
**Labor & Workforce Development
Committee**

HB 1636

Brief Description: Concerning services performed by amateur sports officials.

Sponsors: Representatives Upthegrove, Nealey, Ormsby, Green, Fitzgibbon, Lias, Orcutt, Maxwell, Sullivan, Pedersen, Anderson, Van De Wege, McCune, Orwall, Ross, Goodman, Sells, Bailey, Stanford, Pearson, Roberts, Kristiansen, Warnick, Cody, Moscoso and Billig.

Brief Summary of Bill

- Excludes certain services performed by amateur sports officials from employment for purposes of unemployment compensation and industrial insurance.

Hearing Date: 2/2/11

Staff: Jill Reinmuth (786-7134).

Background:

Persons are eligible to receive certain employment-related benefits, and employers are obligated to pay certain employment-related taxes depending on: (1) whether their services are deemed to be employment covered by the Employment Security Act and/or the Industrial Insurance Act; and (2) if so, whether an exception test for independent contractors or an exclusion for certain services or persons applies.

Unemployment Compensation.

Benefits are payable to unemployed workers who worked at least 680 hours in covered employment in their base years and meet other eligibility requirements. Contributions (taxes) are paid by employers based, in part, on wages paid in covered employment.

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.

Although most employment is covered, there are exclusions for certain individuals and services. Examples of such exclusions include real estate agents, insurance agents, cosmetologists, and door-to-door salespersons.

Personal services performed for a third party pursuant to a contract with a services referral agency are deemed to be employment for the services referral agency when the agency is responsible for the payment of wages for those services. A "services referral agency" is a business that offers the services of an individual to perform specific tasks for a third party.

Industrial Insurance.

Benefits are paid to workers who are injured or develop an occupational disease while working in covered employment. Insurance is maintained either through the state fund, which is administered by the Department of Labor and Industries, or through self-insurance. Both state fund and self-insured employers are immune from civil liability for nonintentional workplace injuries and diseases.

Although most employers and workers are covered, there are exclusions from mandatory coverage. Examples of such exclusions include: jockeys while participating in or preparing horses for certain race meets; and services rendered by musicians or entertainers for specific engagements.

Summary of Bill:

Certain services performed by certain amateur sports officials, on a contest-by-contest basis, for interscholastic and recreational sports contests are not considered employment for purposes of unemployment compensation and are excluded from mandatory coverage for purposes of industrial insurance.

Unemployment Compensation.

If a services referral agency is not responsible for payment to an amateur sports official unless and until the agency is paid or reimbursed by a third party, then services performed by the official are not considered employment for the agency. "Amateur sports official" is defined as a person who serves as a neutral participant in any sports contest where the players are not compensated. Examples of such officials include umpires and referees.

Industrial Insurance.

Services performed by an amateur sports official are excluded from the mandatory coverage requirement. "Amateur sports official" is defined in nearly the same manner as for unemployment compensation. There is additional language specifying that the amateur sports official is not otherwise employed by the sponsor of the sports contest.

Appropriation: None.

Fiscal Note: Requested on 01/28/2011.

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