

SENATE BILL REPORT

SB 6307

As Reported by Senate Committee On:
Commerce & Labor, February 3, 2014

Title: An act relating to state preemption of local employment laws and contracts.

Brief Description: Preempting local employment laws and contracts.

Sponsors: Senators Braun, Holmquist Newbry, Angel, Bailey, Becker and Honeyford.

Brief History:

Committee Activity: Commerce & Labor: 1/29/14, 1/31/14, 2/03/14 [DP, DNP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Hewitt and King.

Minority Report: Do not pass.

Signed by Senators Conway, Ranking Member; Hasegawa and Kohl-Welles.

Staff: Mac Nicholson (786-7445)

Background: Article XI, section 11 of the Washington Constitution allows counties, cities, and towns to make and enforce within its limits all local police, sanitary, and other regulations that are not in conflict with general laws. A state statute preempts a local ordinance on the same subject where the Legislature states its intention either expressly or by necessary implication to preempt the field.

The City of Seattle passed an ordinance in September 2011 that requires all employers operating within Seattle city limits to provide paid sick and safe leave to their employees. This ordinance took effect on September 1, 2012. It establishes minimum standards for businesses operating within Seattle city limits to provide paid sick and safe leave to their employees, and applies to businesses that are based in Seattle, as well as those that are based outside Seattle but have employees that perform work in Seattle.

At the November 2013 election, Proposition 1 was approved by the voters in the city of SeaTac. Proposition 1 established a variety of requirements for hospitality and transportation businesses in SeaTac, including a minimum wage standard of \$15 per hour, paid leave for

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sick and safe time, and other employment-related provisions. Pursuant to a recent King County superior court decision, Proposition 1 will not apply to affected employees at the airport and will apply only to hospitality and transportation employers who are not located at the airport.

Summary of Bill: The state preempts the entire field regarding wages, hours of work, employee retention, and leave from employment.

Cities, towns, counties, and port districts cannot require, enforce, or regulate payment of wages, hours of work, employee retention, or leave from employment through any:

- charter, ordinance, regulation, rule, or resolution; or
- contract including a purchase agreement.

The preemption applies to all charters, ordinances, regulations, rules, and resolutions for private employers adopted before or after the effective date of the legislation; and it applies to all contracts entered into after the effective date of the legislation. The preemption created in the legislation must be broadly construed, and does not impair any provision of a collective bargaining agreement in effect as of the effective date of the legislation.

Cities, towns, counties, and port districts may implement laws, ordinances, directives, contracts, or policies that affect only its own employees.

The term leave from employment includes sick, vacation, and holiday leave; leave when an employee's place of business or child's school or place of care has been closed by order of a public official; and any other type of employee leave except leave for domestic violence, sexual assault, or stalking.

Employee retention means offering work to or retaining employees following a business succession.

Language in the Minimum Wage Act allowing local laws or ordinances to establish wages, hours, or other working conditions above the minimum standards is removed.

Language in the family leave statutes allowing local laws to provide greater family or medical leave than state law is removed.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: It would cause administrative burden for businesses to deal with different minimum wage rates when crossing different jurisdictional lines. Businesses will have to increase rates to comply with differing rates, and those will get passed onto the consumers, who might not have the ability to pay. The state does not need

the unpredictability in the business environment. These sorts of decisions should be handled at the state level, because the impacts are felt statewide. The discussion and policy should be set by the Legislature in Olympia. Local ordinances can pit companies against companies, and not all will have the same labor costs because of the jurisdictions in which they are located. Companies with multiple locations may have to navigate multiple different labor laws.

CON: This is a big conversation about how to approach wages and other jurisdictional issues. This bill does not approach the discussion in the right way. Local jurisdictions passed local laws that protect public health and local business prosperity in a robust, public manner. Business can and do prosper with these sorts of programs. Federal and state laws should be the floor, but local jurisdictions should be able to meet local jurisdiction needs. It is not a good idea to preempt local control. Local people should be able to decide and exercise local control. Cities value and are sensitive to businesses. Costs for living and working in cities varies, and cities should maintain local control to help businesses and the community thrive.

Persons Testifying: PRO: Mark Johnson, WA Retail Assn.; Patrick Connor, National Federation of Independent Business, WA; Bob Lycke, Kuker-Ranken Inc.; Lynda Wilson, DeWils Industries; Kelly Chambers, Jeff Chambers, Visiting Angels; Tim Bathke, Tom Keogh, WA Lodging Assn.; Doris Cassan, Cassan Enterprises, Inc.; DBA, Dollar Rent A Car; Roger McCracken, Master Park LLC; Carolyn Logue, South Sound Chamber of Commerce Legislative Coalition; Maxford Nelsen, Freedom Foundation; Carolyn Logue, WA Food Industry Assn.; Tom Kwieciak, Building Industry Assn. of WA; Jim King, WA State HVAC/R Assn.; Judy Covert, Printcom, Inc.; Kris Tefft, Assn. of WA Business; Jeff Gingold, Wally Park; James Fricke, Capital Aeroporter; Gary Smith, Independent Business Assn.

CON: Sally Clark, council member, City of Seattle; Teresa Mosqueda, WA State Labor Council; Kathryn Campbell, City of SeaTac, council member; Francis Benjamin, City of Pullman, council member; Marilyn Watkins, Economic Opportunity Institute; Judy Volkers, retired nurse; Abraham Taylor, truck driver; Monica Bryant, grocery worker; Joe Sonntag, Socialist Alternative; Nicole Grant, IBEW; Diego Rondon, National Employment Law Project; Marilyn Watkins, Economic Opportunity Institute; Teresa Mosqueda, WA State Labor Council.