

SENATE BILL REPORT

SHB 2058

As Reported By Senate Committee On:
Labor, Commerce & Trade, March 31, 1995

Title: An act relating to independent contractors or outside agents who sell or arrange for travel services.

Brief Description: Defining employment.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representative Robertson).

Brief History:

Committee Activity: Labor, Commerce & Trade: 3/30/95, 3/31/95 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Fraser, Hale, Newhouse, Palmer and Wojahn.

Staff: Patrick Woods (786-7430)

Background: For purposes of coverage under unemployment insurance, employment is defined as personal services performed for wages or under contract providing for the performance of personal services. Those services performed by individuals for payment that meet the appropriate criteria may not be considered employment for purposes of unemployment insurance coverage.

An individual must show the following to qualify as an independent contractor and not an employee: (1) That he or she is free from control or direction over the performance of the services, (2) that the service performed is outside the normal course of the business for which the service is performed or that the service is not performed on the premises of the business for which the service is performed, and (3) that the individual is independently engaged in a similar occupation or business to that for which the service is performed. In 1991, additional criteria were established that would allow services performed to be excluded from an employment relationship.

Services performed for payment may not be considered employment if they are exempt by statute. Examples include services performed by musicians or entertainers, insurance agents and brokers, real estate agents and brokers, barbers and cosmetologists.

Summary of Bill: For purposes of unemployment insurance coverage, employment does not include services performed by an outside agent who sells or arranges for travel services that are provided to a travel agent if the outside agent is paid by commission.

Appropriation: None.

Fiscal Note: Requested on February 23, 1995.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill is needed to clarify the employer/employee relationship between an outside agent who sells or arranges travel and the travel agent.

Testimony Against: None.

Testified: Joe Daniels, WA State Coalition of Travel (pro).