

HOUSE BILL REPORT

HB 1659

As Reported by House Committee On: Labor & Workforce Development

Title: An act relating to the employment status of independent contractors in the news business.

Brief Description: Clarifying the employment status of independent contractors in the news business.

Sponsors: Representatives Sells, Manweller, Green, Condotta, Moeller and Ryu.

Brief History:

Committee Activity:

Labor & Workforce Development: 2/13/13, 2/14/13 [DP].

Brief Summary of Bill

- Modifies exclusions from unemployment insurance, industrial insurance, and the Minimum Wage Act for certain newspaper services to exclude vendors, carriers, delivery persons, and stringers.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller and Short.

Minority Report: Do not pass. Signed by 1 member: Representative Ormsby.

Staff: Joan Elgee (786-7106).

Background:

Most types of employment in the state are covered for purposes of unemployment insurance. Workers may receive benefits and unemployment contributions (taxes) are owed. Similarly, workers' compensation benefits may be paid and employers are responsible for paying premiums (or self-insuring, if qualified) for most employment. For both unemployment insurance and industrial insurance purposes, newspaper delivery persons selling or

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distributing newspapers on the street or from house to house are excluded from mandatory coverage.

The Minimum Wage Act establishes standards for employee minimum wage, overtime compensation, and recordkeeping. Newspaper vendors and carriers are excluded from the Minimum Wage Act.

Summary of Bill:

The exclusions from unemployment insurance, industrial insurance, and the Minimum Wage Act for certain newspaper services are modified. Newspaper vendors, carriers, or delivery persons selling or distributing newspapers on the street, to offices, to businesses, or from house to house are excluded from unemployment and industrial insurance and the Minimum Wage Act. Also excluded from coverage is any freelance news correspondent or "stringer" who, using his or her own equipment, submits material for free or for a fee when the material is published.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill harmonizes the exclusions in the different laws and will provide clarity about how to handle long-standing practices in the newspaper business. The exclusions are not the same; the Minimum Wage Act exclusion is the broadest. Businesses have been audited because they were delivering to an office rather than on the street or to a house. The bill also adds freelance correspondents or "stringers." The news business is changing and people do not want to expose themselves to audits. No negative comments have been received from various labor organizations.

(Opposed) None.

Persons Testifying: Representative Sells, prime sponsor; Rowland Thompson, Allied Daily Newspapers; and Bill Will, Washington Newspaper Publishers Association.

Persons Signed In To Testify But Not Testifying: None.