

# SENATE BILL REPORT

## SB 6225

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As Passed Senate, February 2, 1996

**Title:** An act relating to employer assessments.

**Brief Description:** Regulating employer assessments.

**Sponsors:** Senators Pelz, Deccio and Newhouse; by request of Department of Labor & Industries.

**Brief History:**

**Committee Activity:** Labor, Commerce & Trade: 1/11/96, 1/15/96 [DP].  
Passed Senate, 2/2/96, 48-0.

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### SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

**Majority Report:** Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Franklin, Fraser, Hale and McDonald.

**Staff:** Jack Brummel (786-7428)

**Background:** The Department of Labor and Industries is authorized to estimate and collect industrial insurance premiums whenever an employer fails or refuses to pay them. In some instances, the collection of the estimated premiums is inequitable because the assessment may be incorrect due to mistake, excusable neglect, or newly discovered facts. Current law does not allow the department to compromise an assessment that has become final.

A provision of the state's workers' compensation law calls for penalties against an employer or a worker for removal of required safeguards. The provision was enacted in 1911 but the department has no record of a request for enforcement under it. State and federal safety laws currently provide a more comprehensive and defined approach for the provision of worker safety.

**Summary of Bill:** The director may compromise the amount of premiums estimated by the department if collection of the full amount would be against equity and good conscience.

The statute imposing penalties against an employer or a worker for removal of required safeguards is repealed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Final orders are estimates and may not reflect the proper cost so when there is extraordinary circumstances the department wants to be able to negotiate on the payment. The safeguards measure is contrary to the notion of no-fault and has never been used.

**Testimony Against:** None.

**Testified:** Mark Brown, L&I (pro); Clif Finch, AWS (pro); Robert Stern, WA Labor Council (pro).