

# SENATE BILL REPORT

## SB 6133

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As of June 16, 2015

**Title:** An act relating to defining employee for sheltered workshops and certain nonprofit organizations.

**Brief Description:** Defining employee for sheltered workshops and certain nonprofit organizations.

**Sponsors:** Senators Hargrove, Hill, Schoesler and Rolfes.

**Brief History:**

**Committee Activity:** Ways & Means:

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Mark Eliason (786-7454)

**Background:** The Minimum Wage Act establishes minimum wage requirements for employees in Washington State in the Revised Code of Washington (RCW). Generally, an employer is any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee. Employers must follow the laws that are more protective to the worker when there is a difference between the applicability of state and federal laws. The protections of the Minimum Wage Act apply to all employees. An "employee" is defined as "any individual employed by an employer" except those employees specifically excluded by the Legislature in the RCW. Minimum wage is not required for employees who are excluded from the Minimum Wage Act.

Litigation is currently pending against a non-profit organization that provides community-based job training and employment opportunities to adults with developmental and intellectual disabilities. The non-profit organization has received a federal certificate authorizing them to pay program participants sub-minimum wage. The lawsuit alleges that even though this organization has obtained a federal certificate, exempting it from federal minimum wage requirements, it has still violated the requirements of the state's "Minimum Wage Act" since the organization has not obtained a state certificate exempting it from paying program participants minimum wage.

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*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.*

**Summary of Bill:** The definition of employee is amended to “not” include individuals whose earning capacity is impaired by physical or mental disabilities engaged in activities with a sheltered workshop or non-profit organization that has been issued a special certificate under the federal labor standards act. The act applies both prospectively and retroactively.

**Appropriation:** None.

**Fiscal Note:** Requested on June 15, 2015.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect on July 24, 2015.