

FINAL BILL REPORT

ESSB 6007

C 11 L 01 E1
Synopsis as Enacted

Brief Description: Extending unemployment insurance coverage to employees of Indian tribes.

Sponsors: Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Prentice, Winsley, Gardner, Franklin, Fairley, Kline and Costa; by request of Employment Security Department).

Senate Committee on Labor, Commerce & Financial Institutions

Background: Congress has extended mandatory unemployment insurance coverage to tribal employees effective December 21, 2000. Currently, under Washington State law, individual tribes may elect coverage for workers who perform services for tribally-owned businesses. Twenty-seven tribes are already registered with the Employment Security Department to cover some or all of their employees. Tribal enterprises must be taxpaying employers and reimbursement is not currently an option. Legislation is needed in order to establish the terms and conditions of tribal unemployment insurance, and to comply with federal law.

Summary: Tribal enterprises are generally treated like state and local government entities for purposes of unemployment insurance coverage (UI). For tribes within Washington State, tribal UI coverage is mandatory. Tribal employers are offered two options: payment of contributions under the same terms and conditions as all other subject employers, or a reimbursement option.

Failure by tribes to make timely required UI tax or reimbursement payments results in the loss of the option of making payments in lieu of contributions and can result in the loss of coverage for workers. Payment and coverage may be reinstated under certain conditions.

Votes on Final Passage:

Senate 45 4

First Special Session

Senate 33 8

House 93 0

Effective: June 11, 2001