

**Commerce and Labor Committee
House of Representatives
State of Washington**

Final Report for 2010

Prepared by: Committee Staff
Office of Program Research
House of Representatives
State of Washington

Date: Revised May 12, 2010

2010 FINAL REPORT
House Commerce and Labor Committee

Summary of Major Legislation*

BUILDING AND CONSTRUCTION

Underground Economy

The final recommendations of the Joint Legislative Task Force on the Underground Economy (Task Force) led to the enactment of one bill and the veto of another bill. **SHB 2789**, which became law, responds to a Washington State Supreme Court case and creates a process for the Department of Labor and Industries, the Employment Security Department, and the Department of Revenue to seek judicial approval of a subpoena before it is issued. **E2SSB 6575**, which the Governor vetoed, would have created a dedicated Contractor Registration Account. (Contractor fees and penalties are currently deposited into the General Fund and the contractor registration program is funded out of the General Fund.) The bill also would have required contractors who fail to register to take a class, in addition to registering, to receive a reduced penalty for a first-time offense. (See attached veto message.)

The Task Force has expired but the Governor has directed the three agencies to continue their coordination of efforts and to include stakeholders.

Public Works

Over the past several years, legislation has been introduced related to off-site prefabricated items produced outside Washington. EHB 1836 from 2009 would have required contractors on public works estimated to cost more than \$1 million to submit information about the off-site prefabricated items and make certified payroll records available upon request. The bill failed on Third Reading in the Senate. This session **EHB 2805** was enacted, which requires contractors and subcontractors to submit information, as part of the Affidavit of Wages Paid form, about certain off-site prefabricated items produced outside Washington under public works projects estimated to cost over \$1 million. The Department of Labor and Industries must transmit this information to the Capital Projects Advisory Review Board for review. The requirements apply to contracts entered into between September 1, 2010, and December 31, 2013.

BUSINESS REGULATION AND PROFESSIONAL LICENSING

The Legislature enacted several licensing bills. **ESHB 5529** modifies provisions regulating architects, including the seal and sign provisions, corporate practice and registration requirements, definitions, exemptions to registration as an architect, the application requirements, and the examination procedures. Licensing requirements were established for appraisal management companies in **ESHB 3040**. The requirements are administered by the Department of Licensing and include restrictions on who may own an appraisal management company, procedures for adjudicating disputes between appraisal management companies and appraisers, and bonding requirements.

ESHB 2547 makes numerous changes to the laws regulating the franchise relationship between motor vehicle dealers and manufacturers. The bill modifies provisions regarding the terminations of franchises, warranty work, designated successors to franchise ownership, and unfair practices by manufacturers.

COLLECTIVE BARGAINING

The Legislature considered several bills relating to collective bargaining between the Governor and various public employees and providers.

SB 6815, which would have required bargaining representatives for ferry employees to negotiate for state contributions for health benefits as part of the super coalition rather than bargain separately for health care benefits, was considered by the Committee. The bill died in the House Rules Committee, but the provisions were included in **ESHB 3209**, which was referred directly to the Transportation Committee and was enacted. In addition, **ESHB 3209** eliminates the limitation that an arbitrator may only select from the final offers submitted by the parties at bargaining impasses and modifies the factors that an arbitrator takes into consideration in making its decision. The bill also removes the authority of the Marine Employee Commission (MEC) to conduct salary surveys, and instead, requires the Office of Financial Management to contract out for the salary survey. A proviso in the supplemental transportation budget (**ESSB 6381**) requires the Joint Transportation Commission to conduct a study comparing the processing time of grievances and hearings at the Public Employment Relations Commission (PERC) and the MEC, and reviewing whether the expertise exists at the PERC to administer the grievances and hearings currently administered by the MEC.

ESSB 6726, which gives collective bargaining rights under the public employees' collective bargaining law to language access providers, was enacted. "Language access providers" are independent contractors who provide spoken language interpreter services for certain Department of Social and Health Services appointments or Medicaid enrollee appointments, but not owners, managers, or employees of brokers or language access agencies. Mandatory subjects of bargaining are limited to: (1) economic compensation, such as the manner and rate of payments; (2) professional development and training; (3) labor-management committees; and (4) grievance procedures. Retirement benefits are not subject to collective bargaining.

SHB 1329, which would give similar collective bargaining rights to child care center directors and workers, was passed by the House for the third year in a row. The bill ultimately died in the Senate Ways and Means Committee.

The Legislature also enacted **SSB 5046** relating to collective bargaining between certain private symphony orchestras and symphony musicians. The bill applies to symphony orchestras with gross annual revenue of more than \$300,000 and less than \$1 million. (The National Labor Relations Board's jurisdiction does not extend to symphony orchestras with gross annual revenues of less than \$1 million.) Similar bills were considered by the Legislature in 2009.

EMPLOYMENT

SSB 6349 creates a farm internship pilot project in San Juan and Skagit Counties. The Department of Labor and Industries (L&I) is directed to issue special certificates to qualifying farms. A farm's internship program must be based on the bona fide curriculum of an educational or vocational institution. Farm interns are not subject to the Minimum Wage Act and farm intern services are not covered employment for purposes of unemployment insurance. The Governor vetoed a provision *requiring* that funding be from the General Fund; however, the supplemental operating budget (**ESSB 6444**) appropriates General Funds for the program. (See attached veto message.)

