

SENATE BILL REPORT

SHB 3255

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 28, 2008

Title: An act relating to workers' compensation coverage for work performed outside the state of Washington.

Brief Description: Regarding workers' compensation coverage for work performed outside Washington.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Conway and Ormsby; by request of Department of Labor & Industries).

Brief History: Passed House: 2/14/08, 93-0.

Committee Activity: Labor, Commerce, Research & Development: 2/28/08 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, King, Murray and Prentice.

Staff: Mac Nicholson (786-7445)

Background: Generally, employees of Washington employers injured while working in another state are entitled to workers' compensation if the injured worker would have been entitled to compensation had the injury occurred in the state. However, in some cases, the other state may require Washington employers to pay workers' compensation premiums for the work done in the other state. The result is that employers may be insuring the same work in two states.

The Department of Labor and Industries (L&I) has the authority to negotiate industrial insurance reciprocal agreements with other states. If another state requires Washington employers to secure the payment of compensation under its laws, then employers domiciled in that state must purchase compensation under Washington's industrial insurance law covering their workers working in Washington.

Summary of Bill: Washington employers who are not self-insured must obtain workers' compensation coverage from the state fund for temporary and incidental work performed by their employees on jobs in another state. Temporary and incidental means work performed in another state for 30 days or less, per calendar year.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

By December 2011 L&I must report to the Workers' Compensation Advisory Committee on the effect of the legislation and rules adopted pursuant to the legislation on the revenue and costs to the state fund.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony Substitute Bill: PRO: This legislation is the result of a collaborative process to deal with the challenges of workers' compensation coverage for contractors who do some work out of the state. There is a lack of clarity regarding coverage, and sometimes contractors are required to provide coverage in multiple states for the same work.

Persons Testifying: PRO: Representative Wood, prime sponsor; Mike Ratko, L&I; Rick Slunaker, Associated General Contractors of WA.