

SENATE BILL REPORT

SB 5915

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 27, 2007

Title: An act relating to unemployment and industrial insurance notices required to be posted by employers.

Brief Description: Providing unemployment and industrial insurance notices to employers.

Sponsors: Senators Honeyford, Clements, Kohl-Welles and Roach.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/26/07, 2/27/07 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5915 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, Murray and Prentice.

Staff: Sherry McNamara (786-7402)

Background: In 1997, the Legislature created the Business License Center, within the Department of Licensing, to provide a single location where businesses may apply for a master license.

Currently, an employer may file for a master application in person, or on-line. The employer is required to check a box on the form if he or she will be hiring employees. Checking this box triggers a notice to the Departments of Labor and Industries (L&I) and Employment Security (ESD) to open an account for the employer, as well as send a packet of information on unemployment insurance tax and industrial insurance tax.

Summary of Bill: When an employer registers to pay unemployment taxes, ESD is required to send to the employer any printed material the department requires the employer to post.

Also, when an employer registers to pay industrial insurance taxes, L&I is required to send to the employer any printed material the department requires the employer to post.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development): Language is added requiring the Departments of Labor and Industries and Employment Security to send a copy to each employer any time the printed material has substantive changes in the information.

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.

Appropriation: None.

Fiscal Note: Requested on February 23, 2007.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: A business may be assessed a penalty if they do not post the required information for L&I. There are companies making money by offering to send all the required printed posters for a fee to employers. The forms are free and should be provided to all employers by the state. When an update or a change occurs in the printed materials, all employers should receive a copy.

OTHER: The current system of sending out the notices is okay; however, if there is a change in the notice, it needs to be sent out.

Persons Testifying: PRO: Senator Honeyford, prime sponsor; Gary Smith, Independent Business Association.

OTHER: Owen Linch, Teamsters; Vickie Kennedy, L&I; Jill Will, ESD.