The Legislature continued its discussion of how to protect foreign workers from human trafficking violations. The disclosure statement requirement established by E2SSB 5850 in 2009 was modified by **SSB 6332** in 2010. The modifications include an exemption from the requirement for employers of foreign workers who are provided a federal informational pamphlet, as well as a presumption that certain visa holders are provided the pamphlet. They also include a civil penalty for employers who violate the disclosure statement requirement, and a directive that the L&I integrate certain information in appropriate employment posters and brochures.

GAMBLING AND LOTTERY

The Committee continued its work on the authority of local governments to limit house-banked social card rooms. **HB 2873** would have allowed local governments to limit the number of card room businesses to the number in the jurisdiction, with the number then reduced if a card room business ceased to operate. In addition, the bill would have deemed local ordinances in compliance with the law. (A number of jurisdictions have non-conforming ordinances.)

HB 2355 and **SB 6103** would have changed the definition of gambling to address a court decision which held that a betting exchange in which customers were not required to pay their losses did not constitute "gambling." The Committee heard, but did not take action on **HB 2873**, **HB 2355**, and **SB 6103**.

Under **2SSB 6409**, lottery proceeds are redirected to the newly created Opportunity Pathways Account to be used for early childhood education and assistance, recruitment of entrepreneurial researchers, higher education financial aid, and related purposes. The Lottery Commission must market the lottery for these purposes and report to the Legislature on marketing strategies and revenue projections for the rebranded lottery. This bill was referred directly to the House Ways and Means Committee.

LIQUOR

Following the beer and wine grocery store tasting pilot project authorized in 2008, the Legislature enacted **SSB 6329**, which allows grocery stores meeting certain criteria to offer tasting on an on-going basis. **HB 2642** would have created a pilot project for wine tasting at farmers markets. This bill died on the Senate Second Reading Calendar. The Committee

passed **SSB 2804**, which would have required labeling of caffeinated or stimulant-enhanced malt beverages. SSB 2804 died in the Senate Labor, Commerce and Consumer Protection Committee.

Several bills were introduced relating to state liquor store privatization. **HB 2845** and **HB 2890** both provided for the closure of all state liquor stores and the awarding of liquor franchises. **HB 2846** directed the closure of 25 state liquor stores, and also made changes for state and contract liquor stores regarding the distribution of wine and shelf space for spirits. HB 2845 and HB 2890 died in the Committee and HB 2846 was rereferred to the House Ways and Means Committee, where it died. A related bill, **HB 3189**, would have required the conversion of some liquor stores to contract stores and a study of contracting out. This bill was heard but not passed out of the House Ways and Means Committee. A proviso in the supplemental operating budget (**ESSB 6444**) requires the Liquor Control Board to submit a plan to the appropriate policy and fiscal committees by November 1, 2010, to transition at least 20 state liquor stores to contract liquor stores.

WAGE AND HOUR

SHB 3145 modifies the Wage Payment Act, which was originally enacted in 2006. SHB 3145 establishes a civil penalty for repeat willful violators of the wage payment laws. It also provides for tolling of the statute of limitations during a wage payment investigation by the Department of Labor and Industries (L&I), increases the minimum penalty amounts, provides for successor business liability, and expands the bonding authority of the L&I with respect to employers with multiple wage complaints filed against them.

The Legislature also considered **E2SHB 3024** which would have provided uninterrupted meal and rest breaks for certain hospital employees. That bill died on the Senate Second Reading Calendar.

UNEMPLOYMENT COMPENSATION

As part of the federal American Recovery and Reinvestment Act of 2009, Congress authorized modernization incentive payments to states with unemployment insurance laws that meet certain requirements. One-third of a state's payment is contingent on state law providing for an alternative base period. Two-thirds is contingent on state law providing for at least two of the following:

- no denial of benefits to part-time workers seeking only part-time work;
- no disqualification from benefits for separating from employment for certain compelling family reasons;
- continuation of weekly benefits for exhaustees in state-approved training; or
- dependents' allowances of at least \$15 per dependent per week.

Washington received one-third of the payment, approximately \$49 million, in 2009.

Two bills that would have qualified the state to receive the other two-thirds of the payment were heard in the Committee. **HB 2553** would have provided that part-time workers who

seek only part-time work would not be denied benefits, and that individuals who quit work because continuing in employment would work an unreasonable hardship on them would not be denied benefits. The bill was reported from the Committee, but died on the House Second Reading calendar. **HB 2647**, which also would have addressed part-time work search, died in the Committee.

WORKERS' COMPENSATION

Several workers' compensation bills were referred to the Committee. Two bills would have changed the insurance options for employers. **HB 2879** would have created a Joint Legislative Task Force on Industrial Insurance Privatization to develop legislation to eliminate the State Fund by July 1, 2011. **HB 3149** would have authorized private insurers to offer workers' compensation insurance and transferred the regulation of workers' compensation from the Department of Labor and Industries to the Office of the Insurance Commissioner. Another bill, **HB 2950**, would have authorized medical provider networks and voluntary settlement agreements and changed the standards for occupational disease. These three bills were not heard and died in the Committee.

Two workers' compensation bills became law. **EHB 2519** did not go through the Committee, but addressed a death benefits issue the Committee has considered for several years. Under the bill, the lump sum benefit option for remarrying surviving spouses is changed from 24 times the monthly benefit to 36 times the monthly benefit for surviving spouses of certain law enforcement officers and fire fighters. (A bill which passed the House in 2009 - **HB 1212** - would have continued benefits regardless of remarriage.) **HB 3061** deals with self-insured employers and modifies the use of an employer's surety and the Self-Insured Insolvency Trust Fund.

