise substantial control in the daily
24 management of the corporation, from coverage under this title without
25 regard to the officers' performance of manual labor if the exempted
26 officer is a shareholder of the corporation, or may exempt any number
27 of officers if all the exempted officers are related by blood within
28 the third degree or marriage. If a corporation that is not a "public
29 company" elects to be covered under subsection (8)(a) of this section,
30 the corporation's election must be made on a form prescribed by the
31 department and under such reasonable rules as the department may adopt.

32 (c) Determinations respecting the status of persons performing
33 services for a corporation shall be made, in part, by reference to
34 Title 23B RCW and to compliance by the corporation with its own
35 articles of incorporation and bylaws. For the purpose of determining
36 coverage under this title, substance shall control over form, and
37 mandatory coverage under this title shall extend to all workers of this
38 state, regardless of honorary titles conferred upon those actually
39 serving as workers.

1 (d) A corporation may elect to cover officers who are exempted by
2 this subsection in the manner provided by RCW 51.12.110.

3 (9) Services rendered by a musician or entertainer under a contract
4 with a purchaser of the services, for a specific engagement or
5 engagements when such musician or entertainer performs no other duties
6 for the purchaser and is not regularly and continuously employed by the
7 purchaser. A purchaser does not include the leader of a group or
8 recognized entity who employs other than on a casual basis musicians or
9 entertainers.

10 (10) Services performed by a newspaper carrier selling or
11 distributing newspapers on the street or from house to house.

12 (11) Services performed by an insurance agent, insurance broker, or
13 insurance solicitor, as defined in RCW 48.17.010, 48.17.020, and
14 48.17.030, respectively.

15 (12) Services performed by a booth renter as defined in RCW
16 18.16.020. However, a person exempted under this subsection may elect
17 coverage under RCW 51.32.030.

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