
SUBSTITUTE HOUSE BILL 1178

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives McMorris, Lisk, Mulliken, Chandler, L. Thomas, Thompson, Boldt, Mastin, Goldsmith, Stevens, Schoesler, Honeyford, Johnson, Koster, Mielke and Sheahan)

Read first time 02/10/95.

1 AN ACT Relating to exemptions from industrial insurance coverage
2 for persons under age twenty-one employed on the family farm; and
3 reenacting and amending RCW 51.12.020.

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

5 **Sec. 1.** RCW 51.12.020 and 1991 c 324 s 18 and 1991 c 246 s 4 are
6 each reenacted and amended to read as follows:

7 (1) The following are the only employments which shall not be
8 included within the mandatory coverage of this title:

9 ~~((1))~~ (a) Any person employed as a domestic servant in a private
10 home by an employer who has less than two employees regularly employed
11 forty or more hours a week in such employment.

12 ~~((2))~~ (b) Any person employed to do gardening, maintenance,
13 repair, remodeling, or similar work in or about the private home of the
14 employer.

15 ~~((3))~~ (c) A person whose employment is not in the course of the
16 trade, business, or profession of his or her employer and is not in or
17 about the private home of the employer.

1 (~~(4)~~) (d) Any person performing services in return for aid or
2 sustenance only, received from any religious or charitable
3 organization.

4 (~~(5)~~) (e) Sole proprietors or partners.

5 (~~(6)~~) ~~Any child under eighteen years of age employed by his or her~~
6 ~~parent or parents in agricultural activities on the family farm.~~

7 (~~7~~) (f) Jockeys while participating in or preparing horses for
8 race meets licensed by the Washington horse racing commission pursuant
9 to chapter 67.16 RCW.

10 (~~(8)(a)~~) (g)(i) Except as otherwise provided in (~~(b)~~) (g)(ii)
11 of this subsection, any bona fide officer of a corporation voluntarily
12 elected or voluntarily appointed in accordance with the articles of
13 incorporation or bylaws of the corporation, who at all times during the
14 period involved is also a bona fide director, and who is also a
15 shareholder of the corporation. Only such officers who exercise
16 substantial control in the daily management of the corporation and
17 whose primary responsibilities do not include the performance of manual
18 labor are included within this subsection.

19 (~~(b)~~) (ii) Alternatively, a corporation that is not a "public
20 company" as defined in RCW 23B.01.400(~~(19)~~)(21) may exempt eight or
21 fewer bona fide officers, who are voluntarily elected or voluntarily
22 appointed in accordance with the articles of incorporation or bylaws of
23 the corporation and who exercise substantial control in the daily
24 management of the corporation, from coverage under this title without
25 regard to the officers' performance of manual labor if the exempted
26 officer is a shareholder of the corporation, or may exempt any number
27 of officers if all the exempted officers are related by blood within
28 the third degree or marriage. If a corporation that is not a "public
29 company" elects to be covered under (g)(i) of this subsection (~~(8)(a)~~
30 ~~of this section~~), the corporation's election must be made on a form
31 prescribed by the department and under such reasonable rules as the
32 department may adopt.

33 (~~(e)~~) (iii) Determinations respecting the status of persons
34 performing services for a corporation shall be made, in part, by
35 reference to Title 23B RCW and to compliance by the corporation with
36 its own articles of incorporation and bylaws. For the purpose of
37 determining coverage under this title, substance shall control over
38 form, and mandatory coverage under this title shall extend to all

1 workers of this state, regardless of honorary titles conferred upon
2 those actually serving as workers.

3 ~~((d))~~ (iv) A corporation may elect to cover officers who are
4 exempted by this subsection in the manner provided by RCW 51.12.110.

5 ~~((9))~~ (h) Services rendered by a musician or entertainer under a
6 contract with a purchaser of the services, for a specific engagement or
7 engagements when such musician or entertainer performs no other duties
8 for the purchaser and is not regularly and continuously employed by the
9 purchaser. A purchaser does not include the leader of a group or
10 recognized entity who employs other than on a casual basis musicians or
11 entertainers.

12 ~~((10))~~ (i) Services performed by a newspaper carrier selling or
13 distributing newspapers on the street or from house to house.

14 ~~((11))~~ (j) Services performed by an insurance agent, insurance
15 broker, or insurance solicitor, as defined in RCW 48.17.010, 48.17.020,
16 and 48.17.030, respectively.

17 ~~((12))~~ (k) Services performed by a booth renter as defined in RCW
18 18.16.020. However, a person exempted under this subsection may elect
19 coverage under RCW 51.32.030.

20 (2) The parent or parents of a person under twenty-one years of age
21 may elect to exclude from mandatory coverage under this title their
22 employment of that person in agricultural activities on their family
23 farm if:

24 (a) The person resides with his or her parent or parents or resides
25 on their family farm; and

26 (b) The parent or parents file a written notice with the department
27 electing exclusion from coverage.

28 A parent or parents who have elected to exclude a person under this
29 subsection may subsequently obtain coverage for that person under RCW
30 51.12.110.

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