In addition, a proviso in the supplemental transportation budget (**ESSB 6381**) requires the Joint Transportation Committee to compare benefits and costs for ferry employees under the federal Jones Act and Washington's industrial insurance act.

WORKFORCE TRAINING

A proviso in the supplemental operating budget (**ESSB 6444**) pertains to E2SSB 5809 (2009), which created incentives for education and training for individuals enrolled in training for high-demand and certain other occupations. The proviso allows the Employment Security Department to continue implementing the bill in FY 2011, but does not increase the appropriated amount. (As originally enacted, the operating budget provided for implementation of the bill in FY 2010 only.)

* This summary includes selected major bills which address subject areas typically dealt with by the Committee but for reasons of timing or otherwise did not go through the Committee.

2010 FINAL REPORT
House Commerce and Labor Committee

Passed Legislature

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>BUILDING AND CONSTRUCTION</i>			
SHB 2546	Van De Wege	Electrical Trainees - Increases the number of classroom hours required to renew an electrical trainee certificate from 16 to 32 beginning on July 1, 2011, and from 32 to 48 beginning on July 1, 2013.	C 33 L 10
SHB 2555	Conway	Electrical Program and Subpoena Authority - Authorizes the Department of Labor and Industries to issue subpoenas when there is reason to believe a violation of laws relating to electricians and electrical installations has occurred.	C 55 L 10
<i>BUSINESS REGULATION</i>			
ESHB 2547	Conway	Franchise Agreements Between Motor Vehicle Dealers and Manufacturers - Modifies the provisions regarding manufacturer and dealer franchise agreements, including those related to terminations of franchises, warranty work, designated successors to franchise ownership, and unfair practices.	C 178 L 10
SSB 6749	Fraser	Commercial Real Estate Disclosures - Requires sellers of commercial real estate to provide buyers with a disclosure statement, which is similar to the required disclosure statement for sellers of residential real property.	C 64 L 10
<i>COLLECTIVE BARGAINING</i>			
E2SHB 1560	Conway	Institutions of Higher Education - Permits multi-employer bargaining involving certain universities and colleges. Provides for legislative action on initial agreements between institutions of higher education and certain new bargaining units.	C 104 L 10
SSB 5046	Kohl-Welles	Symphony Musicians - Establishes procedures for collective bargaining between certain private symphony orchestras and symphony musicians.	C 6 L 10
ESSB 6726	Marr	Language Access Providers - Provides for collective bargaining between the Governor and language access providers under the Public Employees' Collective Bargaining Act. <i>Partial Veto:</i> Vetoes the provision requiring the Office of Financial Management to establish a working group on language access services.	C 296 L 10 (Partial Veto)

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>CONSUMER PROTECTION</i>			
SHB 2429	Wood	Motor Vehicle Warranty Modifications - Extends Washington's "lemon" disclosure law to used motor vehicle dealers. Requires manufacturers and motor vehicle dealers to include a title brand on the resale disclosure form. Reorganizes subsections and makes other housekeeping changes.	C 31 L 10
<i>EMPLOYMENT</i>			
SSB 6332	Kohl-Welles	Trafficking Information - Exempts foreign workers who have been provided with a pamphlet under federal law, or who hold certain visas, from the disclosure requirement. Limits the definition of "foreign worker" to those with a nonimmigrant visa for temporary visitors. Establishes civil penalties.	C 142 L 10
SSB 6349	Ranker	Farm Internship Pilot Project - Requires the Department of Labor and Industries (Department) to establish a farm internship pilot project in San Juan and Skagit Counties. Sets standards for farm internship programs. Exempts services of farm interns from the Minimum Wage Act and from covered employment for purposes of unemployment insurance. Requires the Department to report to the Legislature by December 31, 2011. <i>Partial Veto:</i> Vetoes the provision providing that appropriations for purposes of the project must be from the State General Fund.	C 160 L 10 (Partial Veto)
<i>GAMBLING, HORSE RACING, AND LOTTERY</i>			
SHB 2678	Quall	Nonprofit Purses - Changes funding of nonprofit horse race purses paid by the Washington Horse Racing Commission (Commission) from \$300,000 distributed on a pro rata basis to \$15,800 per race day. Authorizes the Commission to fund nonprofit purses with funds from a hierarchy of funding sources, including a percentage of source market fees on advance deposit wagering.	C 39 L 10
<i>LEAVE</i>			
SSB 6647	Honeyford	Civil Air Patrol Members - Prohibits an employer from discharging or disciplining Civil Air Patrol members for leave related to emergency service operations.	C 170 L 10

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>LICENSING</i>			
HB 2697	Conway	Real Estate Fees - Extends the Department of Licensing's authority to collect a \$10 fee from real estate licensees to fund the activities of the Washington Center on Real Estate Research for five additional years.	C 156 L 10
ESHB 3040	Conway	Appraisal Management Companies - Establishes a licensing requirement for businesses engaged in appraisal management services. Directs the Department of Licensing to administer the provisions. Provides for adjudication of disputes between appraisal management companies and appraisers.	C 179 L 10
ESSB 5529	Jarrett	Architects - Modifies provisions regulating architects, including the seal and sign provisions, corporate practice and registration requirements, definitions, exemptions to registration as an architect, the application requirements, and the examination procedures.	C 129 L 10
<i>LIQUOR/TOBACCO</i>			
SSB 6329	Kohl-Welles	Grocery Store Beer and Wine Tasting - Allows grocery stores to offer beer and wine tasting. Establishes eligibility criteria for stores and conditions for tastings.	C 141 L 10
SSB 6485	Marr	Distillers - Increases the gallon threshold to qualify as a craft distillery from 20,000 to 60,000 gallons. Allows craft distillers to contract distill spirits for specified other licensees, including growers. Allows distillers to provide pouring or dispensing of spirits for a special occasion licensee.	C 290 L 10
<i>PREVAILING WAGE</i>			
EHB 2805	Ormsby	Off-Site Prefabrication - Requires contractors and subcontractors on public works projects estimated to cost over \$1 million to submit information about certain off-site prefabricated items produced outside Washington to the Department of Labor and Industries.	C 276 L 10
<i>UNDERGROUND ECONOMY</i>			
SHB 2789	Conway	Judicial Approval of Subpoenas - Creates a process for the Department of Labor and Industries, the Employment Security Department, and the Department of Revenue to seek judicial approval of a subpoena before it is issued.	C 22 L 10

