

1 EMPLOYMENT SECURITY DEPARTMENT

2 STATE OF WASHINGTON

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5
6 DELINQUENT TAX RATES

7 PUBLIC HEARING

8 TRANSCRIPT OF PROCEEDINGS

9
10 Thursday, June 8, 2017

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14 BE IT REMEMBERED, that a Delinquent Tax Rates public
15 hearing was held at 10:30 a.m. on Thursday, June 8, 2017,
16 at the Employment Security Department, Maple Leaf Room,
17 212 Maple Park, Olympia, Washington.

18 The Employment Security Department was represented by
19 JUANITA MYERS, Rules Coordinator, who presided over and
20 conducted the hearing.

21 WHEREUPON, the following proceedings were held, to
22 wit:

23
24
25 Reported by:
H. Milton Vance, CCR, CSR
(License #2219)

EXCEL COURT REPORTING
16022-17th Avenue Court East
Tacoma, WA 98445-3310
(253) 536-5824

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2 June 8, 2017 - Olympia Page No.
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PROCEEDINGS

Introduction

MS. MYERS: Pursuant to the authority given under
ington state law, this hearing is hereby convened.

See RCW 50.12.010 and 040 regarding the Commissioner's authority to adopt rules; Chapter 42.30 RCW of the Open Public Meetings Act, and Chapter 34.05 of the Administrative Procedures Act.

For the record, this hearing is beginning at 10:40 a.m. on June 8, 2017, at 212 Maple Park Avenue, Olympia, Washington.

This hearing is convened to consider testimony concerning the rule related to determining tax rates for employers who are delinquent on taxes or reports.

Notice of this hearing was published in the Washington State Register on May 3, 2017, as number WSR 17-10-005, and sent to interested parties.

My name is Juanita Myers, and I am the Rules Coordinator for the Washington State Employment Security Department. I represent Commissioner Dale Peinecke as hearing officer presiding at this public rulemaking hearing.

There are several staff from the Employment Security

1 Department attending this hearing. Please introduce
2 yourselves.

3 MR. MICHAEL: Scott Michael, legal appeals manager.

4 MS. STREULI: Christina Streuli. I am a Management
5 Analyst 5, and I'll be taking over the rules coordination
6 element from Juanita when she retires.

7 MS. MYERS: We have no one here in attendance in
8 person, so we don't need to have a hearing attendance log
9 except for staff.

10 Please be advised this hearing is being recorded, and
11 the transcript will become a part of the official
12 rulemaking. We have Milton Vance from Excel Court
13 Reporting here to make the transcription.

14 This hearing is convened to consider written
15 submissions and oral testimony presented on the proposal.
16 For the record, we have not received written submissions.
17 A concise explanatory statement of the agency's reasons
18 for adoption of the rule including a summary and response
19 to all comments received will be sent to all requesting
20 and commenting parties and placed in the permanent
21 rulemaking file.

22 Please see me after the hearing -- disregard this if
23 you wanted to see written testimony, but as I said
24 earlier, we don't have any.

25 We will begin with Scott Michael with an brief

1 explanation of the proposal.

2

3 Overview/Summary

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5 MR. MICHAEL: Yes. WAC 192-320-036 provides the
6 Department the authority to waive the delinquent tax rate
7 for otherwise eligible employers who acted in good faith
8 and where applying the delinquent tax rate would be
9 inequitable.

10 The rule defines good faith and inequitability with a
11 more flexible totality of the factors approach, and it
12 also clarifies the Department's authority to retroactively
13 apply the delinquent tax rate.

14 The Department has determined that changes to other
15 rules or statutes would not achieve the same regulatory
16 objective. The language of the proposed rule has been
17 shared with the United States Department of Labor. There
18 are no other state agencies that deal with the subject
19 matter of this regulation. The Department has chosen a
20 reasonable cost effective manner of achieving the
21 regulatory objective of the rule.

22 There are no anticipated environmental consequences
23 associated with the rule. There are no anticipated fiscal
24 consequences associated with the rule. Specifying
25 performance standards is not appropriate for the rule.

1 The proposed regulation does not impose more than minor
2 costs on business. And input was solicited from
3 stakeholders during the development of the proposed
4 regulation.

5 That conclusion my remarks.

6 MS. MYERS: Thank you, Scott.

8 Public Testimony/Comments

10 MS. MYERS: Billy, as you are the only participant in
11 attendance, we will now hear your testimony concerning the
12 proposal.

13 For the record, can you please state your name and
14 spell your last name and who you represent.

15 MR. RUDNICK (appearing via phone): Sure. And if I
16 may note, that I can hear you, but it's still a little
17 faint, and you may want to bring the volume up a little
18 bit, if you can, on your end.

19 But I could hear everything you said prior. Again,
20 it was just the faint background.

21 My name is William Rudnick. Spelling of the last
22 name is R-U-D-N-I-C-K. I'm the Government Relations
23 Manager for Equifax Workforce Solutions. We're a
24 third-party administrator that represents employers in UI
25 claims -- or unemployment management issues.

1 MS. MYERS: And you have testimony on the rule?

2 MR. RUDNICK: I have no testimony to provide.

3 My colleague, C. Carter, who is experienced in the
4 tax area had indicated to me earlier in the week he
5 intended to be on the call, but something apparently has
6 occurred to prevent him from being here.

7 In my reading of the rule and the proposed changes
8 and modifications and amendments, I don't see anything
9 that would be objectionable to the employers that we
10 represent. I feel that it is a adequate expansion of the
11 rule and to take into consideration other means to waive
12 penalties and interest when acceptable and appropriate.

13 MS. MYERS: Okay. Did you have anything further?

14 MR. RUDNICK: Nothing further. Thank you.

15

16 Conclusion

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18 MS. MYERS: Okay. This hearing was convened to
19 consider testimony on the proposed rule regarding
20 delinquent tax rates. All oral testimony presented at
21 this hearing will become part of the official record. The
22 deadline for submitting written comments was June 7, 2017.

23 A final decision regarding adoption of this proposed
24 rulemaking will be made after all testimony and written
25 comments that may have been postmarked today have been

1 considered, with a target date of June 12, 2017.

2 On behalf of Commissioner Dale Peinecke, thank you
3 for participating in this hearing.

4 This hearing is adjourned at 10:47 on June 8, 2017.

(Whereupon, at 10:47 a.m.,
proceedings adjourned.)

1 C E R T I F I C A T E
23 STATE OF WASHINGTON)
4 County of Pierce)
5
6) ss.
7I, the undersigned, a Certified Court Reporter in and
for the State of Washington, do hereby certify:

That the foregoing transcript of proceedings was taken stenographically before me and transcribed under my direction; that the transcript is an accurate transcript of the proceedings insofar as proceedings were audible, clear and intelligible; that the proceedings and resultant foregoing transcript were done and completed to the best of my abilities for the conditions present at the time of the proceedings;

That I am not a relative, employee, attorney or counsel of any party in this matter, and that I am not financially interested in said matter or the outcome thereof;

IN WITNESS WHEREOF, I have hereunto set my hand on this 8th day of June , 2017, at Tacoma, Washington.

H. Milton Vance, CCR, CSR
Excel Court Reporting

(CCR License #2219)