

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

**Final Report for 2006**

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

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**2006 FINAL REPORT**  
**House Commerce & Labor Committee**

**Summary of Major Legislation**

**BUILDING AND CONSTRUCTION**

SSB 6225 was enacted, creating a specialty certificate of competency issued by the Department of Labor and Industries for persons who install, maintain, and repair domestic water pumping systems located within the interior space of a residence. Electrical and plumbing certification and continuing education requirements are coordinated for this specialty certificate and the Department of Labor and Industries is authorized to create or contract with a nationally-recognized entity for the creation of a new examination combining plumbing and electrical requirements. The membership of the Plumbing Board is also increased.

**BUSINESS LICENSING & REGULATION**

**Professional Licensing**

E2SHB 1395, which was originally introduced in 2005, saw action in 2006. The bill would have made clarifying and other technical changes to the disciplinary procedures statutes that were amended in 2002 in the Uniform Regulation of Business and Professions Act. The bill died on the Senate Second Reading Calendar.

**Farm Labor Contractors**

The Committee recommended passage of HB 2623, which dealt with farm labor contractors. The requirements for licensing, bonding, contractor duties, nondiscrimination, and transportation safety would have been modified. A requirement for public disclosure of certain agricultural guest worker program records would have been added. The bill died in the House Rules Committee.

**Log Harvesting and Hauling Rates**

HB 3227, as recommended by the Committee, would have permitted log harvesters and haulers to form cooperative associations to participate in a negotiation process, including arbitration, with forest landowners over rates of compensation. If approved by the Utilities and Transportation Commission, the rates would have applied to contracts for log harvesting and hauling services. The bill died in the House Rules Committee.

## **Security Guards**

Another bill originally introduced in 2005, **HB 1849**, which would have provided additional training requirements for security guards, died in the Senate Labor, Commerce, Research & Development Committee. However, **SSB 6257**, a bill first introduced in 1997, was enacted to clarify licensing requirements for private security guards by explicitly exempting guest services and crowd management employees from the licensing requirements.

## **Sellers of Travel**

In response to concerns related to "sex tourism," **SB 6731** was enacted to make it a crime to knowingly promote travel for prostitution and to provide for disciplinary actions against sellers of travel that engage in activities that promote sex tourism.

## **CONSUMER PROTECTION**

### **Motor Vehicle Dealers**

For several years the Committee has considered bills related to the prohibition against "bushing" by motor vehicle dealers, or the failure to adhere to a statutory time limit to accept or reject, without renegotiation, an agreement to purchase or lease a motor vehicle. This year the Legislature approved **SSB 6571**. The bill changes the statutory prohibition against bushing to only apply in situations where there is a contract signed by the buyer or lessee. The bill, as enacted, also provides that a motor vehicle dealer has four calendar days, instead of three, to inform the buyer or lessee either that the dealer unconditionally accepts the contract or lease or that the dealer rejects the contract or lease. The bill requires the dealer to communicate unconditional acceptance or rejection by a second method when the initial communication was made by e-mail.

### **Recreational Vehicle Dealers**

The Legislature also approved **HB 2056**, which was introduced in 2005 and establishes specific requirements that must be met before the Department of Licensing may issue a temporary subagency license to a recreational vehicle dealer to participate in an event away from the dealer's established place of business. The bill also limits the number of temporary subagency licenses that any one recreational vehicle dealer may be issued within any 12-month period.

### **Pyramid Promotional Schemes**

**SB 6416** prohibits establishing or participating in "pyramid schemes" and makes a violation of the prohibition a violation of the Consumer Protection Act. The bill, as enacted, has provisions that are similar to some sections of the Model Act published by the Council on State Governments.

## EMPLOYMENT

The Committee heard several bills related to "workplace freedoms." **HB 3068**, which was heard but not acted on by the Committee, would have prohibited mandatory employer-sponsored meetings or mandatory participation in communications with the employer when the primary purpose was to communicate the employer's opinion about religious or political matters, including labor organizing. Another bill, **HJM 4036**, would have petitioned the Congress to enact the Employee Free Choice Act, which would add certain worker protections to the National Labor Relations Act, and to oppose the National Security Personnel System. This bill died in the House Rules Committee.

The Committee also considered **HB 2614**, which would have prohibited employers from making employment decisions based on an employee or potential employee using lawful products off the premises of the employer during nonworking hours. The bill was reported from Committee with an amendment to limit its application to the use of lawful tobacco products, but died in the House Rules Committee.

## GAMBLING, HORSE RACING, AND LOTTERY

The minimum age of gambling would have increased from age 18 to age 21 for house-banked card games in the Committee's substitute bill for **HB 2872**. In addition, the substitute bill would have prohibited active targeting of State Lottery advertisements to those under age 21 and would have directed the Washington Gambling Commission to undertake a study of the minimum age of gambling. The bill died in the House Rules Committee.

The Committee heard a bill, **HB 3191**, to raise the exemption from the gambling tax for nonprofit bingo operations with up to \$200,000 in net receipts (instead of up to \$5,000). The bill was not acted on in Committee, but was replaced with **HB 3285**, which was referred to the Finance Committee. However, this second bill died in the Senate Rules Committee.

Another bill related to charitable fund-raising was **SHB 1944**. This bill, first heard in 2005, would have permitted certain state employee raffles for charitable fund raising. The bill died in Senate Rules Committee.

The Legislature approved **SSB 6382**, a request from the Washington Horse Racing Commission, to use a limited amount of its operating funds to invest in the equine industry, with a priority given to the nonprofit race meets and equine health research.

Internet gambling was addressed in **SSB 6613**. This bill adds explicit provisions to the State Gambling Act to prohibit using the Internet in wagering covered by the Act. The bill also prohibits the State Lottery Commission from conducting lottery games that sell lottery tickets over the Internet and, unless there is approval by the Legislature with a 60

percent vote, from offering any game that uses a device electronically replicating any game of chance.

## LIQUOR

The Legislature enacted two bills, **2SSB 6823** and **ESB 6537**, in response to recent court decisions striking down state liquor laws that discriminated against out-of-state producers and in favor of in-state producers and, therefore, violated the federal Commerce Clause.

**2SSB 6823** was enacted in response to Costco Wholesale Corp v. Hoen, et al (2005), in which the United States District Court for the Western District of Washington struck down the Washington law allowing in-state, but not out-of-state, wineries and breweries to distribute their products directly to retailers. The bill allows wineries and breweries in Washington and other states to distribute wine and beer of their own production to Washington retailers until June 30, 2008. It also requires the Liquor Control Board to convene a task force to review the current regulatory system controlling the sale and distribution of beer and wine, and make recommendations about any proposed changes to the system by December 15, 2006. Other bills introduced in response to the Costco case, but not reported out of Committee, were **HB 3166**, **HB 3213**, and **HB 3246**.

**ESB 6537** was enacted in response to Granholm v. Heald (2005), in which the United States Supreme Court struck down laws in Michigan and New York that allowed in-state, but not out-of-state, wineries to make direct sales to consumers. Although not directly at issue in Granholm, the Court criticized reciprocity laws in place in 13 states, including Washington. The bill repeals the Washington reciprocity provision and replaces it with provisions allowing wineries in Washington and other states to ship wine to Washington residents who are 21 or older for personal use and not for resale. A companion bill, **SHB 2561**, was reported out of Committee, but died in the House Rules Committee.

