

---

SENATE BILL 6734

---

State of Washington

55th Legislature

1998 Regular Session

By Senator Schow

Read first time 01/30/98. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to employee leasing; adding a new section to  
2 chapter 51.16 RCW; and adding a new section to chapter 51.08 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 51.16 RCW  
5 to read as follows:

6 (1) An employee leasing company shall be considered the sole  
7 employer under this title of the employees it leases to another  
8 business customer if the employee leasing company:

9 (a) Retains the sole and exclusive right to:

10 (i) Hire, terminate, and transfer leased employees;

11 (ii) Pay leased employees from the employee leasing company's own  
12 payroll; and

13 (iii) Direct, control, and evaluate the manner and means of the  
14 performance of services by leased employees, allowing the customer to  
15 be responsible only for the direction of the operational duties of the  
16 leased employees; and

17 (b) Is responsible for:

1 (i) Paying the leased employees, throughout the duration of their  
2 employment, regardless of receiving reimbursed payroll or other fees  
3 from the customer;

4 (ii) Paying all payroll and related taxes and benefit costs from  
5 its own account and under its own name; and

6 (iii) Securing coverage under this title with respect to the leased  
7 employees under its own account and its own name; and

8 (c) Receives fees or other compensation from the customer on a  
9 total-fee basis, rather than on a direct cost pass-through basis.

10 (2) An employee leasing company that is considered a sole employer  
11 under this section is an "employer" for immunity from liability as  
12 provided in this title.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 51.08 RCW  
14 to read as follows:

15 "Employee leasing company" means a business that provides workers  
16 to another business, under a written agreement, for job positions that  
17 are not short-term, temporary, or for a defined period of time.

--- END ---