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>UNEMPLOYMENT COMPENSATION</i>			
SHB 2649	Green	Technical Corrections - Corrects references to certain sections of the Employment Security Act that were amended and restructured or alphabetized in 2009.	C 25 L 10
SSB 6524	King	Delinquent Employer Rates - Modifies the experience rated factor for delinquent employers, and provides for a lower experience rated factor for delinquent employers who enter a deferred payment contract.	C 72 L 10
<i>WAGE AND HOUR</i>			
SHB 3145	McCoy	Administration of Wage Complaints - Modifies the wage payment provisions with respect to repeat willful violators, tolling the statute of limitations, successor business liability, minimum penalty amounts, and the bonding authority of the Department of Labor and Industries.	C 42 L 10
<i>WORKERS' COMPENSATION</i>			
HB 3061	Condotta	Claims of Insolvent Self-Insurers under Industrial Insurance - Requires that the balance of a defaulted self-insured employer's surety must be transferred into the Insolvency Trust Fund when all claims against the employer are closed and the employer has been in default for 10 years. Provides that if a self-insured employer is in default or the Department of Labor and Industries has withdrawn an employer's certification, the cost of claims which would otherwise be paid from the Second Injury Fund are instead assessed against the self-insured employer's surety and when the surety is insufficient, the Insolvency Trust Fund.	C 213 L 10

2010 FINAL REPORT
House Commerce and Labor Committee

Other Bills Passed Out of Committee

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>AGRICULTURAL LABOR</i>			
HJM 4017	Chandler	AgJOBS Legislation - Petitions the U.S. Congress to enact the Agricultural Job Opportunities, Benefits, and Security legislation to address the need for immigration reform to protect the agricultural industry and farm workers.	H Rules C
<i>COLLECTIVE BARGAINING</i>			
HB 1340	Conway	Community and Technical College Employees - Authorizes the boards of community and technical colleges to provide additional compensation to academic employees.	H Ways & Means
SHB 2743	Conway	Higher Education Employees - Makes the Public Employees' Collective Bargaining Act applicable to certain managers and directors of institutions of higher education who are exempted from civil service under the Personnel System Reform Act.	H Ways & Means
SHB 3003	Hunter	Symphony Musicians - Establishes procedures for collective bargaining between certain private symphony orchestras and symphony musicians. Authorizes the Public Employment Relations Commission to administer and enforce these procedures. Similar bill (SSB 5046) enacted.	S Rules 2
2SHB 3062	Conway	Language Access Providers - Requires the Office of Financial Management to establish a working group on language access services. Provides for collective bargaining between the Governor and a statewide unit of language access providers under the Public Employees' Collective Bargaining Act. Similar bill (ESSB 6726) enacted.	H Rules C
SB 6815	Haugen	Health Care Benefits for Marine Employees - Requires that bargaining representatives for ferry employees negotiate for state contributions for health benefits as part of the coalition of other state employee bargaining representatives. Provisions included in ESHB 3209, which was enacted.	H Rules R

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>CONSUMER PROTECTION</i>			
SSB 5668	Berkey	Sale of Used Manufactured/Mobile Homes - Adds requirements to the use of consignment contracts and listing agreements for the sale of used manufactured and mobile homes including requiring that the maximum percentage or dollar amount of commission to be paid to the dealer be stated.	In dispute
<i>GAMBLING, HORSE RACING, AND LOTTERY</i>			
SSB 6393	Hewitt	Nonprofit Race Meets - Changes funding of nonprofit horse race purses paid by the Washington Horse Racing Commission (Commission) from \$300,000 distributed on a pro rata basis to \$15,800 per race day. Authorizes the Commission to fund nonprofit purses with funds from a hierarchy of funding sources, including a percentage of source market fees on advance deposit wagering. Identical bill (SHB 2678) enacted.	H Rules C
<i>LEAVE</i>			
EHB 2444	Williams	Children's Educational Activities - Provides that employees are entitled to four hours of unpaid leave during any 12-month period to participate in a child's educational activities.	S 2 nd Reading
<i>LICENSING</i>			
2SHB 1634	White	Architects - Modifies and makes various technical edits and clarifications to the seal and sign provisions, corporate practice and registration requirements, definitions, exemptions to registration as an architect, the application requirements, and the examination procedures. Similar bill (ESSB 5529) enacted.	H Gen Gov Apps
SHB 2524	O'Brien	Prohibited Practices of Collection Agencies - Modifies provisions related to collection agency communication with debtors.	S 2 nd Reading
SHB 2589	Green	On-Site Wastewater Treatment Systems Designer Licensing - Modifies the on-site wastewater treatment systems designer licensing provisions related to unprofessional conduct, experience and education requirements, and renewals.	S Rules 2
SHB 2602	Moeller	Continuing Education Requirements for Engineers - Requires the Department of Licensing to submit recommendations to the Legislature, using the sunrise review criteria, on establishing a continuing education requirement for engineers.	H Gen Gov Apps
SHB 2689	Goodman	Real Estate Brokerage Agency Relationship Terms - Makes changes in the real estate brokerage agency relationships law to be consistent with the real estate brokers and salespersons law by adding definitions, modifying a definition, and making necessary language changes.	H Rules C

