

SENATE BILL REPORT

ESSB 6217

As Passed Senate, February 17, 2020

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: Senate Committee on Labor & Commerce (originally sponsored by Senators Keiser, Saldaña, Nguyen, Hasegawa, Conway and Wilson, C.).

Brief History:

Committee Activity: Labor & Commerce: 1/27/20, 2/04/20 [DPS, DNP, w/oRec].

Floor Activity:

Passed Senate: 2/17/20, 33-15.

Brief Summary of Engrossed First Substitute Bill

- Authorizes a municipality that operates an airport with more than 20 million annual commercial passenger boardings to enact a minimum labor standard that applies to employees working at the airport under certain conditions.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 6217 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Stanford and Wellman.

Minority Report: Do not pass.

Signed by Senators King, Ranking Member; Braun and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Walsh.

Staff: Jarrett Sacks (786-7448)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Minimum Wage Act. Employers covered under the state Minimum Wage Act are required to pay employees age 18 or older at least the minimum hourly wage. Under Initiative 1433, passed by the voters in 2016, the state minimum wage is set in statute until January 1, 2021, when the Department of Labor and Industries (L&I) must adjust the minimum wage by the rate of inflation. The Minimum Wage Act sets the minimum standards for wages. Local jurisdictions are authorized to pass more favorable regulations. The current state minimum wage is \$13.50 per hour.

In 2013, Proposition 1 was approved by 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, adjusted for inflation. Businesses that prepare food or beverage to be served in-flight by an airline are excluded from the requirements of Proposition 1.

Revised Airports Act. The Revised Airports Act of 1945 (RAA) grants municipalities the authority to establish, operate, and regulate municipal airports and other air navigational facilities. The RAA gives municipalities that establish airports a list of specific powers, including the ability to adopt rules and regulations, provide fire protection, create a special airport fund, lease airport and air navigation facilities, and sell or lease property for airport purposes. The RAA also provides that airports, subject to state and federal law, are under the exclusive jurisdiction and control of the municipality controlling or operating the airport and that no other municipality in which the airport is located has police jurisdiction of the same or any authority to charge any license fee or occupation taxes for the operations.

Filo Foods, LLC v. City of SeaTac. After passage of Proposition 1, a lawsuit was filed challenging the validity of SeaTac's Proposition 1 on several grounds, including that the proposition violated the RAA's provisions governing jurisdiction over airports. The King County Superior Court held that the proposition violated the RAA and could not be enforced at SeaTac Airport. In 2015, that decision was overturned by the Washington State Supreme Court, which held that the proposition could be enforced at SeaTac Airport so long as it did not interfere with airport operations.

Summary of Engrossed First Substitute Bill: A municipality that controls or operates an airport with more than 20 million annual commercial passenger boardings 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 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
- the employers are both on the municipal property and within the city that has a local standard.

The requirement that charges for the use of airport property be reasonable and uniform does not include any labor standard enacted under the bill.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The bill protects workers exempted from SeaTac's minimum wage ordinance. It clarifies that an entity that runs an airport can pass labor regulations. The bill preserves local autonomy and closes regulatory gaps. The bill cleans up a gray area in the law. Airline catering workers are excluded from SeaTac's minimum wage law, and these workers work hard for many hours and struggle to pay bills. They deserve the same wages as other airport workers. The bill does not require the ports to act, but it allows them to if they desire.

CON: The bill is overly vague and it could be expanded to issues that are not wage and hour related. There are concerns about federal preemption of laws that apply to airport workers. The bill applies to many more airports than just SeaTac. The bill will lead to an additional patchwork of minimum wage laws.

OTHER: The port commissioners want to address workers not currently covered, but the bill may not clearly address the issue and it changes the role of ports. The bill should be narrower. The bill applies to other property owned by the municipalities, making it very broad with an extensive impact.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Stefan Moritz, Unite HERE; Marybeth Clotario, Unite HERE; Ronnie Lalimo, Unite HERE; Nino Cueto, Unite HERE; Joseph Wallis, Unite HERE; Sybill Hyppolite, Washington State Labor Council.

CON: Todd Woodard, Spokane International Airport; Robert Battles, Association of Washington Business.

OTHER: Eric Fitch, Port of Seattle; Victoria Lincoln, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: No one.