With the passage of **HB 2562**, the Legislature resolved a longstanding issue: the proper classification of "flavored malt beverages" for various purposes. "Flavored malt beverages" are defined in a manner similar to a new federal standard, which allows such beverages to be marketed, distributed, sold, and taxed as beer, and not as spirits.

The Legislature also enacted a bill, **HB 2897**, related to the caterer's endorsement issued to restaurant licensees by the Liquor Control Board. A caterer's endorsement allows a extends on-premises license privileges, authorizing the sale and service of liquor at an event at approved locations, so long as the approved location does not already hold its own liquor license. The bill, as enacted, allows entities holding a caterer's endorsement to operate on the premises of a passenger vessel even when the passenger vessel already holds its own liquor license.

**SSB 6791** modifies the law related to liquor licenses for ferries, allowing an entity licensed to serve beer and/or wine on a Washington ferry to serve beer and/or wine on

any ferry assigned to a designated ferry route. A separate license is required for each designated ferry route.

## **OFFSHORE OUTSOURCING**

**SHB 3160** followed several bills considered in 2005, one of which established a Joint Legislative Task Force on State Contracts to review issues related to offshore outsourcing of specified state contracts. This bill would have required agencies to disclose certain information about such contracts, but the bill died in House Appropriations Committee.

## **PUBLIC SECTOR COLLECTIVE BARGAINING**

With passage of **E2SHB 2353**, the Legislature gave family child care providers collective bargaining rights under the public employees' collective bargaining law. "Family child care providers" are persons who regularly care for one or more children in their home or the children's home, receive child care subsidies from the state, and may be licensed or exempt from licensing. Mandatory subjects of bargaining include subsidy rates and other economic compensation, as well as health and welfare benefits. The bill also provides for negotiated rule-making with family child care licensees under the Administrative Procedure Act. "Family child care licensees" are persons who regularly care for one or more children in their home, are licensed, and do not receive child care subsidies from the state.

The Committee continued its review of the amendments to Initiative 775, which had revised collective bargaining for individual home care workers. **ESHB 2475** addresses collective bargaining over hours of work by requiring the Governor, when requested by the home care workers' bargaining representative, to bargain over how the Department of Social and Health Services' core responsibility over the long-term in-home care program affects hours of work for individual home care workers.

For many years, ferry workers have bargained *after* adoption of the biennial state budget, unlike state employees and others who must complete bargaining and submit a funding request for review by October 1 of the year before the Legislature will take up the request. In **SHB 3178**, the ferry worker collective bargaining law was revised to require bargaining before adoption of the state budget, with review of the funding request and submission of the request in the Governor's budget, beginning with collective bargaining for the 2007-2009 fiscal biennium.

## **UNEMPLOYMENT COMPENSATION**

The Legislature enacted **ESSB 6885**, which permanently put in place certain changes in the way in which unemployment insurance benefits are calculated and charged. (EHB

2255, which was enacted in 2005, temporarily put in place these changes.) Weekly benefit amounts are calculated using 3.85 percent of the claimant's average wages in the two quarters of the base year in which wages were highest ("two quarter averaging"). Benefits that exceed the amount that would have been paid if benefits were calculated using 1 percent of the claimant's annual wages ("four quarter averaging") are not charged to employers. The bill controls the social cost factor and the maximum tax rate for seasonal industries such as agricultural, fishing, and food processing. It also makes changes to the flat social cost factor rate and the solvency surcharge trigger depending on the trust fund balance. Finally, the Employment Security Department is directed to study certain issues and report its findings to legislative committees by December 1, 2006. These issues include repeat episodes of unemployment, rate class 40 employers, employer turnover; and fraud prevention methods.

Together, **ESSB 6885** and **EHB 3278** reenacted and made retroactive certain provisions of 2ESB 6097, which was enacted in 2003. These provisions were potentially subject to challenge under Batey v. Employment Security Department.

The federal "SUTA Dumping Prevention Act" was adopted in 2004, requiring the states' unemployment insurance laws to conform to certain unemployment tax requirements for successor employers. Washington had adopted changes in 2003 that met some of these requirements, but **SSB 6359** was enacted to comply with the remaining requirements. Taken together, these enactments address a concern that some employers and financial advisors were finding ways to manipulate state experience rating systems. The changes either require mandatory transfer of experience or prohibit the transfer, depending on the circumstances, when a business is transferred to another employer or entity, and adopt civil and criminal penalties for persons who knowingly violate or attempt to violate these successor employer requirements.

## **WAGE & HOUR**

**SSB 6185** amended the state Family Leave Law to conform, in part, with the federal Family and Medical Leave Act. Particularly noteworthy are sections of SSB 6185 that codify details about "serious health conditions" and "intermittent leave" found in federal regulations. According to a colloquy on the House floor, the bill does not require the state Department of Labor and Industries to conduct investigations regarding all family and medical leave issues. Instead, the bill authorizes the state Department of Labor and Industries to refer complaints to the federal Department of Labor where federal law is equal to or better than state law.

**SHB 3185** and **SSB 5236** made changes intended to improve the administration and enforcement of certain wage payment laws. **SHB 3185** authorizes the Department of Labor and Industries to impose civil penalties for willful violations of wage payment requirements, such as minimum wage and overtime requirements. The bill also establishes procedures for administrative review of citations for all violations of wage payment requirements and for collection of unpaid wages. **SSB 5236** discontinues the

quarterly transfer of 30 percent of the Public Works Administration Account to the General Fund, effective July 1, 2007. The bill increases the amount of funds available for administration of the state Public Works Act, also known as the state prevailing wage law.

**HB 2725** would have made changes to the "reside or sleep" exemption from the state Minimum Wage Act. The bill was introduced in response to the Washington Supreme Court's decision in Berrocal v. Fernandez (2005), and would have extended coverage under the Act to individuals who spend a substantial portion of time subject to call, including those who reside or sleep at their workplace, but only for time spent performing active duties. The bill was not reported out of the Committee.

New minimum labor standards would have been established by two other bills. **SHB 2517**, which was reported out of Committee but died in the House Rules Committee, dealt with minimum health care expenditures. The bill would have required employers of 5,000 or more employees to either spend a specified percentage of their payroll on health care services expenditures or pay the state an amount equal to the difference between the minimum expenditures and their actual expenditures. **HB 2777**, which was heard by the Committee, dealt with paid sick leave. The bill would have required that employees accrue at least 40 hours of paid sick leave for each six months of full-time work.

For several years, the Committee has monitored implementation of the 2002 law that prohibits certain private sector health care facilities from requiring overtime work by their nursing staffs. The Committee recommended a substitute for **HB 1371** to add the state hospitals, residential habilitation centers, and correctional facilities to the list of covered facilities. This substitute bill also would have modified the exemption for overtime related to patient care procedures, but the bill died in the House Appropriations Committee.