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
SSB 6433	Honeyford	Home Inspector Licensing Requirements - Extends the time in which experienced home inspectors can apply for licensure without meeting instruction and training requirements. Requires the Home Inspector Advisory Licensing Board to consult with colleges in eastern Washington to develop qualified instruction programs.	H Rules R
<i>LIQUOR/TOBACCO</i>			
HB 2642	Kenney	Farmers Market Wine Tasting - Creates a pilot project for wine tasting at farmers markets.	S 2 nd Reading
SHB 2688	Hunter	Grocery Store Beer and Wine Tasting - Allows grocery stores to offer beer and wine tasting. Establishes eligibility criteria for stores and conditions for tastings. Similar bill (SSB 6329) enacted.	S 2 nd Reading
ESHB 2790	Conway	Liquor Laws - Adds references to additional types of licenses to a 2009 law allowing financial interests between various tiers of the liquor industry. Allows a vendor to obtain a special permit to serve liquor at a liquor licensee trade association convention. Makes housekeeping and technical changes.	S 2 nd Reading
SHB 2804	Green	Beer and Caffeinated Malt Beverages - Requires caffeinated or stimulant-enhanced malt beverages to be labeled with the amount of caffeine or other stimulants, the alcohol content, and other information.	S LCCP Committee
HB 2947	Wood	Special Occasion Licenses - Allows special occasion liquor licensees to pay for beer and wine immediately following the end of an event. Allows wineries and breweries to pay reasonable table fees to special occasion licensees.	S 2 nd Reading
<i>PREVAILING WAGE</i>			
SHB 1992	Conway	Construction Projects - Extends application of the prevailing wage requirements to construction projects that involve tax incentives, loans provided by a public entity, or public land or property that is sold or leased.	H Cap Budget

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>SAFETY AND HEALTH</i>			
ESHB 2499	Bailey	Black Powder - Raises the amount of black powder which may be stored in private residences and transported in private vehicles under the state's Explosives Act.	S 2 nd Reading
<i>UNEMPLOYMENT COMPENSATION</i>			
SHB 2553	Conway	Voluntary Quits; Part-Time Work Search - Provides that an individual is not disqualified from receiving unemployment benefits if he or she leaves work because continuing in employment would work an unreasonable hardship on the individual. Provides that an individual may not be denied benefits solely because he or she seeks only part-time work, so long as the part-time work is for at least 17 hours per week.	H Rules C
SHB 2648	Kenney	Delinquent Employer Rates - Modifies the experience rated factor for delinquent employers, and provides for a lower experience rated factor for delinquent employers who enter a deferred payment contract. Identical bill (SSB 6524) enacted.	H Rules C
HB 3129	Conway	Unemployment Insurance System - Makes legislative findings about the unemployment insurance system.	H Rules C
<i>UNDERGROUND ECONOMY</i>			
SHB 2826	Conway	Task Force Recommendations - Requires contractors who fail to register with the Department of Labor and Industries to take a training class, in addition to registering, to be eligible for a reduced penalty for a first-time offense. Provides that a contractor who engages in certain unregistered contractor activity after a third final infraction for such activity commits a class C felony. Provides that a contractor violation occurs in certain circumstances when contractors work together on a task when at least one contractor has no covered workers. Creates a dedicated account for contractor registration. Related bill (2SSB 6575) vetoed by the Governor.	H Ways & Means
2SSB 6575	Kohl-Welles	Task Force Recommendations - Requires contractors who fail to register with the Department of Labor and Industries to take a training class, in addition to registering, to be eligible for a reduced penalty for a first-time offense. Creates a dedicated account for contractor registration.	Gov Vetoed
<i>WAGE AND HOUR</i>			
SHB 2764	Conway	Employees and Influenza - Prohibits an employer from discharging or disciplining an employee because of an absence from employment related to symptoms of pandemic influenza.	H Rules C

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
E2SHB 3024	Conway	Meal and Rest Breaks for Hospital Employees - Requires covered health care facilities to provide certain employees with uninterrupted meal and rest breaks.	S 2 nd Reading

2010 FINAL REPORT
House Commerce and Labor Committee

Bills Removed from Committee

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>GAMBLING, HORSE RACING, AND LOTTERY</i>			
HB 2732	Ericks	Lottery Tickets Internet Registration - Allows persons to register lottery tickets for second chance drawings using the Internet.	H Ways & Means
<i>LIQUOR</i>			
HB 2846	Alexander	Contract Liquor Stores - Directs the closure of 25 state liquor stores between July 1 and December 1, 2011, and provides for the Liquor Control Board (Board) to locate a contract liquor store in the area served by the closing state liquor store. Allows a contract liquor store manager to hold a grocery store liquor license if the grocery store is headquartered in Washington. Creates a Task Force on the Contracting Out of Liquor to assist the Board in determining which stores to close and the criteria for awarding contract liquor store agreements. Directs the Joint Legislative Audit and Review Committee to study the impacts of further contracting out the retail sale of liquor and include an analysis of allowing all qualified grocery stores based in Washington to become contract liquor stores. Requires wine purchased by the Board to be delivered to state and contract liquor stores by licensed wine distributors. Requires at least 90 percent of the shelf space in a state liquor store and contract liquor store, other than a grocery store or specialty shop, to be devoted to the sale of spirits.	H Ways & Means

