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SENATE BILL 6561

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State of Washington

65th Legislature

2018 Regular Session

By Senator Rivers

1 AN ACT Relating to limiting the underground economy in salon and  
2 spa industries; and amending RCW 82.04.360 and 18.16.030.

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

4 **Sec. 1.** RCW 82.04.360 and 2010 1st sp.s. c 23 s 702 are each  
5 amended to read as follows:

6 (1) This chapter does not apply to any person in respect to his  
7 or her employment in the capacity of an employee or servant as  
8 distinguished from that of an independent contractor. For the  
9 purposes of this section, the definition of employee includes those  
10 persons that are defined in section 3121(d)(3)(B) of the federal  
11 internal revenue code of 1986, as amended through January 1, 1991.

12 (2) Until July 1, 2010, this chapter does not apply to amounts  
13 received by an individual from a corporation as compensation for  
14 serving as a member of that corporation's board of directors.  
15 Beginning on July 1, 2010, such amounts are taxable under RCW  
16 82.04.290(2).

17 (3)(a) A booth renter is an independent contractor for purposes  
18 of this chapter. For purposes of this section, "booth renter" means  
19 any person who:

1       (~~(a)~~) (i) Performs (~~cosmetology, barbering, esthetics, or~~  
2 ~~manicuring~~) any services for which a license is required under  
3 chapter 18.16 RCW; and

4       (~~(b)~~) (ii) Pays a fee for the use of salon or shop facilities  
5 and receives no compensation or other consideration from the owner of  
6 the salon or shop for the services performed.

7       **(b) To maintain status as an independent contractor, a booth**  
8 **renter must maintain a separate set of financial books or records**  
9 **that reflect all income and expenses of the business that the booth**  
10 **renter operates. The financial books or records, or a copy of such**  
11 **books or records, must be maintained at the salon or shop facilities**  
12 **in which the booth renter works and be available for audit or**  
13 **inspection.**

14       **Sec. 2.** RCW 18.16.030 and 2015 c 62 s 2 are each amended to read  
15 as follows:

16       In addition to any other duties imposed by law, including RCW  
17 18.235.030 and 18.235.040, the director (~~shall have~~) has the  
18 following powers and duties:

19       (1) To set all license, examination, and renewal fees in  
20 accordance with RCW 43.24.086;

21       (2) To adopt rules necessary to implement this chapter;

22       (3) To prepare and administer or approve the preparation and  
23 administration of licensing examinations;

24       (4) To establish minimum safety and sanitation standards for  
25 schools, instructors, cosmetologists, barbers, hair designers,  
26 manicurists, estheticians, master estheticians, salons/shops,  
27 personal services, and mobile units;

28       (5) To establish curricula for the training of students and  
29 apprentices under this chapter;

30       (6) To maintain the official department record of applicants and  
31 licensees;

32       (7) To establish by rule the procedures for an appeal of an  
33 examination failure;

34       (8) To set license expiration dates and renewal periods for all  
35 licenses consistent with this chapter;

36       (9) To ensure that all informational notices produced and mailed  
37 by the department regarding statutory and regulatory changes  
38 affecting any particular class of licensees are mailed to each  
39 licensee in good standing or on inactive status in the affected class

1 whose mailing address on record with the department has not resulted  
2 in mail being returned as undeliverable for any reason; (~~and~~)

3 (10) To enforce RCW 82.04.360(3)(b) by ensuring that any booth  
4 renter maintains a separate set of financial records at the salon or  
5 shop facility in which the booth renter works; and

6 (11) To make information, including any violations of RCW  
7 82.04.360(3)(b), available to the department of revenue to assist in  
8 collecting taxes from persons required to be licensed under this  
9 chapter.

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