## **WORK FORCE DEVELOPMENT**

**2SHB 2789** was enacted, relating to apprenticeship opportunities for high school students. Under the bill, up to ten school districts will be awarded grants for the 2006-07 school year for personnel to negotiate and implement direct-entry agreements with local apprenticeship programs. The bill also establishes up to four pilot projects to increase student enrollment in pre-apprenticeship programs. Additional educational outreach by the Washington State Apprenticeship and Training Council and a variety of reporting requirements are also included in the bill, as enacted.

With the passage of **E2SSB 6480**, the Legislature extended the apprenticeship utilization requirement to public works by the Department of Transportation. When originally established in an executive order issued in 2000, and later codified in legislation enacted in 2005, the requirement applied only to public works by state agencies under the authority of the Governor

In 2003, a pilot apprenticeship program was enacted for cosmetology apprentices. The program was set to expire on July 1, 2006. This expiration is extended to July 1, 2008, in **SHB 2596**, which also requires the program's advisory committee to provide the Legislature with an updated report on the program's effectiveness by December 31, 2007.

## **WORKERS' COMPENSATION**

In 2005, the Legislature required the Department of Labor and Industries (Department) to develop an educational initiative to encourage prompt reporting of industrial injuries by the worker to the employer and by the employer to the Department. This year the Legislature modified the law establishing the educational initiative. Under **SHB 2537** the Department must establish a pilot program in which participating employers assist workers in filing industrial insurance claims. The Department must report back to the Legislature on December 1, 2007, and December 1, 2008.

The Legislature also enacted **SB 6264**, which allows an injured worker who is entitled to a permanent total disability pension to change his or her pension option if the worker's designated beneficiary dies or the worker becomes divorced from his or her designated beneficiary.

## **WORKPLACE SAFETY**

**ESHB 1672**, a bill originally introduced in 2005, was enacted and establishes requirements related to patient handling in hospitals. The bill requires all hospitals to establish a Safe Patient Handling Committee or to assign the functions of a Safe Patient Handling Committee to an existing committee by February 1, 2007. By December 1, 2007, all hospitals must establish a Safe Patient Handling Program, including replacing the manual lifting of patients with the use of engineering controls, lifting and transfer aids, or assistive devices. Minimum equipment acquisition requirements for all hospitals are also established and hospitals must meet these minimum requirements by January 30, 2010. With respect to funding, the bill creates a reduced workers' compensation premium for state fund hospitals that implement a Safe Patient Handling Program and provides a Business and Occupation Tax credit for hospitals that acquire lifting equipment.

**SHB 2538** modifies the Washington Industrial Safety and Health Act to clearly require the Department of Labor and Industries to seek consent when entering a worksite located on private property to conduct inspections. The bill, as enacted, also authorizes the Department of Labor and Industries to request that a court grant a search warrant authorizing access and authorizes a court to grant a search warrant request.

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**Enacted Bills**

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<b><i>BUILDING &amp; CONSTRUCTION</i></b>			
SHB 1841	Wood	<b><i>Electrical trainee continuing education and electrical contractor advertising.</i></b> Requires continuing education courses for renewal of electrical trainee certificates. Prohibits advertising for electrical work without having an electrical contractor license.	C 224 L 2006
SSB 6225	Rasmussen	<b><i>Domestic water pumping systems.</i></b> Creates a specialty plumber certificate, issued by the Department of Labor and Industries, for persons installing, maintaining, and repairing domestic water pumping systems within the interior space of a residence. Coordinates the requirements for obtaining the specialty certificate with the requirements for a pump and irrigation or domestic pump electrician certificate. Coordinates application requirements for becoming a licensed pump and irrigation or domestic pump electrical contractor and for becoming a licensed general contractor. Prohibits advertising for electrical work without having an electrical contractor license.	C 185 L 2006
<b><i>BUSINESS LICENSING &amp; REGULATION</i></b>			
SSB 6257	Delvin	<b><i>Guest services or crowd management employees.</i></b> Exempts guest services and crowd management employees who do not perform the duties of a private security guard from the law requiring licensure of private security guards.	C 173 L 2006
SB 6731	Fraser	<b><i>Sex tourism.</i></b> Makes it a crime to knowingly promote travel for prostitution. Prohibits sellers of travel from engaging in activities related to the promotion of sex tourism.	C 250 L 2006
<b><i>CONSUMER PROTECTION</i></b>			
ESHB 2056	Conway	<b><i>Recreational vehicle shows.</i></b> Reduces the number of temporary subagency licenses that can be issued to recreational vehicle dealers in a 12-month period for events with a certain number of dealer participants. Establishes advertising requirements and geographical limitations on the Department of Licensing's issuance of temporary subagency licenses for the sales of new or used recreational vehicles. Applies the Consumer Protection Act for violations.	C 364 L 2006
SB 6416	Keiser	<b><i>Pyramid promotional schemes.</i></b> Prohibits establishment, promotion, operation, or participation in pyramid schemes. Applies the Consumer Protection Act for violations.	C 65 L 2006

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
SSB 6571	Berkey	<b>Motor vehicle dealers - defining "bushing."</b> Modifies the prohibition on "bushing" by applying it to situations in which a contract or lease has been signed. Preserves a dealer's right to assert a claim against a buyer for misrepresentations made during the sale or lease of a vehicle. Provides that the dealer has four calendar days to inform the buyer or lessee that the contract or lease is either unconditionally accepted or rejected.	C 289 L 2006
<b>GAMBLING, HORSE RACING &amp; LOTTERY</b>			
SSB 6382	Hewitt	<b>Development of the equine industry.</b> Authorizes the Washington State Horse Racing Commission to spend annually up to \$300,000 of operating funds to develop the equine industry and upgrade racing facilities, with priority given to nonprofit race meets and equine health research.	C 174 L 2006
SSB 6613	Prentice	<b>Internet gambling.</b> Adds prohibitions to the Gambling Act and the State Lottery regarding the use of the Internet in wagering and in selling lottery tickets, respectively. Requires a 60 percent vote of the Legislature to permit the State Lottery to offer any game using a device that electronically replicates a game of chance.	C 290 L 2006
<b>LIQUOR</b>			
HB 2562	Wood	<b>Flavored malt beverages.</b> Allows "flavored malt beverages" to be marketed, distributed, sold, and taxed as beer, not as spirits. Defines "flavored malt beverage" in a manner similar to a new federal standard.	C 225 L 2006
HB 2897	Condotta	<b>Caterer's endorsement for passenger vessels.</b> Allows caterers licensed to sell alcoholic beverages to operate on any passenger vessel.	C 101 L 2006
SHB 3128	Kenney	<b>Sales of wine by certain nonprofit organizations.</b> Allows a not-for-profit formed for the purpose of constructing and operating a facility to promote Washington wines to hold retail licenses on the facility property or lease all or any portion of the facility property to a retail licensee on the facility property. Allows a bona fide charitable nonprofit society or association that has an officer, director, owner, or employee of a licensed domestic winery or a wine certificate of approval holder on its board of directors to hold a special occasion license to serve alcohol at a particular event.	C 43 L 2006
SHB 3150	Condotta	<b>Wine industry promotions.</b> Allows domestic wineries and retail licensees to jointly produce brochures and material promoting tourism which contain information about domestic wineries, retailers, and their products. Allows domestic wineries and retail licensees to identify wineries on privately labeled wines.	C 92 L 2006
HB 3154	Condotta	<b>Sales of beer for off-premises consumption.</b> Allows breweries that hold spirits, beer, and wine restaurant licenses to sell beer of their own production for off-premises consumption from their restaurants. Specifies that beer may be sold in kegs or in other sanitary containers, such as growlers, that are filled at taps at the time of sale.	C 44 L 2006

