

HOUSE BILL REPORT

HB 2715

As Reported by House Committee On: Labor & Workplace Standards

Title: An act relating to minimum labor standards for certain employees working at an airport or air navigation facility.

Brief Description: Concerning minimum labor standards for certain employees working at an airport or air navigation facility.

Sponsors: Representatives Gregerson, Orwall, Sells, Lekanoff, Valdez, Goodman and Pollet.

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/28/20, 2/6/20 [DPS].

Brief Summary of Substitute Bill

- Provides that a municipality that operates or controls an airport may enact a minimum labor standard under certain conditions.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Sells, Chair; Chapman, Vice Chair; Gregerson and Ormsby.

Minority Report: Do not pass. Signed by 3 members: Representatives Mosbrucker, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Hoff.

Staff: Lily Smith (786-7175).

Background:

Municipal Airports.

Municipalities may establish, operate, and regulate municipal airports and other air navigational facilities. Municipal airports are under the exclusive jurisdiction, subject to

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state and federal law, of the municipality that controls or operates the airport. A municipality may be a county, city, town, airport district, or port district.

Minimum Wages.

Employers covered under the Minimum Wage Act are required to pay employees age 18 or older at least the state minimum hourly wage. The state minimum wage is set in statute until January 1, 2021, at which point the Department of Labor and Industries must adjust the minimum wage by the rate of inflation. The current state minimum wage is \$13.50 per hour. Local jurisdictions are authorized to enact minimum wages and other standards more favorable to employees.

In 2013 Proposition 1 established a variety of requirements for hospitality and transportation businesses in the city of SeaTac, including a minimum wage standard of \$15 per hour, adjusted for inflation. In 2015 the Washington State Supreme Court held that Proposition 1 could be enforced at SeaTac Airport, which is owned and operated by the Port of Seattle, so long as it did not interfere with airport operations.

Summary of Substitute Bill:

A municipality that controls or operates an airport may enact a minimum labor standard for employees at the airport when all of the following conditions apply:

- the minimum labor standard meets, but does not exceed, those enacted by any other municipality in which the airport or other property is located;
- the municipality controls or operates an airport with more than 20 million annual commercial passenger boardings;
- the airport is located within a city that has a local minimum labor standard that applies to certain employers at the airport;
- the labor standard only applies to employers expressly excluded from the existing local minimum wage standard due to their goods or service type, and not due to: (1) the employer being a certified air carrier performing service for itself; or (2) the employer's size or number of employees; and
- the employers are both on the municipal property and within the city that has a local standard.

Substitute Bill Compared to Original Bill:

The substitute bill adds the following conditions to the authorization for a municipality to enact a minimum labor standard for employees at the airport:

- the labor standard cannot exceed the existing applicable local labor standard;
- the municipality must control or operate an airport with more than 20 million annual commercial passenger boardings;
- the airport must be located within a city that has a local minimum labor standard that applies to certain employers at the airport;
- the labor standard must only apply to employers expressly excluded from the existing local minimum wage standard due to their goods or service type, and not due to: (1)

- the employer being a certified air carrier performing service for itself; or (2) the employer's size or number of employees; and
- the authorization only applies to employers both on the municipal property and within the city that has a local standard.
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Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill will clarify that municipalities have the authority to enact labor standards as long as they do not undermine existing local standards. The clarification is needed to reestablish local autonomy, clean up a legal grey area, and close gaps in wage standards. Some workers are currently excluded under the City of SeaTac's ordinance, and the Port of Seattle is currently unable to address the income inequality. There are workers that cannot provide for their families or meet basic needs, much less unexpected expenses. Closing this loophole would make a significant difference in the lives of these workers.

(Opposed) The definition of minimum labor standards can be very broad and apply in multiple areas, so it should be clarified. Workers are currently being paid at least the state minimum wage. There may be federal preemption issues, as airports are subject to federal regulation. There are issues with applying this to all airports, particularly those that are jointly owned, as that structure is not addressed in the bill. Creating a patchwork of different standards in different areas or different types of businesses also creates a concern.

(Other) There is an urgency to this issue, and noncovered workers need a solution for fair treatment, but as written, the bill may not solve this problem. Ports are limited-purpose entities that generally do not set these types of standards, which are typically set by cities. There should be a way to ensure that city ordinances do not leave out certain workers. The bill is very broad and would impact numerous ports and those working not only at airports, but on other property owned by the municipality. The bill should be clarified and narrowed to the issue it seeks to address.

Persons Testifying: (In support) Representative Gregerson, prime sponsor; Stefan Moritz and Marybeth Clotario-Doherty, Unite Here Local 8; and Ronnie Lalimo.

(Opposed) Kelly Fukai, Spokane International Airport; and Robert Battles, Association of Washington Business.

(Other) Eric Ffitch, Port of Seattle; and Victoria Lincoln, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: None.