2010 FINAL REPORT
House Commerce and Labor Committee

Bills Referred to Committee

BILL NO.	PRIME SPONSOR	SUMMARY
<i>AGRICULTURAL LABOR</i>		
HB 2554	Conway	Farm Worker-Grower Advisory Committee - Provides for a farm worker-grower advisory committee to aid the Director of the Washington State Department of Agriculture in formulating policies and discussing problems related to agricultural labor.
<i>BUILDING AND CONSTRUCTION</i>		
HB 2978	Appleton	Contractor Registration Program - Requires the Department of Labor and Industries to develop recommendations to the Legislature on education and experience requirements for contractors.
<i>COLLECTIVE BARGAINING</i>		
HB 2584	White	Community and Technical College Faculty - Requires that nontenured faculty members whose contracts are not renewed be provided with the reasons for the nonrenewal and a process to challenge the nonrenewal. Specifies that the evaluation tools and processes, the length of probation, and the challenge process are subject to collective bargaining.
HB 3163	Clibborn	Department of Transportation Marine Employee Benefits - Requires that bargaining representatives for ferry employees negotiate for state contributions for health benefits as part of the coalition of other state employee bargaining representatives, and may no longer bargain separately for health care benefits. Identical bill (SB 6815) reported out of the Commerce and Labor and Transportation committees. Provisions included in ESHB 3209, which was enacted.
SB 5908	Kohl-Welles	Juvenile Court Employees - Adds certain juvenile detention employees to the employees covered by binding interest arbitration under the Public Employees' Collective Bargaining Act.
<i>CONSUMER PROTECTION</i>		
HB 2587	Hunt	House-to-House Sales - Restricts the hours that peddlers and other vendors may sell goods house-to-house.

BILL NO.	PRIME SPONSOR	SUMMARY
<i>EMPLOYMENT</i>		
HB 2594	Rolfes	Law Enforcement Officers - Bars an arbitrator from overturning a law enforcement officer's termination for acts of dishonesty if the arbitrator finds that the employer established the officer's acts of dishonesty by clear, cogent, and convincing evidence. Related bill (SSB 6590) enacted.
<i>GAMBLING, HORSE RACING, AND LOTTERY</i>		
HB 2355	Simpson	Definition of Gambling - Modifies the definition of "gambling" to refer to conditional as well as unconditional stakes or risks and conditional agreements that something of value may or will be received. Declares that fines and forfeitures provide resources to law enforcement and the courts.
HB 2873	Conway	House-Banked Card Games - Allows local jurisdictions to limit the number of house-banked social card game businesses. Deems local legislative acts limiting house-banked social card games in effect on December 1, 2009, in compliance with the law.
HB 3134	Liias	Sports Betting - Authorizes bracket pools and fantasy sports leagues if the total amount of wagers does not exceed \$100 and other requirements are met.
SB 6103	Prentice	Definition of Gambling - Modifies the definition of "gambling" for purposes of the Gambling Act to include conditional stakes or risks and conditional agreements that something of value may or will be received.
<i>LEAVE</i>		
HB 2993	Hunt	Legislative Duties - Requires that legislators be granted leave for sessions, and that candidates give notice to employers that they may be absent during sessions. Provides that requirements do not apply to employers with 25 or less employees.
<i>LICENSING</i>		
HB 1608	Williams	Interior Design - Establishes a registration requirement for those who practice interior design. Establishes a Board of Registration to administer the provisions.
HB 2671	Hurst	Locksmiths - Requires licensing for those who practice locksmithing.
HB 2917	Sells	Accountancy Board - Transfers the Washington State Board of Accountancy to the Department of Licensing.
HB 3075	Williams	Soil and Wetland Scientists - Provides title protection for soil and wetland scientists. Provides that persons may become state-certified and may use specified titles with certain experience and education. Creates a regulatory board.

BILL NO.	PRIME SPONSOR	SUMMARY
<i>LIQUOR/TOBACCO</i>		
HB 2845	Alexander	Privatizing the Sale of Liquor - Directs the Liquor Control Board (Board) to close all state liquor stores and award liquor franchises by July 1, 2012. Directs the Board and the Department of Revenue to report to the Legislature by December 1, 2010, on a tax method that would generate the same revenue as under current system, not including any separate licenses or franchises.
HB 2890	O'Brien	Privatizing the Sale of Liquor - Directs the Liquor Control Board (Board) to close all state liquor stores and award liquor franchises by July 1, 2012. Directs the Board and the Department of Revenue to report to the Legislature by December 1, 2010, on a tax method that would generate same revenue as under current system, less franchise proceeds and fees. Provides for franchises to be awarded to highest qualified bidders for 10-year terms. Sets a \$1,000 annual fee.
<i>SAFETY AND HEALTH</i>		
HB 3073	Armstrong	Construction and Crane Safety - Excludes delivery of materials to a job site from crane safety requirements to the extent the exclusion is not in conflict with federal rules.
<i>UNEMPLOYMENT COMPENSATION</i>		
HB 2647	Conway	Part-Time Work Search - Provides that an individual who was in part-time work may not be denied unemployment benefits solely because he or she seeks only part-time work.
HB 2920	Condotta	Social Cost Factor Rate Cap - Modifies unemployment tax rates by capping the flat social cost factor rate from 2010 through 2013.
HB 3103	Anderson	General Fund Transfers - Requires transfers from the General Fund to the Unemployment Trust Fund for 1/6 of taxes in 2011 and 2012, 1/3 of taxes in 2013 and 2014, and 1/2 of taxes thereafter.
<i>WAGE AND HOUR</i>		
HB 2475	White	Nonprofit Conservation Corps Programs - Exempts members of certain conservation corps programs from the prevailing wage payment provisions.
HB 2646	McCoy	Wage Complaints - Restricts the Department of Labor and Industries' authority to waive civil penalties for repeat violators of the wage laws and for employers that have a business practice of disregard for wage laws. Tolls the statute of limitations during a wage complaint investigation. Provides for successor business liability. Establishes civil penalties for repeat violators of the wage laws and for employers that have a business practice of disregard for wage laws. Related bill (SHB 3145) enacted.
HB 2737	Conway	Employee Meal and Rest Breaks - Requires employers to provide meal and rest breaks. Establishes a waiver process for employers providing intermittent rest breaks in place of scheduled breaks.