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
ESB 6537	Kohl-Welles	<b>Direct sales of wine to Washington consumers.</b> Allows both domestic wineries and out-of-state wineries to ship wine to Washington residents who are 21 or older for personal use and not for resale.	C 49 L 2006
SB 6539	Kohl-Welles	<b>Restaurant license cap.</b> Changes the formula for determining the total number of spirits, beer, and wine restaurant licenses that may be issued from a ratio of one license for every 1,500 people to one license for every 1,450 people.	C 85 L 2006
SSB 6540	Kohl-Welles	<b>License processing.</b> Makes changes related to the processing of liquor licenses.	C 359 L 2006
SSB 6791	Poulsen	<b>Licenses for concession services on ferries.</b> Allows an entity licensed to serve beer and/or wine on a Washington ferry to serve beer and/or wine on any ferry assigned to a designated ferry route.	C 362 L 2006
2SSB 6823	Kohl-Welles	<b>Direct shipments of wine and beer to Washington retailers.</b> Allows wineries, breweries, and microbreweries in Washington and other states to distribute an unlimited amount of wine and beer of their own production to Washington retailers. Allows Washington retailers to contract with common carriers to obtain products directly from wineries, breweries, and microbreweries in Washington and other states. Requires the Liquor Control Board to convene a task force to review the current regulatory system controlling the sale and distribution of beer and wine, and make recommendations about any proposed changes to the system by December 15, 2006. Sets an expiration date of June 30, 2008, for the provisions on direct shipment of wine and beer.	C 302 L 2006
<b>PUBLIC SECTOR COLLECTIVE BARGAINING</b>			
E2SHB 2353	Pettigrew	<b>Family child care providers.</b> Provides for collective bargaining between the Governor and family child care providers under the Public Employees' Collective Bargaining Act. Provides for negotiated rule-making with family child care licensees under the Administrative Procedure Act.	C 54 L 2006
ESHB 2475	Conway	<b>Individual providers - hours of work.</b> Requires, at the bargaining representative's request, collective bargaining over how the Department of Social and Health Services' core responsibility for long-term in-home care affects hours of work for individual providers.	C 106 L 2006
SHB 3178	Murray	<b>State ferry workers.</b> Modifies collective bargaining between the bargaining representative of ferry workers and the state beginning with bargaining for the 2007-09 fiscal biennium, including requiring bargaining before the adoption of the biennial budget, review of the funding request by the Office of Financial Management, and submission of a certified funding request to the Legislature in the Governor's budget.	C 164 L 2006
SB 6411	Doumit	<b>Terms of collective bargaining agreements.</b> Increases the maximum allowable term for certain public sector collective bargaining agreements from three to six years.	Vetoed

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<b>UNEMPLOYMENT COMPENSATION</b>			
EHB 3278	Conway	<b>Retroactive reenactment of "good cause quit" section.</b> Reenacts, retroactively, the "good cause quit" section of 2ESB 6097 (2003). (Note that ESSB 6885 (2006) reenacts, retroactively, other provisions of 2ESB 6097 (2003).)	C 12 L 2006
SSB 6359	Kohl-Welles	<b>SUTA dumping.</b> Modifies the requirements for determining successor employer unemployment contribution rates when a significant purpose of the transfer was to obtain a reduced rate. Increases the penalties applicable to employers and other persons who intend to knowingly evade the successorship provisions. Applies beginning on January 1, 2006.	C 47 L 2006
ESSB 6885	Kohl-Welles	<b>Benefits and taxes.</b> Retains the weekly benefit using "two quarter averaging" and a 3.85 percent multiplier. Retains liberal construction of the unemployment compensation law. Modifies the voluntary quit provisions applicable to mandatory military transfers. Retains noncharging of benefits that exceed the amount that would have been paid if benefits were based on 1 percent of annual wages. Makes the social cost factor zero through rate year 2007 and makes the maximum tax rate 5.7 percent beginning in rate year 2008 for certain seasonal industries. Depending on the trust fund balance, reduces the flat social cost factor rate and changes the solvency surcharge trigger. Reenacts, retroactively, certain provisions of 2ESB 6097 (2003). Requires the Employment Security Department to study and report to the Legislature by December 1, 2006, on: (1) repeat episodes of unemployment, (2) rate class 40 employers, (3) employer turnover, and (4) fraud prevention methods. (Note that EHB 3278 (2006) reenacts, retroactively, the "good cause quit" section of 2ESB 6097 (2003).)	C 13 L 2006
<b>WAGE AND HOUR</b>			
SHB 3185	McCoy	<b>Wage payment requirements.</b> For violations of wage payment requirements, authorizes the Department of Labor and Industries to order the payment of wages owed, including interest and, for willful violations of wage payment requirements, civil penalties. Establishes procedures for administrative review of citations and notices of assessment, and for collection of unpaid wages, interest, and civil penalties.	C 89 L 2006
SSB 5236	Kohl-Welles	<b>Prevailing wage program funding.</b> Discontinues the quarterly transfer of 30 percent of the Public Works Administration Account to the General Fund.	C 230 L 2006
SSB 6185	Keiser	<b>Family and medical leave.</b> Amends the state Family Leave Law to conform, in part, with the federal Family and Medical Leave Act. Includes details about "serious health conditions" and "intermittent leave" from federal regulations.	C 59 L 2006

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<b>WORK FORCE TRAINING</b>			
SHB 2596	Kenney	<b>Cosmetology apprenticeship program.</b> Extends the cosmetology apprenticeship program until July 1, 2008.	C 162 L 2006
2SHB 2789	Quall	<b>Apprenticeship opportunities for high school graduates.</b> Authorizes existing Centers of Excellence and other colleges to act as brokers of relevant information and resources. Requires the Washington State Apprenticeship and Training Council to lead an educational outreach program and to oversee and approve direct-entry programs. Requires the Washington State Apprenticeship and Training Council to award up to 10 incentive grants for the 2006-07 school year to school districts for personnel to negotiate and implement agreements with local apprenticeship programs. Establishes pilot projects to expand student enrollment in pre-apprenticeship programs. Requires the Office of the Superintendent of Public Instruction to convene a workgroup to identify barriers and opportunities for further expansion and scale-up of pre-apprenticeship programs.	C 161 L 2006
E2SSB 6480	Kohl-Welles	<b>Apprenticeship utilization.</b> Extends apprenticeship utilization requirements to public works contracts awarded by the Department of Transportation.	C 321 L 2006
<b>WORKERS' COMPENSATION</b>			
SHB 2537	Conway	<b>Employer reporting.</b> Creates an industrial insurance pilot project administered by the Department of Labor and Industries allowing participating employers to assist workers in filing industrial insurance claims.	C 254 L 2006
HB 3134	Conway	<b>Social security offsets.</b> Requires the Department of Labor and Industries to calculate the reduction in industrial insurance benefits for federal social security retirement benefits using a formula in federal law and guidelines in state law.	C 163 L 2006
SB 6264	Kohl-Welles	<b>Total permanent disability pension options.</b> Allows an injured worker entitled to an industrial insurance permanent total disability pension to change his or her pension option if the worker's designated beneficiary dies or the worker becomes divorced from the designated beneficiary.	C 154 L 2006
<b>WORKPLACE SAFETY</b>			
ESHB 1672	Conway	<b>Safe patient handling committee.</b> Requires all hospitals to establish a Safe Patient Handling Committee or to assign the functions of a Safe Patient Handling Committee to an existing committee by February 1, 2007. Requires all hospitals to establish a safe patient handling program by December 1, 2007. Establishes minimum equipment acquisition requirements for all hospitals by January 30, 2010. Provides a reduced workers' compensation premium for state fund hospitals that implement a Safe Patient Handling Program. Provides a B&O tax credit for hospitals that acquire lifting equipment.	C 165 L 2006

