

# FINAL BILL REPORT

## SSB 5402

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C 160 L 95

Synopsis as Enacted

**Brief Description:** Revising provisions related to industrial insurance penalties.

**Sponsors:** Senate Committee on Labor, Commerce & Trade (originally sponsored by Senators Pelz and Franklin; by request of Department of Labor & Industries).

**Senate Committee on Labor, Commerce & Trade**

**House Committee on Commerce & Labor**

**Background:** When a successor business notifies the Department of Labor and Industries of its acquisition of a business, the department has 60 days to issue an assessment against the business owner that has quit the business. The Department of Revenue and the Employment Security Department statutes pertaining to successorship allow those departments 180 days to issue their assessments.

It is a crime for employers to knowingly misrepresent their payroll in reports to the Department of Labor and Industries. Because of current collection practices, the statutory reference to misrepresentation of payroll is outdated.

The department believes that certain statutory notice provisions could be streamlined.

**Summary:** The Department of Labor and Industries is given 180 days to issue an assessment against a former employer and mail a copy of the assessment to the successor. The statutory language pertaining to misrepresentation of payroll is modified to proscribe misrepresentation of employee hours.

The requirement that the service of a notice of assessment by certified mail be accompanied by an affidavit of service by mailing is eliminated. Service of a notice and order to withhold and deliver by certified mail with return receipt requested is authorized.

Industrial insurance benefits are denied to a beneficiary if the beneficiary: (1) deliberately intended the injury or death giving rise to the benefits; (2) engaged or intended to engage in felonious conduct causing the injury or death giving rise to the benefits; or (3) is incarcerated.

The department is directed to annually compile a report on workers' compensation fraud and submit it to the Legislature.

**Votes on Final Passage:**

Senate	47	1	
House	96	0	(House amended)
Senate	43	0	(Senate concurred)

**Effective:** July 23, 1995