

SENATE BILL REPORT

HB 1354

AS OF APRIL 3, 1991

Brief Description: Changing notice and withhold requirements when industrial insurance taxes are in arrears.

SPONSORS: Representatives Franklin, Jones and Cole; by request of Department of Labor & Industries.

HOUSE COMMITTEE ON COMMERCE & LABOR

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Dave Cheal (786-7576)

Hearing Dates: April 4, 1991

BACKGROUND:

A person who purchases a business may be liable for industrial insurance premiums that the business owed to the Department of Labor and Industries prior to the sale. However, the successor owner will not be liable for the back premiums if the successor owner notifies the department of the purchase of the business and the department does not issue a notice of assessment against the business within 60 days. Because employers pay premiums on a quarterly basis, a default on premium payments by the predecessor employer may not be known within the 60-day notice period.

To collect outstanding industrial insurance premiums, the department may issue a notice to any person, business, or government agency, to withhold and deliver property that belongs to the business owing the premiums. The notice must be served by the county sheriff's department or by the director's authorized representative.

SUMMARY:

If a successor owner acquires a business owing industrial insurance premiums, the Department of Labor and Industries must issue any outstanding premium assessment against the business within 180 days, rather than 60 days, from the receipt of notice from the successor owner.

In addition to personal service, certified mail with an affidavit of service may be used to serve notices to withhold and deliver a business's property for industrial insurance premium collection purposes.

Appropriation: none

Revenue: none

Fiscal Note: none requested