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EXEMPT ORGANIZATIONS - WASHINGTON

Ockletree v. Franciscan Health System

Supreme Court of Washington, En Banc - February 6, 2014 - P.3d - 2014 WL 465423

Former employee of nonprofit religious organization brought action against it for illegal discrimination on the basis of race and disability. The District Court certified questions.

The certified questions in this case required the court to decide whether, the exemption of nonprofit religious organizations from the definition of “employer” under Washington’s Law Against Discrimination (WLAD) violated the Washington Constitution.

Larry Ockietree brought suit in state court against Franciscan Health System (FHS), challenging the termination of his employment following a stroke. Ockletree, who is African-American, claimed that his termination was the result of illegal discrimination on the basis of race and disability. FHS removed the suit to federal court and moved to dismiss Ockletree’s claims. FHS argued that it was exempt from WLAD as a nonprofit religious organization. Ockletree challenged the validity of the religious employer exemption under the state and federal constitutions.

The Supreme Court of Washington held that:

- Definition of “employer” in Law Against Discrimination (LAD) did not grant a privilege or immunity to religious nonprofits at the expense of other organizations that were subject to LAD;
- Legislature had a reasonable ground for distinction between religious nonprofits and other nonprofits; and
- Definition did not violate Establishment Clause of state constitution.