



Alaska Moves Quickly on Independent Contractor Issue

Members of the Farthest North Empire Association (FNUA) in Fairbanks, Alaska, may be doing more than calling balls and strikes this summer; they may be the catalyst for a change in federal law affecting amateur sports officials nationwide.

U.S. Senator Ted Stevens (R-Alaska), is submitting legislation redefining a portion of the federal tax code relating to amateur sports officials. His action was prompted after a legislative aide for Alaska's department of labor Rynniveva Moss, contacted Alaska state representative Al Vezey, noting that the state was in non-compliance with federal law because it was not charging unemployment taxes on sports officials. This meant that the state was being put in a "bad cop" position of seeking back taxes on nonprofit organizations such as the FNUA. It is a position that Alaska's department of labor director Rebecca Garnez does not like.

"Youth sports play a significant role in providing recreation for Alaskans and all young Americans," said Moss in a letter to several U.S. congressmen. "Federal laws should encourage the growth of these sports, not the elimination of them."

Referee magazine's 1/98 story "The Fight for Independence" detailed California's efforts to identify sports officials as independent contractors at the state level. One of the principals involved in that effort was San Francisco attorney Don Collins, a longtime advocate of changes in the

federal system. Collins has drafted model legislation in the past that addresses this issue. Sen. Stevens' office is using language similar to

that model for changes in the federal law.

While FNUA members find themselves in the forefront of the issue today, Alaska's department of labor has been battling the independent contractor issue since 1989, when the department requested a clearer explanation of the law and how it might apply to amateur sports officials from the U.S. Department of Labor. The matter was never resolved legislatively by the labor department, but in a letter dated Jan. 21, 1998, the department stated that the Federal Unemployment Tax Act (FUTA)

"requires coverage of these services because they are often performed for government entities and certain nonprofit organizations."

The letter further noted that Alaska "must change its current state law to include coverage of these services or face the possibility of being found out of conformity with federal law. Such a finding would mean a significant loss of funds to the state and a loss of federal tax credits to the employers."

Moss adds, "Such a decision has dealt a severe blow to many concerned parents who have contacted our office."

Alaska's legislature acted quickly, passing unanimously in both houses legislation that exempts "services of certain sports officials at amateur sporting events from coverage

under the Alaska Employment Security Act and provides for an effective date." What does that mean? This law is in effect until federal legislation supersedes it. The federal legislation is likely to pass before the end of 1998.

The bill passed by Alaska's legislature can be reviewed on NASO's legislative web page. Go to naso@naso.org and select the legislative update link. Point your mouse at the word Alaska next to the map and all information on Alaska will be viewable.

While NASO has not taken a formal position on this issue, members are encouraged to contact their legislators and share their opinion on how such a law affects them. You can make a difference when you speak up.

It's Your Call

Several times a year members will call with the following scenario: A game is forfeited because one team does not have enough players. The coaches agree to lend players from one team so the teams can still have a game. They agree that the forfeit stands, but for the sake of "practicing" they'll go ahead and play. Are the officials covered in the event of any accident?

The answer is no. NASO liability insurance only covers "regularly scheduled games." Once a game is declared a forfeit, it is over. If the coaches and/or players want to play, you have the following options:

1. Refuse to officiate

and explain that your insurance is invalid. Suggest that the coaches officiate as a learning experience. Do it in a friendly manner and they may take you up on it and then learn the job is not as easy as it looks.

2. Take the game and risk an incident. Even when players and coaches assure you that they will not hold you responsible, without written waivers from every participant in your hand before play begins, it is risky.

NASO strongly recommends that you take option one. Several people have reported having done so with positive results. The coaches learn a little about the difficulty of officiating and

possibly gain a newfound respect for the officials' role. It also might provide an opportunity to pull "big mouth, know-it-all" parents from the stands and let them call 'em like *they* see 'em!

The bottom line is no matter the level of play, sports is not life and death and coaches need to understand that while playing the game is important, as adults, the coaches *and* the officials are at legal risk if a player is injured. While most leagues insure the coaches (such activity can be considered practice), officials are usually independent contractors and therefore have no coverage from the leagues.

It's your call. Make it a smart one.