

**SB 6359 - DIGEST**

(SUBSTITUTED FOR - SEE 1ST SUB)

Provides that, if it is found that a purpose of the transfer or acquisition of a business was to obtain a reduced array calculation factor rate, then the following applies: (1) If the successor was an employer at the time of the transfer, then the experience rating accounts of the employers involved shall be combined into a single account and the employers assigned the higher of the predecessor or successor array calculation factor rate.

(2) If the successor was not an employer at the time of the transfer, then the experience rating account of the acquired business must not be transferred and, instead, the new employer rate shall be assigned.

Provides that, if the person knowingly evading the successorship provisions, or knowingly attempting to evade these provisions, or knowingly promoting the evasion of these provisions, is not an employer, the person is subject to a civil penalty assessment of five thousand dollars per occurrence. In addition, the person is subject to the penalties prescribed in RCW 50.36.020 as if the person were an employer. The person must also pay for the employment security department's reasonable expenses of auditing his or her books and collecting the civil penalty assessment.