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
SHB 2538	Conway	<i>Inspections - right of entry.</i> Provides that the Department of Labor and Industries must obtain consent when entering a worksite under the Washington Industrial Safety and Health Act. Authorizes the Department to request a court to issue, and authorizes a court to grant, a search warrant for inspection under the Washington Industrial Safety and Health Act.	C 31 L 2006

**2006 FINAL REPORT  
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**Other Bills Passed Out of Committee**

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<b><i>BUILDING &amp; CONSTRUCTION</i></b>			
HB 1331	Conway	<b><i>Electrical code - advertising.</i></b> Prohibits advertising for electrical work without having an electrical contractor license. Similar House bill (SHB 1841) enacted.	S 2nd Reading
SHB 2600	Moeller	<b><i>Electrical, plumbing, and conveyance certificates.</i></b> Requires persons doing electrical, plumbing, and conveyance work to wear and visibly display their license or certificate, which must include photo identification. Does not require persons to wear and display their license or certificate if doing so would create a danger or unsafe condition for the person or the public. Requires counties and cities to refer "alleged or apparent" violations of this requirement to the Department of Labor and Industries for investigation and appropriate enforcement action.	H Rules C
<b><i>BUSINESS LICENSING &amp; REGULATION</i></b>			
E2SHB 1395	Wood	<b><i>Uniform regulation of business and professions.</i></b> Makes language clarifications and technical changes to the regulation of business and professions programs administered by the Department of Licensing (Department), and to the uniform disciplinary procedures for business and professions regulated by the Department.	S 2nd Reading
HB 2623	Kenney	<b><i>Farm labor contractors.</i></b> Modifies the state farm labor contractor law, including provisions on licensing, bonding, contractor duties, nondiscrimination, and transportation safety. Makes the state employment agency law applicable to farm labor contractors. Modifies state laws governing public disclosure of certain federal H-2A visa program records.	H Rules C
ESHB 2668	Hudgins	<b><i>Boxing, kickboxing, wrestling, and martial arts events.</i></b> Changes the word "tax" to "administrative fee" throughout the chapter to refer to the percentage of gross receipts that a promoter must pay to the Department of Licensing (Department). Adds a definition of bout so that an event physician has authority to stop any bout, instead of an entire event, when in the event physician's opinion it would be dangerous to a contestant to continue. Provides that promoters must obtain medical insurance and provide proof of insurance to the Department 72 hours before each event.	S Rules 2
SHB 3227	Conway	<b><i>Forest products harvesters or haulers.</i></b> Permits log harvesters and log haulers to form cooperative associations to participate in a negotiation process (that includes arbitration) with forest landowners over the rates of compensation that, if approved by the Utilities and Transportation Commission, apply to contracts for log harvesting or hauling.	H Rules C

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<b>CONSUMER PROTECTION</b>			
SHB 1142	Chase	<b>Pyramid promotional schemes.</b> Prohibits establishment, promotion, operation, or participation in pyramid schemes. Applies the Consumer Protection Act for violations. Similar Senate bill (SB 6416) enacted.	H Rules R
SHB 1827	Wood	<b>Motor vehicle dealers - defining "bushing."</b> Modifies the prohibition on "bushing" by applying it to situations in which a contract or lease has been signed. Preserves a dealer's right to assert a claim against a buyer for misrepresentations made during the sale or lease of a vehicle. Provides that the dealer has four calendar days to inform the buyer or lessee that the contract or lease is either unconditionally accepted or rejected. Similar Senate bill (SSB 6571) enacted.	S FI/Hous/CP
HB 2722	Ericks	<b>Price gouging.</b> Grants the Governor the right to make and rescind a proclamation of an abnormal market condition. Prohibits the sale of essential consumer goods or services for cleanup, repair, or reconstruction services at clearly excessive prices during an abnormal market condition. Establishes remedies under the Consumer Protection Act.	H Rules R
SSB 6728	Fraser	<b>Real estate disclosure forms.</b> Requires the Office of the Attorney General to convene a task force to study issues related to the disclosure of information to prospective purchasers of unimproved property.	H Rules R
<b>EMPLOYMENT</b>			
SHB 2443	Hudgins	<b>Consumer reports.</b> Requires an employer, who requests a consumer report for employment purposes, to furnish the report to the employee or potential employee to whom it relates, if the person who is the subject of the report requests a copy.	H Rules R
SHB 2614	Morrell	<b>Consumption of lawful tobacco products.</b> Prohibits an employer from refusing to hire, discharging an individual, or otherwise disadvantaging an individual based on the individual's consumption of lawful tobacco products off the premises of the employer during nonworking hours.	H Rules R
HJM 4032	Upthegrove	<b>Airline pension relief.</b> Requests the United States Congress to declare its support for and enact federal legislation directed at creating airline pension reform and protecting retirement benefits for all employees in the airline industry.	H Rules C
<b>GAMBLING, HORSE RACING &amp; LOTTERY</b>			
SHB 1944	Hunt	<b>State employee raffles.</b> Allows state employees to conduct and participate in "member-only" raffles for charitable purposes. Allows state employees to solicit donations to support raffles for charitable purposes.	S Rules 2
SHB 2243	Williams	<b>Lottery fund uses.</b> Provides that the Washington Lottery has the duty and authority to conduct educational outreach efforts to the public about lottery funds.	H Rules R

