

SENATE BILL REPORT

HB 1684

As Reported by Senate Committee On:
Labor & Commerce, March 23, 2023

Title: An act relating to clarifying procedures for federally recognized tribes to report standard occupational classifications or job titles of workers under the employment security act.

Brief Description: Clarifying procedures for federally recognized tribes to report standard occupational classifications or job titles of workers under the employment security act.

Sponsors: Representatives Slatter and Lekanoff.

Brief History: Passed House: 3/7/23, 69-26.

Committee Activity: Labor & Commerce: 3/21/23, 3/23/23 [DP].

Brief Summary of Bill

- Allows federally recognized tribes to opt in, or out of the requirement to report the Standard Occupational Classifications or job titles of their workers to the Employment Security Department.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Braun, MacEwen, Robinson, Schoesler and Stanford.

Staff: Susan Jones (786-7404)

Background: Quarterly Reports to the Employment Security Department. The Employment Security Department (ESD) administers the state unemployment insurance system. Employers must file quarterly tax reports with ESD. The reports must contain the names of all workers covered by unemployment insurance, along with their social security numbers, their wages, and the number of hours worked in the quarter.

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

Beginning October 1, 2022, the quarterly reports must also include the Standard Occupational Classification (SOC) or job title of each worker. Any employer knowingly failing to report SOCs or job titles must pay an incomplete report penalty.

Report to Legislature. ESD, in coordination with the Workforce Training and Education Coordinating Board, must report to the Legislature and the Governor by November 1, 2026, on how the collection of occupational data was used to evaluate educational investments, add or modify existing training programs, or improve job placement.

Participation of Indian Tribes in Unemployment Insurance System. Indian tribes are considered to be employers under the Federal Unemployment Tax Act. However, they are exempt from federal unemployment taxes if they are in compliance with certain state requirements. Indian tribes may contribute to the State Unemployment Compensation Fund or make payments in lieu of contributions for benefits claimed by the tribe's unemployed workers. Indian tribes are generally required to comply with the same requirements applicable to other employers in the state unemployment insurance system.

Summary of Bill: A federally recognized tribe may elect to report the SOCs or job titles of its workers in its quarterly reports to ESD. If a federally recognized tribe elects to report SOCs or job titles, it retains the option to opt out of reporting at any time for any reason it deems necessary. ESD must adopt rules to implement these provisions.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Under the prior bill, we wanted to understand the workforce landscape in Washington. The codes were not granular enough, especially for education and workforce training. The bill did not make clear how it would impact federally recognized tribes. The bill clarifies the ambiguity. The tribes will be able to work with ESD and use MOU. It is supported by certain tribes and ESD.

The bill will clarify the UI reporting requirements for tribes. The 2020 bill required private employers to report SOC codes. Under federal law, they may participate in the state UI program. They are not required under federal law to provide other information, like the SOC codes. ESD did not have clear direction. It will provide clear direction for tribes and ESD. ESD sees opportunities to work with tribes to use this information.

Persons Testifying: PRO: Representative Vandana Slatter, Prime Sponsor; Lorraine

Parlange, Kalispel Tribe; Caitlyn Jekel, Employment Security Department.

Persons Signed In To Testify But Not Testifying: No one.