
SUBSTITUTE SENATE BILL 5552

State of Washington

63rd Legislature

2013 Regular Session

By Senate Human Services & Corrections (originally sponsored by Senators Darneille, Kline, Chase, Nelson, Hasegawa, Kohl-Welles, Keiser, McAuliffe, and Shin)

READ FIRST TIME 02/21/13.

1 AN ACT Relating to improving child support collections by requiring
2 reporting of compensation and establishing an intercept program; adding
3 new sections to chapter 26.23 RCW; adding a new section to chapter 9.46
4 RCW; adding a new section to chapter 67.16 RCW; creating a new section;
5 prescribing penalties; and providing an effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature recognizes that the state
8 has an interest in ensuring that children are supported by their
9 parents. It benefits the children and the state for the state to have
10 an effective child support enforcement program. Therefore, the
11 legislature intends to create new tools to increase the collection of
12 child support obligations.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 26.23 RCW
14 to read as follows:

15 (1) Any person or entity doing business in the state of Washington
16 who is required to file a report with the internal revenue service for
17 services received from an independent contractor in the course of doing

1 business shall report to the Washington state support registry the
2 hiring of any independent contractor who resides or works in this state
3 to whom the person or entity anticipates paying compensation.

4 (2) Persons or entities may report by any means authorized by the
5 registry which will result in timely reporting. The following
6 information must be reported:

7 (a) The independent contractor's name, address, social security
8 number, and date of birth; and

9 (b) The person or entity's name, address, and, if applicable, the
10 identifying number assigned under section 6109 of the internal revenue
11 code of 1986.

12 (3) Persons or entities shall submit reports within twenty days of
13 either entering into a contract with the independent contractor for
14 compensation of six hundred dollars or more or making payments to the
15 independent contractor totaling six hundred dollars or more.

16 (4) A person or entity who fails to report as required under this
17 section is subject to a civil penalty of:

18 (a) Twenty-five dollars; or

19 (b) Five hundred dollars, if the failure to report is the result of
20 a conspiracy between the person or entity and the independent
21 contractor not to supply the required report, or to supply a false
22 report. The penalty may be imposed and collected by the division of
23 child support under RCW 74.20A.350.

24 (5)(a) The registry must retain the information for a particular
25 independent contractor only if the registry is responsible for
26 establishing, enforcing, or collecting a support debt of the
27 independent contractor. The registry may, however, retain information
28 for a particular independent contractor for as long as may be necessary
29 to:

30 (i) Transmit the information to the national directory of new hires
31 as required under federal law; or

32 (ii) Provide the information to other state agencies for comparison
33 with records or information possessed by those agencies as required by
34 law.

35 (b) Information that is not permitted to be retained must be
36 promptly destroyed. Agencies that obtain information from the
37 department of social and health services under this section shall

1 maintain the confidentiality of the information received, except as
2 necessary to implement the agencies' responsibilities.

3 (6) For the purposes of this section, "independent contractor"
4 means an individual who:

5 (a) Is free from direction and control over the performance of the
6 service;

7 (b) Performs the service either:

8 (i) Outside of the usual course of business for the entity for
9 which the service is performed; or

10 (ii) Outside of all the places of business for which the service is
11 performed; and

12 (c) Is customarily engaged in an independently established trade,
13 occupation, profession, or business of the same nature as that involved
14 in the service contract.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 26.23 RCW
16 to read as follows:

17 (1) The department shall establish a gambling payment intercept
18 program to require licensees to withhold payments from winning players
19 who owe past due child support.

20 (2)(a) The department shall develop and maintain a gambling payment
21 intercept registry to allow licensees to determine if a winning player
22 owes past due child support.

23 (b) Information accessed through the registry is confidential.
24 Licensees shall not use information obtained from the registry except
25 as needed for the gambling payment intercept program and are subject to
26 criminal penalties for the misuse of information as provided in RCW
27 26.23.120.

28 (3) If a licensee is required to file Form W-2G or a substantially
29 equivalent form with the internal revenue service for a winning player
30 who owes past due child support, before the payment of winnings from
31 any gambling activity, the licensee:

32 (a) May deduct and retain an administrative fee in the amount of
33 the lesser of three percent of the amount of past due child support
34 withheld under (b) of this subsection; or one hundred dollars. If
35 funds are available, the administrative fee shall be in addition to the
36 amounts withheld in (b) of this subsection;

1 (b) Shall withhold the amount of past due child support owed from
2 the winnings and within twenty-four hours, transmit the amount
3 withheld; the full name, address, and social security number of the
4 obligor parent; and the date, amount of payment, and location of the
5 licensee to the department;

6 (c) Shall issue the obligor parent a receipt in a form prescribed
7 by the department with the total amount withheld for past due child
8 support and any administrative fee.

9 (4) Within two business days of receiving the withheld funds from
10 the licensee, the department shall notify the obligor parent at the
11 address provided by the licensee that the department intends to offset
12 the obligor parent's past due child support with the winnings and
13 provide the obligor parent with an opportunity to object.

14 (5) A licensee that makes payment under this section is not liable
15 to the person to whom the winner owes an outstanding debt.

16 (6) As used in this section, "licensee" means a licensee under
17 chapter 9.46 RCW, a class 1 association licensed to conduct parimutuel
18 wagering under RCW 67.16.105(2), or an operator of an advance deposit
19 wagering system licensed under RCW 67.16.260.

20 (7) The department shall work with the Washington state gambling
21 commission to include participation in the gambling payment intercept
22 program when the commission is negotiating tribal gaming compacts with
23 the tribes.

24 NEW SECTION. **Sec. 4.** A new section is added to chapter 9.46 RCW
25 to read as follows:

26 (1)(a) Any licensee authorized to conduct a gambling activity under
27 this chapter shall participate in the gambling payment intercept
28 program as required by section 3 of this act.

29 (b) Any licensee who fails to comply with section 3 of this act may
30 be subject to suspension of its license or monetary penalties under
31 this chapter.

32 (2) The commission shall consider the gambling payment intercept
33 program as provided in section 3 of this act as an element to be
34 negotiated with federally recognized Indian tribes as provided in RCW
35 9.46.360.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 67.16 RCW
2 to read as follows:

3 (1) Any class 1 association licensed to conduct parimutuel wagering
4 under RCW 67.16.105(2) and any operator of an advance deposit wagering
5 system licensed under RCW 67.16.260 shall participate in the gambling
6 payment intercept program as required by section 3 of this act.

7 (2) A licensee who fails to comply with section 3 of this act may
8 be subject to penalties as provided in RCW 67.16.270.

9 NEW SECTION. **Sec. 6.** This act takes effect July 1, 2014.

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