

HOUSE BILL REPORT

HB 1311

As Passed Legislature

Title: An act relating to making coverage of certain maritime service elective for purposes of unemployment compensation.

Brief Description: Making coverage of certain maritime service elective for purposes of unemployment compensation.

Sponsors: Representatives Chandler, Sells and Moscoso.

Brief History:

Committee Activity:

Labor & Workforce Development: 2/6/13 [DP].

Floor Activity:

Passed House: 3/5/13, 96-0.

Passed Senate: 4/12/13, 45-3.

Passed Legislature.

Brief Summary of Bill

- Excludes certain fishing operations from mandatory unemployment insurance coverage and allows elective coverage.
- Applies to fishing operations in which the crew on each boat is fewer than 10 individuals, and the individuals receive only a share of the catch, or a share of the proceeds of the catch, with the amount received dependent on the catch.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 9 members: Representatives Sells, Chair; Reykdal, Vice Chair; Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Green, Holy, Moeller, Ormsby and Short.

Staff: Joan Elgee (786-7106).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Most employment is covered employment for purposes of unemployment insurance. With respect to maritime employment, an individual's service as an officer or crew member of an American vessel is covered, wherever the service is performed, if the employer maintains in Washington at the beginning of the pay period an operating office from which the vessel's operations are ordinarily and regularly supervised, managed, directed, and controlled.

Summary of Bill:

Certain maritime employment is excluded from mandatory unemployment insurance coverage. Employment does not include services performed by an individual on a boat engaged in catching fish or other forms of aquatic animal life for which the individual receives a share of the boat's catch, (or the catch of multiple boats if the fishing operation involves more than one boat), or a share of the proceeds from the sale of the catch, and the amount of the individual's share depends on the amount of the boat's or boats' catch. The exclusion applies only if the operating crew of the boat, or each boat from which the individual receives a share, is normally made up of fewer than 10 individuals. In addition, the individuals must not receive any other cash remuneration.

An employer may elect coverage for the excluded individuals. Clarification is added that the coverage provision does not apply to "reimbursable employers," employers that reimburse the Employment Security Department (Department) for benefits rather than pay taxes.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Maritime coverage issues are complicated because boats may operate in multiple jurisdictions. An operation may be based in Washington but fish in Alaska, Oregon, or California. The laws of other jurisdictions are different. In Oregon and California, these wages are not subject to unemployment tax and in Alaska, vessel owners may opt in. This bill will make it easier to determine an employers' unemployment obligations. One vessel owner got a notice of penalty from the Department for wages for a crew in Alaska and had to hire a lawyer. The law is confusing; this bill will clarify and simplify the law and make it consistent with Alaska.

(Opposed) None.

Persons Testifying: Representative Chandler, prime sponsor; and Tom Echols, Bob Kehoe, and Tim Lovrovich, Purse Seine Vessels Owners' Association.

Persons Signed In To Testify But Not Testifying: None.