S-0799.1	

SENATE BILL 5624

State of Washington 62nd Legislature 2011 Regular Session

By Senators Holmquist Newbry, Kastama, King, and Shin

Read first time 02/01/11. Referred to Committee on Labor, Commerce & Consumer Protection.

- AN ACT Relating to defining the term employ for minimum wage purposes; amending RCW 49.46.010; reenacting and amending RCW
- 3 49.46.010; creating a new section; providing an effective date; and
- 4 providing an expiration date.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040 are each reenacted and amended to read as follows:
 - As used in this chapter:

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- 9 (1) "Director" means the director of labor and industries;
- 10 (2) "Wage" means compensation due to an employee by reason of 11 employment, payable in legal tender of the United States or checks on 12 banks convertible into cash on demand at full face value, subject to 13 such deductions, charges, or allowances as may be permitted by rules of 14 the director;
- 15 (3) "Employ" includes to permit to work. However, "employ" and
 16 "work" do not mean or include the use of an employer's vehicle for
 17 travel by an employee and activities performed by an employee that are
 18 incidental to the use of such a vehicle for commuting, when the use of
 19 that vehicle for travel is within the normal commuting area for the

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employer's business or establishment and the use of the employer's vehicle is subject to an agreement on the part of the employer and the employee or representative of the employee;

- (4) "Employer" includes any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee;
- (5) "Employee" includes any individual employed by an employer but shall not include:
- (a) Any individual (i) employed as a hand harvest laborer and paid on a piece rate basis in an operation which has been, and is generally and customarily recognized as having been, paid on a piece rate basis in the region of employment; (ii) who commutes daily from his or her permanent residence to the farm on which he or she is employed; and (iii) who has been employed in agriculture less than thirteen weeks during the preceding calendar year;
- (b) Any individual employed in casual labor in or about a private home, unless performed in the course of the employer's trade, business, or profession;
- (c) Any individual employed in a bona fide executive, administrative, or professional capacity or in the capacity of outside salesperson as those terms are defined and delimited by rules of the director. However, those terms shall be defined and delimited by the director of personnel pursuant to chapter 41.06 RCW for employees employed under the director of personnel's jurisdiction;
- (d) Any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to exist for the purpose of this section or for purposes of membership or qualification in any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;
- (e) Any individual employed full time by any state or local governmental body or agency who provides voluntary services but only

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with regard to the provision of the voluntary services. The voluntary services and any compensation therefor shall not affect or add to qualification, entitlement, or benefit rights under any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

(f) Any newspaper vendor or carrier;

- (g) Any carrier subject to regulation by Part 1 of the Interstate Commerce Act;
- (h) Any individual engaged in forest protection and fire prevention activities;
- (i) Any individual employed by any charitable institution charged with child care responsibilities engaged primarily in the development of character or citizenship or promoting health or physical fitness or providing or sponsoring recreational opportunities or facilities for young people or members of the armed forces of the United States;
- (j) Any individual whose duties require that he or she reside or sleep at the place of his or her employment or who otherwise spends a substantial portion of his or her work time subject to call, and not engaged in the performance of active duties;
- (k) Any resident, inmate, or patient of a state, county, or municipal correctional, detention, treatment or rehabilitative institution;
- (1) Any individual who holds a public elective or appointive office of the state, any county, city, town, municipal corporation or quasi municipal corporation, political subdivision, or any instrumentality thereof, or any employee of the state legislature;
- (m) All vessel operating crews of the Washington state ferries operated by the department of transportation;
- 29 (n) Any individual employed as a seaman on a vessel other than an 30 American vessel;
 - (o) Any farm intern providing his or her services to a small farm which has a special certificate issued under RCW 49.12.465;
 - (6) "Occupation" means any occupation, service, trade, business, industry, or branch or group of industries or employment or class of employment in which employees are gainfully employed;
 - (7) "Retail or service establishment" means an establishment seventy-five percent of whose annual dollar volume of sales of goods or

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services, or both, is not for resale and is recognized as retail sales or services in the particular industry.

Sec. 2. RCW 49.46.010 and 2010 c 8 s 12040 are each amended to read as follows:

As used in this chapter:

- (1) "Director" means the director of labor and industries;
- (2) "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the director;
- "work" do not mean or include the use of an employer's vehicle for travel by an employee and activities performed by an employee that are incidental to the use of such a vehicle for commuting, when the use of that vehicle for travel is within the normal commuting area for the employer's business or establishment and the use of the employer's vehicle is subject to an agreement on the part of the employer and the employee or representative of the employee;
- (4) "Employer" includes any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee;
- (5) "Employee" includes any individual employed by an employer but shall not include:
- (a) Any individual (i) employed as a hand harvest laborer and paid on a piece rate basis in an operation which has been, and is generally and customarily recognized as having been, paid on a piece rate basis in the region of employment; (ii) who commutes daily from his or her permanent residence to the farm on which he or she is employed; and (iii) who has been employed in agriculture less than thirteen weeks during the preceding calendar year;
- (b) Any individual employed in casual labor in or about a private home, unless performed in the course of the employer's trade, business, or profession;
- 36 (c) Any individual employed in a bona fide executive, 37 administrative, or professional capacity or in the capacity of outside

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salesperson as those terms are defined and delimited by rules of the director. However, those terms shall be defined and delimited by the director of personnel pursuant to chapter 41.06 RCW for employees employed under the director of personnel's jurisdiction;

- (d) Any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to exist for the purpose of this section or for purposes of membership or qualification in any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;
- (e) Any individual employed full time by any state or local governmental body or agency who provides voluntary services but only with regard to the provision of the voluntary services. The voluntary services and any compensation therefor shall not affect or add to qualification, entitlement, or benefit rights under any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;
 - (f) Any newspaper vendor or carrier;

- (g) Any carrier subject to regulation by Part 1 of the Interstate Commerce Act;
- (h) Any individual engaged in forest protection and fire prevention activities;
- (i) Any individual employed by any charitable institution charged with child care responsibilities engaged primarily in the development of character or citizenship or promoting health or physical fitness or providing or sponsoring recreational opportunities or facilities for young people or members of the armed forces of the United States;
- (j) Any individual whose duties require that he or she reside or sleep at the place of his or her employment or who otherwise spends a substantial portion of his or her work time subject to call, and not engaged in the performance of active duties;
 - (k) Any resident, inmate, or patient of a state, county, or

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1 municipal correctional, detention, treatment or rehabilitative
2 institution;

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- (1) Any individual who holds a public elective or appointive office of the state, any county, city, town, municipal corporation or quasi municipal corporation, political subdivision, or any instrumentality thereof, or any employee of the state legislature;
- 7 (m) All vessel operating crews of the Washington state ferries 8 operated by the department of transportation;
- 9 (n) Any individual employed as a seaman on a vessel other than an 10 American vessel;
- 11 (6) "Occupation" means any occupation, service, trade, business, 12 industry, or branch or group of industries or employment or class of 13 employment in which employees are gainfully employed;
- 14 (7) "Retail or service establishment" means an establishment 15 seventy-five percent of whose annual dollar volume of sales of goods or 16 services, or both, is not for resale and is recognized as retail sales 17 or services in the particular industry.
- NEW SECTION. Sec. 3. This act does not alter the terms, conditions, or practices contained in any collective bargaining agreement.
- NEW SECTION. **Sec. 4.** Section 1 of this act expires December 31, 22 2011.
- NEW SECTION. Sec. 5. Section 2 of this act takes effect December 31, 2011.

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