

SENATE BILL REPORT

SSB 5702

As Amended by House, April 4, 2007

Title: An act relating to notice to certain employees of a claim of exemption from paying unemployment insurance taxes.

Brief Description: Requiring notice to certain employees of a claim of exemption from paying unemployment insurance taxes.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Benton, Keiser, Swecker, Kohl-Welles and Roach).

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/05/07, 2/27/07 [DPS].
Passed Senate: 3/13/07, 46-0.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5702 be substituted therefor, and the substitute bill do pass.

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

Staff: Jennifer Strus (786-7316)

Background: A church, or convention or association of churches, or an organization that is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church, convention, or association is exempt from paying unemployment insurance taxes. As a result, the employees of these organizations generally will not be eligible for unemployment compensation.

Summary of Substitute Bill: A church, convention, association of churches, or an organization that is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church, convention, or association must post a notice in a conspicuous place stating that the employer is exempt from paying unemployment insurance taxes. An exempt employer must inform an employee at the time of hiring that the employer is exempt from paying unemployment taxes.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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.

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

Staff Summary of Public on Testimony on Original Bill: OTHER: Although the fiscal note is not yet complete, the Employment Security Department (ESD) estimates the costs will be high because ESD does not currently track this information and to implement the bill would require ESD to develop a tracking system. Churches and religious groups are not required to report anything to ESD so the agency is not certain how many organizations would be affected by this bill. ESD suggested that perhaps the standard employee notice of unemployment insurance rights that every employer must post be amended to include some additional information about churches and religious organizations being exempt from unemployment insurance taxes and what that means to an employee.

OTHER: Candria Rauser, Annette Copeland, ESD.

House Amendment(s): The text of the bill was rearranged and placed in one section rather than two. No substantive changes were made.