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
SHB 2369	Quall	<b>Development of the equine industry.</b> Authorizes the Washington State Horse Racing Commission to spend annually up to \$300,000 of operating funds to develop the equine industry and upgrade racing facilities, with priority given to nonprofit race meets and equine health research. Identical Senate bill (SSB 6382) enacted.	H Approp
SHB 2872	Roberts	<b>Minimum age for gambling.</b> Prohibits participation in house-banked card games by persons under age 21. Prohibits the Washington State Lottery from actively targeting advertisement to persons under age 21. Requires the Washington State Gambling Commission to review and report to the Legislature on the policy issues related to establishing a minimum age of gambling.	H Rules C
SSCR 8417	Kohl-Welles	<b>Gambling policy task force.</b> Establishes a 16-member Joint Select Committee on the Future of Gambling Policy Setting to examine the current and potential future of legalized gambling in Washington, other states, and Canada.	H Rules R
<b>LABOR</b>			
HJM 4036	Conway	<b>Organizing rights.</b> Petitions the Congress to enact the Employee Free Choice Act to protect workers' rights to organize. Petitions the Congress to oppose the federal National Security Personnel System.	H Rules R
<b>LIQUOR</b>			
2SHB 1430	Wood	<b>Keg sales.</b> Allows restaurants holding a spirits, beer, and wine license to sell kegs of malt liquor.	S 2nd Reading
HB 2560	Conway	<b>Restaurant license caps.</b> Changes the formula for determining the total number of spirits, beer, and wine restaurant licenses that may be issued from a ratio of one license for every 1,500 people to one license for every 1,450 people. Identical Senate bill (SB 6539) enacted.	H Rules R
SHB 2561	Conway	<b>Direct sales of wine to Washington consumers.</b> Allows both domestic wineries and out-of-state wineries to ship wine to Washington residents who are 21 or older for personal use and not for resale. Identical Senate bill (ESB 6537) enacted.	H Rules C
SHB 2563	Wood	<b>License processing.</b> Makes changes to the law related to the processing of liquor licenses, and other technical changes. Similar Senate bill (SSB 6540) enacted.	S 2nd Reading
<b>OFFSHORE OUTSOURCING</b>			
SHB 3160	Hudgins	<b>State contracts.</b> Requires disclosure of offshore outsourcing information in state personal services, purchased services, and civil service contracts. Creates exemptions for certain services contracts, including those where the director of the Office of Financial Management determines that the only practicable location in which the services may be performed is clearly and justifiably outside the U.S.	H Approp

BILL NO.	PRIME SPONSOR	SUMMARY	STATUS
<b>UNEMPLOYMENT COMPENSATION</b>			
SHB 2697	Hudgins	<b>Tax collection and penalty tools.</b> Modifies the penalties applicable to employers that file untimely or incomplete unemployment tax reports.	H Rules C
SHB 2388	Conway	<b>SUTA dumping.</b> Modifies the requirements for determining successor employer unemployment contribution rates when a significant purpose of the transfer was to obtain a reduced rate. Increases the penalties applicable to employers and other persons who intend to knowingly evade the successorship provisions. Applies beginning on January 1, 2006. Identical Senate bill (SSB 6359) enacted.	H Rules R
<b>WAGE AND HOUR</b>			
SHB 1371	Morrell	<b>Mandatory overtime - public facilities.</b> Adds various public facilities, including state hospitals, veterans' homes, residential habilitation centers, and correctional facilities, to the health care facilities prohibited from requiring overtime from their nursing staff. Allows the use of mandatory overtime for patient care in progress as long as the facility made reasonable efforts to avoid overtime work.	H Approp
SHB 2392	Dickerson	<b>Family and medical leave.</b> Amends the state Family Leave Law to conform, in part, with the federal Family and Medical Leave Act. Includes details about "serious health conditions" and "intermittent leave" from federal regulations.	H Rules C
SHB 2517	Cody	<b>Minimum health care services expenditures.</b> Establishes minimum standards for health care service expenditures for employers of 5,000 or more employees. Requires the director of the Department of Labor and Industries to administer and enforce these requirements.	H Rules R
<b>WORK FORCE TRAINING</b>			
ESHB 2565	Kilmer	<b>Worker training tax credit.</b> Makes a Business and Occupation (B&O) tax credit for certain worker training available to certain small businesses. Specifies that the tax credit is equal to 50 percent of the value of the job training, up to the lesser of \$10,000 or the amount of B&O tax due.	S 2nd Reading
SHB 3003	Conway	<b>Apprenticeship utilization.</b> Extends apprenticeship utilization requirements to public works contracts awarded by the Department of Transportation. Similar Senate bill (E2SSB 6480) enacted.	S Rules 2G
<b>WORKERS' COMPENSATION</b>			
HB 2536	Conway	<b>Disability pension options.</b> Allows an injured worker entitled to an industrial insurance permanent total disability pension to change his or her pension option if the worker's designated beneficiary dies or the worker becomes divorced from the designated beneficiary. Identical Senate bill (SB 6264) enacted.	H Rules R

**2006 FINAL REPORT**  
**House Commerce & Labor Committee**

**Bills Referred to Committee**

BILL NO.	SPONSOR	SUMMARY
<b><i>BUILDING &amp; CONSTRUCTION</i></b>		
HB 2599	Moeller	<b><i>Electrical, plumbing, and conveyance certificates.</i></b> Requires persons doing electrical, plumbing, and conveyance work to wear and visibly display their license or certificate while doing such work. Does not require persons to wear and display their license or certificate if doing so would create a danger or unsafe condition for the person or the public. Requires counties and cities to refer "alleged or apparent" violations of the electrical, plumbing, and conveyance codes to the Department of Labor and Industries for investigation and appropriate enforcement action.
HB 2971	Grant	<b><i>Domestic well water system pumping systems.</i></b> Creates a specialty registration (including both plumbing and electrical) for persons who perform work on domestic well water systems. Requires the director of the Department of Labor and Industries to adopt rules in consultation with the Electrical Board and the Plumbers Board. Expands the Plumbers Board to include a specialty plumber and a specialty plumbing contractor. Similar Senate bill (SSB 6225) enacted.
HB 3040	McCoy	<b><i>On-site sewage disposal system maintenance.</i></b> Requires that operation, monitoring, and maintenance services for on-site sewage disposal systems be provided by individuals certified by the Department of Licensing.
HB 3045	Conway	<b><i>Fire protection sprinkler fitters.</i></b> Requires that persons engaged in fire protection sprinkler fitting have a valid sprinkler fitter certificate or temporary permit.
HB 3177	Hunter	<b><i>HVAC/R mechanics.</i></b> Requires that persons, other than licensed electricians, engaged in the HVAC/R trade have an HVAC/R certificate. Directs the Department of Labor and Industries, with the advice of the Plumbing and Mechanical Advisory Board, to administer the certification requirements. Increases Advisory Board membership from 5 to 14.
<b><i>BUSINESS LICENSING &amp; REGULATION</i></b>		
HB 2354	Williams	<b><i>Land surveyors.</i></b> Amends the definition of "the practice of land surveying" to include activities and information not listed in the current definition. Requires governmental entities, when reviewing, approving, or examining survey data, documents, or services, to do so using a licensed land surveyor. Adds definitions of "responsible charge," "survey," and "surveying."
HB 2441	Hudgins	<b><i>Nonhazardous motor fuels.</i></b> Prohibits a refiner from preventing certain motor fuel retailers from offering nonhazardous motor fuels for sale. Establishes a civil penalty for violations.
HB 2442	Hudgins	<b><i>Alternative fuels.</i></b> Prohibits a refiner from preventing certain motor fuel retailers from offering specific alternative fuels for sale. Establishes a civil penalty for violations.
HB 3060	Grant	<b><i>Professional employer organizations.</i></b> Recognizes and establishes the rights and responsibilities of professional employer organizations and their clients.
HB 3219	Takko	<b><i>Bail bond recovery agents.</i></b> Distinguishes between bail bond agents and bail bond recovery agents for the purposes of licensing.

