S-4236.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SENATE BILL 6561**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 65th Legislature 2018 Regular Session**

**By** Senator Rivers

AN ACT Relating to limiting the underground economy in salon and spa industries; and amending RCW 82.04.360 and 18.16.030.

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

**Sec.**  RCW 82.04.360 and 2010 1st sp.s. c 23 s 702 are each amended to read as follows:

(1) This chapter does not apply to any person in respect to his or her employment in the capacity of an employee or servant as distinguished from that of an independent contractor. For the purposes of this section, the definition of employee includes those persons that are defined in section 3121(d)(3)(B) of the federal internal revenue code of 1986, as amended through January 1, 1991.

(2) Until July 1, 2010, this chapter does not apply to amounts received by an individual from a corporation as compensation for serving as a member of that corporation's board of directors. Beginning on July 1, 2010, such amounts are taxable under RCW 82.04.290(2).

(3)(a) A booth renter is an independent contractor for purposes of this chapter. For purposes of this section, "booth renter" means any person who:

((~~(a)~~)) (i) Performs ((~~cosmetology, barbering, esthetics, or manicuring~~)) any services for which a license is required under chapter 18.16 RCW; and

((~~(b)~~)) (ii) Pays a fee for the use of salon or shop facilities and receives no compensation or other consideration from the owner of the salon or shop for the services performed.

(b) To maintain status as an independent contractor, a booth renter must maintain a separate set of financial books or records that reflect all income and expenses of the business that the booth renter operates. The financial books or records, or a copy of such books or records, must be maintained at the salon or shop facilities in which the booth renter works and be available for audit or inspection.

**Sec.**  RCW 18.16.030 and 2015 c 62 s 2 are each amended to read as follows:

In addition to any other duties imposed by law, including RCW 18.235.030 and 18.235.040, the director ((~~shall have~~)) has the following powers and duties:

(1) To set all license, examination, and renewal fees in accordance with RCW 43.24.086;

(2) To adopt rules necessary to implement this chapter;

(3) To prepare and administer or approve the preparation and administration of licensing examinations;

(4) To establish minimum safety and sanitation standards for schools, instructors, cosmetologists, barbers, hair designers, manicurists, estheticians, master estheticians, salons/shops, personal services, and mobile units;

(5) To establish curricula for the training of students and apprentices under this chapter;

(6) To maintain the official department record of applicants and licensees;

(7) To establish by rule the procedures for an appeal of an examination failure;

(8) To set license expiration dates and renewal periods for all licenses consistent with this chapter;

(9) To ensure that all informational notices produced and mailed by the department regarding statutory and regulatory changes affecting any particular class of licensees are mailed to each licensee in good standing or on inactive status in the affected class whose mailing address on record with the department has not resulted in mail being returned as undeliverable for any reason; ((~~and~~))

(10) To enforce RCW 82.04.360(3)(b) by ensuring that any booth renter maintains a separate set of financial records at the salon or shop facility in which the booth renter works; and

(11) To make information, including any violations of RCW 82.04.360(3)(b), available to the department of revenue to assist in collecting taxes from persons required to be licensed under this chapter.

**--- END ---**