

HOUSE BILL REPORT

HB 3255

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to workers' compensation coverage for work performed outside the state of Washington.

Brief Description: Regarding workers' compensation coverage for work performed outside Washington.

Sponsors: Representatives Wood, Conway and Ormsby; by request of Department of Labor & Industries.

Brief History:

Committee Activity:

Commerce & Labor: 2/1/08, 2/4/08 [DPS].

Brief Summary of Substitute Bill

- Requires Washington employers to obtain industrial insurance coverage for temporary and incidental work outside Washington and authorizes the Department of Labor and Industries to adopt rules for work in excess of temporary and incidental.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Crouse, Green, Moeller and Williams.

Staff: Joan Elgee (786-7106).

Background:

A worker who suffers an industrial injury outside Washington is entitled to compensation under the Industrial Insurance Act if:

- (1) the employment was principally localized in Washington; or

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- (2) the worker was working under a contract made in Washington for employment:
- not principally localized in any state;
 - principally localized in another state whose workers' compensation law is not applicable to the employer; or
 - outside the United States and Canada.

Any recovery for the injury under the workers' compensation law of another state is credited against the compensation due the worker under Washington law.

The Director of the Department of Labor and Industries may enter agreements with other states and Canadian provinces regarding conflicts of jurisdiction where the contract of employment is in one state and the injury occurs in another.

The Workers' Compensation Advisory Committee (Committee) is a statutory committee that studies any aspects of workers' compensation that the Committee decides requires its consideration.

Summary of Substitute Bill:

Washington employers who are not self-insured must cover Washington workers for temporary and incidental work performed on jobs or at job sites in another state. For work in excess of temporary and incidental, the Department of Labor and Industries (Department) may adopt rules governing premium liability and reporting requirements.

"Temporary and incidental" is defined as work by Washington employers on jobs or at job sites in another state for 30 or fewer consecutive or non-consecutive full or partial days within a calendar year. Temporary and incidental days are considered on a per state basis.

The Department must report to the Committee on the effect of the new provisions on the revenue and costs to the state fund by December 1, 2011.

Substitute Bill Compared to Original Bill:

The substitute simplifies and improves the language of the reporting requirement.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) There has been a problem in the concrete industry in Spokane. This bill was a result of a collaborative process to deal with challenges of coverage in construction. There is a

lack of clarity under our reciprocal agreements and double coverage is not fair. This bill defines "temporary and incidental" and allows rulemaking to deal with employment that is longer than temporary and incidental. Washington employers need to be competitive when they send workers to another state.

(With concerns) We need to close the door to Oregon contractors coming into Washington.

(Opposed) None.

Persons Testifying: (In support) Representative Wood, prime sponsor; Mike Ratko, Department of Labor and Industries; Tracy Evans, Dynamic Drywall; Kris Tefft, Association of Washington Business; and Rick Slunaker, Associated General Contractors.

(With concerns) Dave Roewe, Building Industry Association of Vancouver.

Persons Signed In To Testify But Not Testifying: (In support) Rob Davis, A to Z Interior; and Denise Graham.