BILL NO.	SPONSOR	SUMMARY
HB 3256	Upthegrove	<b>Hybrid and hydrogen vehicle sales over the internet.</b> Allows the Department of Licensing to issue a separate internet hybrid vehicle sales license authorizing internet sales or leases of hybrid and hydrogen vehicles by entities other than licensed motor vehicle dealers. Allows manufacturers, distributors, factory branches, or factory representatives who have a valid internet hybrid vehicle sales license to sell hybrid or hydrogen vehicles on the internet.
HB 3295	Grant	<b>Indoor smoking ban - waivers.</b> Amends the Washington Clean Indoor Air Act (Initiative 901), which prohibits smoking in public places or places of employment, to provide a waiver if the owner of a place of employment can demonstrate a loss of ten percent or more of gross revenue for the first quarter of 2006 versus the first quarter of 2005. Provides that the waivers become null and void when all tribal casinos in the state are deemed fully nonsmoking.
<b>CONSUMER PROTECTION</b>		
HB 2346	Simpson	<b>Fire-safe cigarettes.</b> Requires the Director of Fire Protection to create a list of fire-safe cigarettes. Prohibits the distribution and sale of cigarettes that are not included on the list of fire-safe cigarettes. Establishes civil penalties for violations.
HB 2436	Hudgins	<b>Unattended service stations.</b> Requires the Washington State Patrol, in consultation with the state Fire Protection Policy Board and the Director of Fire Protection, to adopt permanent rules governing the operation of unattended gasoline stations. Sets minimum standards that must be contained in the adopted rules.
HB 2577	Upthegrove	<b>Motor vehicle dealers.</b> Clarifies that it is an unlawful practice for a motor vehicle dealer to include a term on a customer's purchase and sale or lease agreement conveying to the customer that the Business and Occupation Tax is a separate tax imposed on the customer for the sale of the motor vehicle.
HB 3197	Chase	<b>Paper billing fees.</b> Requires business entities that use paper bills to charge customers for services to provide a customer with one paper copy of the customer's regular bill each billing cycle at no additional cost to the customer.
<b>EMPLOYMENT</b>		
HB 2438	Hudgins	<b>Disclosure of social security numbers.</b> Prohibits employers from compelling or coercing the disclosure of social security numbers on employment applications and from discriminating against a person who does not provide a social security number prior to an offer of employment. Allows a person to file a complaint alleging violations with the director of the Department of Labor and Industries. Establishes a civil penalty for violations.
HB 3312	Chase	<b>Wrongful discharge - "just cause" standard.</b> Makes a discharge wrongful if it is not for just cause. Specifies that discharge for just cause means a discharge based on misconduct, unsatisfactory performance, or a cause related to the success and efficiency of the business. Allows an aggrieved employee to bring suit against an employer for reinstatement, compensatory damages, and costs and reasonable attorneys' fees.
<b>GAMBLING, HORSE RACING &amp; LOTTERY</b>		
HB 2508	Chandler	<b>Tribal gaming - community impact contributions.</b> Requires the Governor to report annually to the Legislature on tribal community impact contributions made under Class III tribal-state gaming compacts.

BILL NO.	SPONSOR	SUMMARY
HB 2657	Condotta	<b>Tribal gaming - approval of compacts.</b> Requires legislative approval of Class III tribal-state gaming compacts.
HB 3129	Serben	<b>Tribal gaming - off-reservation gaming.</b> For a new or newly amended Class III gaming compact, prohibits the compact from authorizing Class III gaming on "after-acquired" lands unless authorized by a 60 percent vote of both legislative chambers. Specifies that "after-acquired lands" do not include lands within or contiguous to a reservation or lands taken into trust as part of a land settlement, restored lands, or initial reservation.
HB 3176	Kirby	<b>Taxation - punch boards and pull-tabs.</b> Reduces by half the maximum gambling tax rate for punch boards and pull-tabs (for nonprofits, reduced from 10 to 5 percent; for other operators, reduced from 5 to 2.5 percent of gross receipts, or from 10 to 5 percent of net receipts).
HB 3191	Conway	<b>Taxation - nonprofit bingo operations.</b> Exempts nonprofit organizations from gambling taxes on bingo and/or amusements games if the net receipts do not exceed \$200,000 (instead of \$5,000). Similar House bill (HB 3285) died in Senate Rules 2.
HB 3209	Chase	<b>Licensing - social card games.</b> Prohibits the Washington State Gambling Commission from issuing or renewing house-banked card room licenses, except those in effect or pending on December 31, 2005. Retains the local jurisdictions' authority to ban such activity.
<b>LABOR</b>		
HB 3068	Conway	<b>Employer communications about political, religious, or labor organization matters.</b> Prohibits an employer from requiring its employees to attend employer-sponsored meetings or participate in communications with the employer if the primary purpose is to communicate the employer's opinion about religious, political, or labor organization matters.
<b>LIQUOR</b>		
HB 3031	Springer	<b>Beer and wine merchandising.</b> Permits employees of nonretail licensees who are between 18 and 21 to stock, merchandise, or handle beer or wine on the premises of grocery store licensees and beer and/or wine specialty shop licensees, so long as adult employees of retail licensees are present.
HB 3166	Hunter	<b>Direct shipments of wine and beer to Washington retailers.</b> Allows out-of-state wineries and breweries, like Washington wineries and breweries, to distribute an unlimited amount of wine and beer of their own production to Washington retailers. Related Senate bill (2SSB 6823) enacted.
HB 3213	Conway	<b>Direct shipments of wine and beer to Washington retailers.</b> Allows United States wineries and breweries, whether located in Washington or in other states, to distribute a limited amount of wine and beer of their own production to Washington retailers. Related Senate bill (2SSB 6823) enacted.

BILL NO.	SPONSOR	SUMMARY
HB 3246	Kirby	<b>Direct shipments of wine and beer to Washington retailers.</b> Authorizes wineries that produce less than 5,000 cases of wine and breweries that produce less than 2,500 barrels of beer annually to distribute directly to Washington retailers. Authorizes wineries that produce more than 5,000 cases of wine and breweries that produce more than 2,500 barrels of beer annually to distribute directly to retailers so long as they do so from facilities in the state that are physically separate and distinct from their production facilities. Related Senate bill (2SSB 6823) enacted.
HB 3255	McDermott	<b>Licenses for concession services on ferries.</b> Allows an entity licensed to serve beer and/or wine on a Washington ferry to serve beer and/or wine on any ferry assigned to a designated ferry route. Similar Senate bill (SSB 6791) enacted.
<b>OFFSHORE OUTSOURCING</b>		
HB 2440	Hudgins	<b>State and municipal contracts.</b> Specifies that state and municipal contracts for public works and goods must require bidders to provide certified statements on offshore items in excess of \$2500 used in performing the contracts.
<b>PUBLIC SECTOR COLLECTIVE BARGAINING</b>		
HB 2460	Takko	<b>Juvenile detention facility employees.</b> Makes the interest arbitration provisions of the Public Employees' Collective Bargaining Act apply to certain employees of juvenile detention facilities in counties with a population of 70,000 or more.
HB 2807	Haigh	<b>State employees.</b> Removes the right of an exclusive bargaining representative for a state employee bargaining unit to have dues deducted on the authorization of an employee and adds that the state will deduct dues for all employees in the unit under a union security provision.
HB 2808	Nixon	<b>Teachers.</b> Prohibits strikes and lockouts under the teachers' collective bargaining law and provides penalties for violations. Allows any domiciled Washington citizen to bring an action for an injunction against a strike or lockout.
HB 3248	Conway	<b>Certain public employees.</b> Eliminates any requirement for representation elections under collective bargaining laws administered by the Public Employment Relations Commission if only one employee organization is seeking to represent unrepresented employees and there is a 70 percent showing of interest. In such a case, the parties must proceed to negotiations and the agreement submitted to the bargaining unit must include union security provisions.
SSB 6794	Haugen	<b>State ferry workers.</b> Revises various provisions relating to collective bargaining for ferry workers, including allowing bargaining before enactment of the biennial budget. Similar House bill (SHB 3178) enacted.
<b>UNEMPLOYMENT COMPENSATION</b>		
HB 2734	Clements	<b>Disqualification due to intoxication.</b> Includes as acts of misconduct: employee use of alcohol or drugs while in control of a vehicle and acting within the scope of employment, and use of alcohol or drugs while acting within the scope of employment in a position identified as a safety-sensitive position.
SSB 6292	Kohl-Welles	<b>Stipends paid to persons involved in theater and other performances.</b> Excludes certain stipends paid to persons involved in theater and other performances from wages that are subject to state unemployment taxes.

