

SENATE BILL REPORT

SHB 1832

As of March 7, 2011

Title: An act relating to protecting the rights of employees of service contractors at certain airports.

Brief Description: Addressing the rights of employees of service contractors at certain airports.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Upthegrove, Moscoso, Fitzgibbon, Stanford, Pettigrew, Sells, Goodman, Roberts, Green, Frockt, Kenney and Ormsby).

Brief History: Passed House: 3/02/11, 52-44.

Committee Activity: Labor, Commerce & Consumer Protection: 3/08/11.

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Staff: Mac Nicholson (786-7445)

Background: Municipalities, including counties, cities, towns, and port districts, are authorized to establish and operate airports. Municipalities are granted the authority to confer the privilege of supplying services to airports, and to exercise incidental powers.

The state also may operate airports. The Department of Transportation is granted the authority to confer the privilege of supplying services at airports and establish the terms and conditions and fix the fees for such privileges.

Summary of Bill: Notice, employment, and labor peace agreement requirements are established. These requirements apply to the termination or nonrenewal of certain service contracts by certain awarding authorities.

A service contract is a contract to perform food and beverage, retail, security, or janitorial services at an airport. An awarding authority is any person, including the municipality or a contractor, who awards a service contract at an airport in a county with a population of 1 million or more. A contractor is a person who enters into a service contract with an awarding authority, and their subcontractors, who employ ten or more persons.

Notice requirements. The awarding authority of the contract must:

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

- give advance notice to a contractor, and the bargaining representative of any of the contractor's employees, of the termination or nonrenewal of the contract; and
- provide the contractor and the bargaining representative with the name, telephone number, and address of the successor contractor.

The terminated contractor must:

- provide the successor contractor with the name, date of hire, and employment occupation classification of each person employed by the terminated contractor at the site covered by the service contract within 3 days of receipt of the notice;
- provide the successor contractor with updated information on the date the service contract terminates; and
- provide the information to the awarding authority not later than three days after receipt of the notice if the awarding authority fails to notify the terminated contractor of the successor contractor's identity.

Employment provisions. The successor contractor must:

- retain each of the employees who was continuously employed by the terminated contractor at the site covered by the contract during the six month period preceding the termination of the contract;
- offer employment to employees who have been continuously employed by the terminated contractor at the site covered by the service contract during the six month period preceding commencement of the successor's contract and who are engaged in operations of the terminated contractor that have not ceased;
- hand-deliver a written offer of employment to employees who are entitled to retention or employment in a specified form and in their native language or another language in which they are fluent;
- retain these employees for at least 90 days and, during the 90-day period, not discharge these employees without just cause; and
- offer continued employment to these employees if their performance during the 90-day period is satisfactory.

The successor contractor is also required, if fewer employees are required by the successor contractor than the terminated contractor, to retain employees by seniority within job classifications. The successor contractor is not required to retain employees whose attendance and performance records would lead a reasonably prudent employer to terminate the employees.

A statutory cause of action against the awarding authority, the terminated contractor, or the successor contractor is provided for employees displaced or terminated in violation of the employment requirements. Courts are authorized to award back pay and order reinstatement to prevailing employees. Courts are required to award reasonable attorneys' fees and costs to prevailing employees. The statutory cause of action does not limit an employee's right to bring a common law cause of action for wrongful termination.

Labor Peace Agreement. The term labor peace agreement is defined as an agreement with a labor organization that represents, or seeks to represent, a contractor's employees and that contains provisions under which the labor organization, and its members agree to refrain

from engaging in picketing, work stoppages, boycotts, or other economic interference with the contractor's operations.

Contractors and subtenants are required to enter into labor peace agreements, and provide evidence of signed agreements, prior to executing certain leases and contracts, and when responding to certain requests for proposal. Service contracts are required to provide that airports have the right to impose penalties and recover damages related to breaches of the labor peace agreement requirement.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.