

HOUSE BILL REPORT

HB 1906

As Amended by the Senate

Title: An act relating to the expansion of counties qualifying for the farm internship program, including certain southwest Washington counties.

Brief Description: Allowing the expansion of counties qualifying for the farm internship program, including certain southwest Washington counties.

Sponsors: Representatives Orcutt, Blake, McDonald, Pike and Doglio.

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/7/17, 2/14/17 [DP].

Floor Activity:

Passed House: 3/3/17, 97-0.

Senate Amended.

Passed Senate: 3/31/17, 46-0.

Brief Summary of Bill

- Extends the farm internship pilot project from December 31, 2017, to December 31, 2019.
- Adds Clark, Cowlitz, and Lewis counties to the pilot project.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 7 members: Representatives Sells, Chair; Gregerson, Vice Chair; Manweller, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Doglio, Frame and Pike.

Staff: Joan Elgee (786-7106).

Background:

Employment Laws.

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.

A number of laws provide employment protections to workers. These include the Minimum Wage Act, the Industrial Insurance Act, and the Employment Security Act. While these acts define who is covered in different ways, generally a person who provides services to a for-profit business is covered by the acts. Exemptions apply to each act. Referring to an individual as an intern or volunteer does not exempt the employer or the worker from the respective acts.

The Minimum Wage Act (MWA) establishes a minimum wage which must be paid to all employees, unless they are exempt. Exempt employees include certain agricultural employees and volunteers for nonprofit organizations. In addition, the Director of the Department of Labor and Industries (Department) may, to prevent curtailment of opportunities for employment, issue special certificates to employers allowing them to pay wages lower than the minimum wage to learners.

Industrial insurance provides medical and time loss benefits to workers injured in the course of their employment. Employers insure through the State Fund administered by the Department or, if qualified, may self-insure. State Fund premiums are calculated based on the industry risk classification and the employer's experience rating.

Under the Employment Security Act, qualified individuals who have lost their jobs through no fault of their own, or who quit for good cause, are entitled to unemployment insurance benefits. Benefits are funded by contributions collected from employers. Exemptions include certain agricultural labor performed by students.

Farm Internship Program.

In 2010 legislation directed the Department to establish a farm internship pilot project. Eligible farms were those located in Skagit County or San Juan County. That pilot project expired on December 31, 2011. In 2014 legislation reauthorized the pilot project for the following counties: Chelan, Grant, Island, Jefferson, King, Kitsap, Kittitas, Lincoln, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Whatcom, and Yakima.

Under the pilot project, a farm may apply to the Department for a special certificate authorizing no more than three farm interns at a time. The farm must meet specified criteria, including:

- the farm qualifies as a small farm (gross sales under \$250,000);
- the farm had no serious violations of the MWA or the Industrial Insurance Act;
- the issuance of a certificate would not create unfair competitive cost advantages or impair or depress wages or working standards for experienced farm workers; and
- the intern would perform work under an internship program designed to teach interns about farming practices and farm enterprises, based on the bona fide curriculum of an educational or vocational institution.

The special certificate must specify its terms and conditions, including the duration of a certificate, the duration of an internship, the wage rate (if any), and any room, board, stipends, or other remuneration.

Farm interns are not employees under the MWA. Similarly, labor provided by a farm intern is not employment for purposes of unemployment insurance. The Department must provide

a special industrial insurance risk class for farm interns. The Director of the Department may revoke a certificate for a farm's failure to pay industrial insurance premiums for interns or non-interns, and for other reasons.

The Department must submit a report to the Legislature by December 31, 2017, when the pilot project expires.

Summary of Bill:

The farm internship pilot project is extended until December 31, 2019. Farms in Clark, Cowlitz, and Lewis counties are added to the pilot project.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment adds Walla Walla County to the pilot project.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Farm internships provide an opportunity for farmers to mentor young people who are serious about farming as a career. They are also a way to support small farms and help small farmers learn new techniques. Agriculture is changing. The average age of a farmer is 58. The majority of farms are small. Clark, Cowlitz, and Lewis counties have significant agriculture, and their farmers should have an opportunity to participate in the pilot project.

(Opposed) None.

Persons Testifying: Representative Orcutt, prime sponsor; and Julie Gullet, Seedpod Farm.

Persons Signed In To Testify But Not Testifying: None.