
Labor & Workforce Development Committee

HB 2360

Brief Description: Revising payment requirements for court review of industrial insurance taxes, penalties, or interest.

Sponsors: Representatives Kochmar, Freeman, MacEwen, Parker, Dahlquist and Fagan.

Brief Summary of Bill

- Provides that an employer appealing a Board of Industrial Insurance Appeal's decision to court regarding taxes, penalties, or interest is not required to pay the amounts in full in specified circumstances.

Hearing Date: 1/31/14

Staff: Joan Elgee (786-7106).

Background:

Under the state's industrial insurance laws, employers must insure through the State Fund administered by the Department of Labor and Industries (Department) or self-insure, if qualified. Employers insuring through the State Fund are responsible for submitting payroll information and premiums to the Department each quarter. Employers must also keep a record of employment from which information needed by the Department may be obtained.

If an employer defaults in paying premiums, the Department may issue a notice of assessment. Delinquent premiums bear interest at the rate of 1 percent per month. An employer who fails to keep required records or make required reports is subject to a penalty not to exceed \$250 or 200 percent of the quarterly premium, whichever is greater. An assessment becomes final within 30 days unless the employer files a request for reconsideration with the Department or an appeal is filed with the Board of Industrial Insurance Appeals (Board). The Department has an opportunity to change the assessment and the employer may appeal any subsequent assessment.

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.

Hearings before the Board are conducted by an industrial appeals judge, who enters a proposed decision and order. Within 20 days of the proposed decision and order, a party may file a petition for review with the Board. The full Board may deny the petition or grant and consider the petition, in which case the Board issues a decision and order. Within 30 days of a denial of a petition or a final decision and order, the employer may appeal to Superior Court.

Before a court action may be instituted, all taxes, penalties, and interest must be paid in full unless the court determines that there would be an undue hardship to the employer. If the employer prevails in court, the employer is entitled to interest on all taxes, penalties, and interest paid but determined by the court not to be due.

Summary of Bill:

The requirement that an employer pay all industrial insurance taxes, penalties, and interest to appeal the Board's order to court does not apply if the Board reversed the proposed decision and order of the industrial appeals judge assessing taxes, penalties for failure to keep records and make reports, and any interest.

Appropriation: None.

Fiscal Note: Available.

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