

HOUSE BILL REPORT

SB 5476

As Passed House:
April 17, 2013

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: Senators Hewitt, Keiser, Conway and Holmquist Newbry.

Brief History:

Committee Activity:

Labor & Workforce Development: 4/2/13 [DP].

Floor Activity:

Passed House: 4/17/13, 97-0.

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 9 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller, Ormsby and Short.

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 clears up an issue that came up in a Department of Labor and Industries audit and clarifies that the exemption includes delivery to a business or office. There is no attempt to change the law. The three laws would be harmonized. Stringers would also be excluded. Using stringers, such as to cover high school sports in rural areas, is standard practice in the news business. State agencies need education about the news business. The rules such as supervision and providing workspace would still apply.

(Opposed) None.

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

Persons Signed In To Testify But Not Testifying: None.