S-4152.1    _____

## SUBSTITUTE SENATE BILL 6149
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**State of Washington**      **63rd Legislature**      **2014 Regular Session**

**By** Senate Commerce & Labor (originally sponsored by Senators Angel, Rolfes, and Sheldon)

READ FIRST TIME 02/06/14.

1      AN ACT Relating to contractor liability for industrial insurance
2  premiums for not-for-profit nonemergency medicaid transportation
3  brokers; and amending RCW 51.12.070.

4  BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5      **Sec. 1.**  RCW 51.12.070 and 2004 c 243 s 2 are each amended to read
6  as follows:
7      The provisions of this title apply to all work done by contract;
8  the person, firm, or corporation who lets a contract for such work is
9  responsible primarily and directly for all premiums upon the work,
10 except as provided in subsection (2) of this section.  The contractor
11 and any subcontractor are subject to the provisions of this title and
12 the person, firm, or corporation letting the contract is entitled to
13 collect from the contractor the full amount payable in premiums and the
14 contractor in turn is entitled to collect from the subcontractor his or
15 her proportionate amount of the payment.
16     (1) For the purposes of this section, a contractor registered under
17 chapter 18.27 RCW or licensed under chapter 19.28 RCW is not
18 responsible for any premiums upon the work of any subcontractor if:

1    (((1))) (a) The subcontractor is currently engaging in a business
2    which is registered under chapter 18.27 RCW or licensed under chapter
3    19.28 RCW;
4    (((2))) (b) The subcontractor has a principal place of business
5    which would be eligible for a business deduction for internal revenue
6    service tax purposes other than that furnished by the contractor for
7    which the business has contracted to furnish services;
8    (((3))) (c) The subcontractor maintains a separate set of books or
9    records that reflect all items of income and expenses of the business;
10   (((4))) (d) The subcontractor has contracted to perform:
11   (((a))) (i) The work of a contractor as defined in RCW 18.27.010;
12   or
13   (((b))) (ii) The work of installing wires or equipment to convey
14   electric current or installing apparatus to be operated by such current
15   as it pertains to the electrical industry as described in chapter 19.28
16   RCW; and
17   (((5))) (e) The subcontractor has an industrial insurance account
18   in good standing with the department or is a self-insurer.  For the
19   purposes of this subsection (1)(e), a contractor may consider a
20   subcontractor's account to be in good standing if, within a year prior
21   to letting the contract or master service agreement, and at least once
22   a year thereafter, the contractor has verified with the department that
23   the account is in good standing and the contractor has not received
24   written notice from the department that the subcontractor's account
25   status has changed.  Acceptable documentation of verification includes
26   a department document which includes an issued date or a dated printout
27   of information from the department's internet web site showing a
28   subcontractor's good standing.   The department shall develop an
29   approach to provide contractors with verification of the date of
30   inquiries validating that the subcontractor's account is in good
31   standing.
32   It is unlawful for any county, city, or town to issue a
33   construction building permit to any person who has not submitted to the
34   department an estimate of payroll and paid premium thereon as provided
35   by chapter 51.16 RCW of this title or proof of qualification as a self-
36   insurer.
37   (2) Nonemergency transportation brokers that operate as not-for-

1  profit businesses are not liable for subcontractor premiums, provided
2  that the provisions of subsection (1)(c) and (e) of this section are
3  met throughout the term of contract.
4      (3) For the purposes of this section, "nonemergency transportation
5  brokers" are those organizations or entities that contract with the
6  state health care authority, or its successor, to arrange nonemergency
7  transportation for qualified clients.

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