



2025 Agency Request Bills

December 2024

Summaries

The Department of Labor & Industries (L&I) is requesting two bills for the 2025 legislative session.

Z-0005.3/Z-0151.1 - Explicitly listing the department of labor and industries in the definition of limited authority Washington law enforcement agency while not granting new authority.

This proposal would explicitly list L&I in the definition of “limited authority Washington law enforcement agency” in the Mutual Aid Peace officers Powers Act rather than relying on a close read of that law and authority granted in Title 51. There would be no change to the authority granted the department, which was first recognized in 1984 and expanded to include access to criminal records data in 2008, to pursue investigations related to workers’ comp fraud by workers, employers and medical providers. It would address the situation where investigative staff are often denied access to needed tools and information because law enforcement agencies rely solely on the list of agencies identified in RCW 10.93.020 instead of reading the language as inclusive of the department. By adding L&I to this list, such delays and denials to these tools would be eliminated.

L&I staff rely on this authority today for activities that include obtaining and serving search warrants, issuing subpoenas, conducting criminal investigations, and referring cases for prosecution. Examples of the types of investigations they conduct include:

- employers failing to secure industrial insurance for their employees or misreporting hours;
- workers working while collecting workers’ comp benefits or using other fraudulent methods to obtain workers’ comp benefits;
- fraudulent billing schemes or practices by medical providers.

Z-0006.2/Z-0152.1 - Establishing department authority to ensure payment is received from the self-insured employer after a self-insured group or municipal employer has their self-insurer certification withdrawn.

This proposal would give L&I explicit authority to administer claims of self-insured municipal employers who are decertified for violations of the duty of good faith and fair dealing, including billing for claim costs and guaranteeing payment of outstanding future claim reserves. The department is directed to adopt rules to determine the best methods for administration.

In 2023, the legislature passed SHB 1521 that directed the department to adopt a “good faith and fair dealing” standard for all aspects of self-insured workers’ comp claims. A self-insured employer manages workers’ comp injury claims filed by their employees and communicates directly to injured workers with department oversight. There are approximately 360 self-insured employers or groups in Washington, of which about 70 are municipal groups or individual employers.

Under the law that took effect July 1, 2024, municipal employers *must* lose certification as a self-insured entity for violating this new standard three times in a three-year period. Decertification results in the employer being compelled to join the state fund, but they would remain liable for costs associated with prior self-insured claims.

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