
Commerce & Labor Committee

HB 1351

Brief Description: Making all owners of drywall installation and finishing businesses subject to mandatory industrial insurance coverage.

Sponsors: Representatives Wallace, Moeller, Wood, Ormsby and Kenney.

Brief Summary of Bill

- Makes owners of drywall installation and finishing businesses subject to mandatory industrial insurance coverage.

Hearing Date: 2/10/09

Staff: Joan Elgee (786-7106)

Background:

For purposes of industrial insurance, employers must either insure workers with the state fund or qualify as a self-insurer. Sole proprietors and partners, some corporate officers, and certain members of a limited liability company are excluded from mandatory coverage but may elect coverage.

For non-public corporations, the exclusion applies to up to eight bona fide officers who are also shareholders and who exercise substantial control in the daily management of the corporation. If all of the officers are related by blood or marriage within the third degree, there is no limit on the number of officers. For a public corporation, the officer must exercise substantial control in the daily management of the corporation, the officer's primary responsibilities may not include manual labor, and the officer must also be a director and shareholder. For limited liability companies, all members are excluded if the management of the company is vested in its members. If management is vested in managers, then up to eight manager members are excluded, unless all managers are related by blood or marriage within the third degree.

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.

Unlike industrial insurance premiums in most industries, which are based on hours worked, premiums in the the drywall industry are based on the square footage of material purchased.

The Department of Labor and Industries has established a Drywall Advisory Committee.

Summary of Bill:

All owners of businesses engaged in the installation or finishing of drywall are within the mandatory coverage of industrial insurance. Sole proprietors, corporate officers, and limited liability company members of drywall businesses are considered covered employment.

A drywall oversight committee is created in statute to advise the Department of Labor and Industries (Department) on the development of rules to implement the provisions and otherwise advise the Department on issues affecting the drywall industry.

Rules Authority: The bill does not directly address rule-making; however, the bill creates an oversight committee to assist in the development of rules.

Appropriation: None.

Fiscal Note: Requested on 1/19/09.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.