BILL NO.	PRIME SPONSOR	SUMMARY
HB 3139	Condotta	Training Wages to New Employees - Establishes a special certificate issued by the Department of Labor and Industries for employers to pay new employees a training wage for a limited period of time.
<i>WORKERS' COMPENSATION</i>		
HB 2879	Ericksen	Elimination of State Fund - Creates Joint Legislative Task Force on Industrial Insurance Privatization to develop legislation by December 1, 2010, to eliminate the State Fund by July 1, 2011.
HB 2950	Morris	Workers' Compensation Reform - Authorizes the Department of Labor and Industries (Department) and self-insured employers to establish or contract with medical provider networks. Authorizes associations to contract with a Department network or approved self-insured network. Authorizes workers to pre-designate and receive care from own primary care provider. Provides for treatment guidelines, utilization review, and dispute resolution. Authorizes voluntary settlement agreements. Modifies definition of occupational disease.
HB 3149	Chandler	"Three Way" - Private Insurers - Requires employers be insured with the State Fund, qualify as a self-insurer, or insure with a private insurer, effective July 1, 2012. Provides for the State Fund to be managed by a board of five directors and meet same requirements as other insurers. Transfers general regulation of workers' compensation from the Department of Labor and Industries to the Office of the Insurance Commissioner. Transfers assets and liabilities of Accident Fund and Medical Aid Fund to the State Fund.
HJM 4026	Kelley	Defense Base Act of 1941 - Urges Congress to reform law requiring government contractors to purchase workers' compensation for injures outside the U.S. to prevent double payment to insurance carriers.

2010 FINAL REPORT
House Commerce and Labor Committee

Selected Bills of Interest to the Committee

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>COLLECTIVE BARGAINING</i>			
ESHB3209	Clibborn	<p>Ferry System - Modifies collective bargaining provisions, including eliminating the limitation that an arbitrator may only select from the final offers submitted by parties and changing the factors an arbitrator must consider. Makes other changes to provisions governing ferries.</p> <p><i>Partial Veto:</i> Vetos the elimination of ferry passes for current employees. Vetos the reduction in appropriation for the Ferries Division insurance policy.</p>	C 283 L 10 (Partial Veto)
<i>GAMBLING, HORSE RACING, AND LOTTERY</i>			
SB 6804	Kohl-Welles	<p>Problem Gambling Facilities - Allows the Department of Social and Health Services to certify pathological gambling treatment facilities and adopt rules establishing standards for the review and certification of the facilities.</p>	C 171 L 10
E2SSB 6409	Kastama	<p>Lottery - Opportunity Pathways - Redirects lottery funds to the Opportunity Pathways Account to be used for various higher education purposes and early childhood education and assistance. Requires the Lottery Commission to market the lottery for these purposes and report to the Legislature on marketing strategies and revenue projections.</p> <p><i>Partial Veto:</i> Vetoes a requirement that the Joint Legislative Audit and Review Committee study Lottery Commission marketing and vendor expenditures and incentive payment programs.</p>	C 27 L 10 E1 (Partial Veto)
<i>LIQUOR/TOBACCO</i>			
HB 2526	O'Brien	<p>Small Winery Reporting - Provides that small wineries report and pay taxes annually rather than monthly.</p>	H Finance
HB 3189	Alexander	<p>Contract Liquor Stores - Requires Liquor Control Board (Board) to convert at least 20 state liquor stores to contract liquor stores and convert an additional 10 stores on a pilot basis. Requires the Board to study contracting out of liquor. Requires legislative approval to increase the number of contract liquor stores.</p>	H Ways & Means

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<i>WORKERS' COMPENSATION</i>			
EHB 2519	Green	Law Enforcement/Fire Fighter Death Benefits - Increases the optional death benefit for surviving spouses of members of the Law Enforcement Officers and Fire Fighters Retirement System Plan 2 and Washington State Patrol Retirement System who remarry from a lump sum of 24 to a lump sum of 36 times the monthly allowance. Makes other changes in duty-related death benefits.	C 261 L 10

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504- 0002 · (360) 902- 4111 · www.governor.wa.gov

April 1, 2010

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 17 and 18, Engrossed Substitute House Bill 3209 entitled:

"AN ACT Relating to managing costs of the ferry system."

