

SENATE BILL REPORT

SB 6461

As Passed Senate, February 11, 2004

Title: An act relating to requiring the department of labor and industries to report on setting workers' compensation premiums.

Brief Description: Requiring a report on workers' compensation premiums.

Sponsors: Senators Hewitt, Honeyford, Mulliken and Morton.

Brief History:

Committee Activity: Commerce & Trade: 1/23/04, 1/29/04 [DP].

Passed Senate: 2/11/04, 42-7.

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin and Mulliken.

Staff: Jennifer Strus (786-7316)

Background: The Department of Labor and Industries (L&I) currently determines an employer's workers' compensation premium payment based on the number of hours workers have worked during a given period of time. Washington State is the only state in the nation that bases premium rates on hours worked. The other states base premiums on total employer payroll.

Summary of Bill: L&I must prepare a report on the use of total employer payroll, as opposed to hours worked, as the basis by which employer premiums are set. L&I must contrast hours worked with total employer payroll and discuss the positive and negative aspects of each in its report. L&I must also review how other states set their rates. The report is due to the appropriate committees of the Legislature by December 1, 2004.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Under current statutes, L&I could base premium rates on payroll rather than hours. It's important for the public to know what the difference is between the two methods and this report will provide that information.

Testimony Against: This is one of the issues that the task force being convened by the Governor will deal with; therefore, this bill is not really necessary.

Testified: PRO: Amber Balch Carter, AWB; Mark Johnson, NFIB; CONCERNS: David Johnson, WSBCTC; Robby Stern, WSLC.