
HOUSE BILL 2775

State of Washington 54th Legislature 1996 Regular Session

By Representatives Goldsmith, McMorris and L. Thomas

Read first time 01/19/96. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to exclusions from industrial insurance coverage
2 for beneficiaries of irrevocable trusts; and reenacting and amending
3 RCW 51.12.020.

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

5 **Sec. 1.** RCW 51.12.020 and 1991 c 324 s 18 and 1991 c 246 s 4 are
6 each reenacted and amended to read as follows:

7 The following are the only employments which shall not be included
8 within the mandatory coverage of this title:

9 (1) Any person employed as a domestic servant in a private home by
10 an employer who has less than two employees regularly employed forty or
11 more hours a week in such employment.

12 (2) Any person employed to do gardening, maintenance, repair,
13 remodeling, or similar work in or about the private home of the
14 employer.

15 (3) A person whose employment is not in the course of the trade,
16 business, or profession of his or her employer and is not in or about
17 the private home of the employer.

18 (4) Any person performing services in return for aid or sustenance
19 only, received from any religious or charitable organization.

1 (5) Sole proprietors (~~(or)~~), partners, or beneficiaries of
2 irrevocable trusts.

3 (6) Any child under eighteen years of age employed by his or her
4 parent or parents in agricultural activities on the family farm.

5 (7) Jockeys while participating in or preparing horses for race
6 meets licensed by the Washington horse racing commission pursuant to
7 chapter 67.16 RCW.

8 (8)(a) Except as otherwise provided in (b) of this subsection, any
9 bona fide officer of a corporation voluntarily elected or voluntarily
10 appointed in accordance with the articles of incorporation or bylaws of
11 the corporation, who at all times during the period involved is also a
12 bona fide director, and who is also a shareholder of the corporation.
13 Only such officers who exercise substantial control in the daily
14 management of the corporation and whose primary responsibilities do not
15 include the performance of manual labor are included within this
16 subsection.

17 (b) Alternatively, a corporation that is not a "public company" as
18 defined in RCW 23B.01.400(~~(+19)~~) (21) may exempt eight or fewer bona
19 fide officers, who are voluntarily elected or voluntarily appointed in
20 accordance with the articles of incorporation or bylaws of the
21 corporation and who exercise substantial control in the daily
22 management of the corporation, from coverage under this title without
23 regard to the officers' performance of manual labor if the exempted
24 officer is a shareholder of the corporation, or may exempt any number
25 of officers if all the exempted officers are related by blood within
26 the third degree or marriage. If a corporation that is not a "public
27 company" elects to be covered under subsection (8)(a) of this section,
28 the corporation's election must be made on a form prescribed by the
29 department and under such reasonable rules as the department may adopt.

30 (c) Determinations respecting the status of persons performing
31 services for a corporation shall be made, in part, by reference to
32 Title 23B RCW and to compliance by the corporation with its own
33 articles of incorporation and bylaws. For the purpose of determining
34 coverage under this title, substance shall control over form, and
35 mandatory coverage under this title shall extend to all workers of this
36 state, regardless of honorary titles conferred upon those actually
37 serving as workers.

38 (d) A corporation may elect to cover officers who are exempted by
39 this subsection in the manner provided by RCW 51.12.110.

1 (9) Services rendered by a musician or entertainer under a contract
2 with a purchaser of the services, for a specific engagement or
3 engagements when such musician or entertainer performs no other duties
4 for the purchaser and is not regularly and continuously employed by the
5 purchaser. A purchaser does not include the leader of a group or
6 recognized entity who employs other than on a casual basis musicians or
7 entertainers.

8 (10) Services performed by a newspaper carrier selling or
9 distributing newspapers on the street or from house to house.

10 (11) Services performed by an insurance agent, insurance broker, or
11 insurance solicitor, as defined in RCW 48.17.010, 48.17.020, and
12 48.17.030, respectively.

13 (12) Services performed by a booth renter as defined in RCW
14 18.16.020. However, a person exempted under this subsection may elect
15 coverage under RCW 51.32.030.

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