Section 17 eliminates ferry passes for current employees, retirees, and their family members at the end of the current collective bargaining agreements. The issuance of ferry passes is a subject of collective bargaining and should be dealt with as part of the overall compensation package at the bargaining table, not singled out in legislation for elimination. Legislating matters subject to bargaining may restrict the state's ability to address other more important cost savings measures through the collective bargaining process. I am directing my Labor Relations Office to focus in this bargaining cycle on the best approaches to reduce long-term labor costs, including ferry passes and all aspects of the compensation package.

Section 18 reduces the Ferries Division insurance policy appropriation by \$670,000, based on a legislative study that concluded that the Department could save money by eliminating some marine insurance coverage. I share the Legislature's interest in saving money over the long term and being responsible stewards of taxpayer dollars by protecting our state-owned assets. While I am vetoing this subsection, I direct the Office of Financial Management to work with the Legislature over the interim to review the Department's marine insurance coverage carefully and to assess whether cost reductions can be made while still adequately protecting taxpayer dollars.

For these reasons, I have vetoed Sections 17 and 18 of Engrossed Substitute House Bill 3209.

With the exception of Sections 17 and 18, Engrossed Substitute House Bill 3209 is approved.

Respectfully submitted,

/s/

Christine O. Gregoire
Governor

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504- 0002 · (360) 902- 4111 · www.governor.wa.gov

March 22, 2010

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 5, Substitute Senate Bill 6349 entitled:

"AN ACT Relating to a farm internship program."

This bill provides a structure for agricultural education with oversight from the Department of Labor and Industries. Section 5 provides that appropriations made for purposes of this act must be from the state general fund. The Legislature can determine through the appropriation process how to fund this program, and does not require a separate statutory provision to determine how to fund the program. This bill creates the program in the Department of Labor and Industries and therefore appropriations made for purposes of this act should be from the departments funds dedicated to that purpose.

For this reason I have vetoed Section 5 of Substitute Senate Bill 6349.

With the exception of Section 5, Substitute Senate Bill 6349 is approved.

Respectfully submitted,

/s/
Christine O. Gregoire
Governor

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504- 0002 · (360) 902- 4111 · www.governor.wa.gov

April 23, 2010

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 7, Engrossed Second Substitute Senate Bill 6409 entitled:

"AN ACT Relating to creating the Washington opportunity pathways account."

This bill creates the Washington Opportunity Pathways Account and directs that beginning in Fiscal Year 2011 net revenues from in-state lottery games that are not otherwise dedicated will be placed in this new account.

Section 7 of this bill requires costly consultation and studies of areas of lottery operations that already receive significant oversight. The section directs the Joint Legislative Audit and Review Committee (JLARC) to study the marketing and vendor expenditures and incentive payment programs of the Commission by November 1, 2010. The estimated costs of the studies are not funded in the budget. In addition, the Executive Committee of JLARC has requested this section be vetoed and that the study take place next biennium. I agree with the need for the study and request the committee to include it in their future planning.

For these reasons I have vetoed Section 7 of Engrossed Second Substitute Senate Bill 6409.

With the exception of Section 7 of Engrossed Second Substitute Senate Bill 6409 is approved.

Respectfully submitted,

/s/
Christine O. Gregoire
Governor

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504- 0002 · (360) 902- 4111 · www.governor.wa.gov

April 1, 2010

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Second Substitute Senate Bill 6575 entitled:

"AN ACT Relating to recommendations of the joint legislative task force on the underground economy."

Second Substitute Senate Bill 6575 is designed to limit the underground construction economy by requiring contractors who fail to register with the Department of Labor and Industries to enroll in a training class in addition to registering with the department. First-time offenders who do so would be eligible for reduced fines. Narrowing the underground economy is a laudable goal, and one that should be pursued with stronger legislation.

Despite its benefits, this bill has one significant negative outcome that cannot be ignored. By creating a dedicated account for revenues from contractor registrations, renewals course fees, and penalties, this bill would reduce net revenues to the state's general fund by more than \$2 million annually beginning in Fiscal Year 2012. In these difficult economic times, that reduction would have negative impacts greater than the benefits this legislation would provide. I would welcome similar legislation without the creation of a dedicated account. In addition, I am directing the Departments of Revenue, Labor and Industries, and Employment Security to continue interagency coordination of efforts with stakeholders to identify and sanction unregistered contractors.

For these reasons I have vetoed Second Substitute Senate Bill 6575 in its entirety.

Respectfully submitted,

/s/
Christine O. Gregoire
Governor

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504- 0002 · (360) 902- 4111 · www.governor.wa.gov

April 1, 2010

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 1, Engrossed Substitute Senate Bill 6726 entitled:

"AN ACT Relating to making the governor the public employer of language access providers."

This bill provides for collective bargaining between the Governor and language access providers. Section 1 creates a new workgroup, directed by the Office of Financial Management, charged with developing a plan to improve the efficiency and effectiveness for interpreter service delivery for the Department of Social and Health Services. The Office of Financial Management is to report the findings of the workgroup to the Legislature no later than September 30, 2010.

Collective bargaining for language access providers working with the Department of Social and Health Services does not require a legislatively mandated workgroup to make recommendations on improvements to the delivery of services. I am directing the Office of Financial Management and the Department of Social and Health Services to conduct an internal review resulting in recommendations to improve administrative efficiency and effectiveness of language access services and, as part of the review, to seek input from the appropriate stakeholders.

For these reasons, I have vetoed Section 1 of Engrossed Substitute Senate Bill 6726.

With the exception of Section 1, Engrossed Substitute Senate Bill 6726 is approved.

Respectfully submitted,

/s/
Christine O. Gregoire
Governor