BILL NO.	SPONSOR	SUMMARY
<b>WAGE AND HOUR</b>		
HB 1311	McCoy	<b>Wage payment requirements.</b> Requires an employer who violates wage payment laws to pay interest to the worker and civil penalties to the supplemental pension fund; provides for appeal of citations; preserves private rights of action; specifies collection procedures; authorizes rulemaking. Related bill (SHB 3185) enacted.
HB 1527	Miloscia	<b>Living wage - state contracts.</b> Requires certain contractors to pay employees an indexed living wage rate. Sets the initial rate at \$10 per hour if health benefits are paid in full, or \$11.50 if health benefits or not provided. Makes this requirement applicable only to state contracts.
HB 2725	Conway	<b>Minimum wage - on-call workers.</b> Extends coverage under the state Minimum Wage Act to individuals who spend a substantial portion of time subject to call, including those who reside or sleep at their workplace, but only for time spent performing active duties.
HB 2777	Dickerson	<b>Minimum paid sick leave.</b> Provides that employees must accrue at least 40 hours of paid sick leave for each six months of full-time work. Provides that employees may take paid sick leave only after six months of work.
HB 2838	Sullivan, B.	<b>Minimum wage - tipped employees.</b> Sets the wage rate for certain employees who also receive tips at exactly \$7.63 per hour. Provides that, in each month, if a tipped employee's total tips divided by hours worked does not equal or exceed the standard minimum wage, an employer must pay the employee the difference between the standard minimum wage and \$7.63 for each hour worked.
ESSB 5551	Hargrove	<b>Minimum wage - study.</b> Requires the Washington State Institute of Public Policy to study issues impacted by the minimum wage and its annual increases, and to report its findings to the Legislature by December 1, 2006.
<b>WORKER'S COMPENSATION</b>		
HB 2744	O'Brien	<b>State immunity for certain volunteer claims.</b> Provides that volunteers who provide services to the Department of Corrections in an inmate education program or as a chaplain do not have any right of action against the state or the Department for an injury or occupational disease that occurs while providing the volunteer service.
HB 2853	Conway	<b>Statute of limitations.</b> Provides that the one year time frame for filing an application for industrial insurance compensation begins to run after the disabling effect of an injury is discovered.
HB 3042	Green	<b>Medical treatment received at personal expense.</b> Provides that if the Department of Labor and Industries (Department) has made a medical coverage decision denying coverage for a particular treatment and a worker subsequently receives the treatment by paying for it, using medical insurance, or otherwise, the Department must reimburse the payor if the worker provides medical evidence showing that his or her condition has improved. Provides that if a treating provider requests, the Department must provide coverage for any treatment approved by the United States Food and Drug Administration in certain circumstances.
HB 3133	Conway	<b>Physician assistants.</b> Allows a physician assistant to provide the provider certificate for reports of noncompensable industrial injuries. States that a physician assistant may not execute any time loss cards. Deletes language allowing a physician assistant to assist a worker with a simple industrial injury in filing a claim application.

BILL NO.	SPONSOR	SUMMARY
HB 3206	Green	<p><b><i>Medical treatment received at personal expense.</i></b> Provides that if the Department of Labor and Industries (Department) has made a medical coverage decision denying coverage for a particular treatment and a worker subsequently receives the treatment by paying for it, using medical insurance, or otherwise, the Department must reimburse the payor if the worker provides medical evidence showing that his or her condition has improved.</p> <p>Provides that if a treating provider requests, the Department must provide coverage for an implantable medical device intended to treat chronic intractable pain otherwise approved by the United States Food and Drug Administration in certain circumstances.</p>
HB 3274	Conway	<p><b><i>Self-insurers expanded authority.</i></b> States legislative findings related to revising the industrial insurance self-insurance program and related to expanding the authority of self-insured employers to administer their claims.</p>
SSB 6262	Kohl-Welles	<p><b><i>Employer reporting.</i></b> Creates an industrial insurance pilot project administered by the Department of Labor and Industries allowing participating employers to assist workers in filing industrial insurance claims. Similar House bill (SHB 2537) enacted.</p>



**STATE OF WASHINGTON**

**OFFICE OF THE GOVERNOR**

*P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • [www.governor.wa.gov](http://www.governor.wa.gov)*

March 29, 2006

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

Ladies and Gentlemen:

I am returning, without my approval, Senate Bill No. 6411 entitled:

"AN ACT Relating to collective bargaining agreements."

This bill allows bargaining a contract of up to six years for public employees who are covered by the Public Employees' Collective Bargaining Act (PECBA). The intent of the legislation is to provide stability and lower costs for smaller local governmental entities. However, current law restricts contracts under PECBA to a three-year duration.

PECBA covers mainly city, county and local government employees. It also includes several state employee groups, including state troopers, the University of Washington Print Shop, and several other higher education classified units. At least one of the state employee groups covered by the PECBA has binding interest arbitration—state troopers. In addition, home health care workers, and family childcare providers, who are also covered by PECBA, have binding interest arbitration. This dispute resolution mechanism could lead to settlements that violate the principle that the state cannot obligate future legislatures beyond the current biennium.

If an imposed settlement violated this principle, court challenges could ensue. While I understand that current law allows for contracts to exceed the two-year budget cycle, this was not an issue of concern for the state until last year when changes in the state troopers' bargaining law allowed for bargaining over wages and benefits. In the last several years, the addition of collective bargaining rights for home care workers and family child care workers also increases the likelihood of legal challenges over contract duration.

If legislation were introduced in the next session with provisions to address the above concerns regarding state employee groups, I would certainly look much more favorably on the bill.

For these reasons, I have vetoed Senate Bill No. 6411 in its entirety.

Respectfully submitted,

Christine O. Gregoire  
Governor