

## **2006 Legislative Wrap-Up**

Speaking to the Mount Vernon Chamber of Commerce, Don Brunell, President of the Association of Washington Business, said the 2006 Legislative Session was a "salvage operation" for our state's businesses, and many of the tough issues which will make employers more competitive lie ahead. This may be the best summation of the 2006 Legislative Session we have heard thus far. We would like to thank our Government Affairs Committee for all of their efforts in keeping us up to speed on all that is happening.

### **Bills that did not pass:**

**House Bill 2517 and its companion in the Senate SB 6356 the "pay or play" mandated health insurance bills.** Had these bills passed they would have set a bad precedent in public policy by mandating that employers with 5,000 or more employees pay a minimum of 9% of payroll for health insurance. If this were lowered to smaller businesses in the future it would mean significant loss of jobs and businesses. The Mount Vernon Chamber took an active roll in helping to defeat this bill.

**House Bill 2853-** would have effectively removed the statute of limitations from worker's compensation claims.

**House Bill 1527-** Would have required all businesses with public contracts to pay all employees (not just those working on the public contract) a wage higher than minimum wage and to provide health care coverage.

**House Bill 2777-** Would have mandated that all employers have a paid sick leave policy, this would have been a minimum of 40 hrs paid leave for every 6 months of employment, part time employees would also have been entitled to paid sick leave. This is another bill that the Mount Vernon Chamber took and active role in helping to defeat.

**House Bill 2725 and its companion in the Senate SB 6434-** would have required that minimum wage be paid to all on-call workers or workers whose jobs require them to reside at the place of employment regardless of whether the employee was working or not.

The Legislature stripped House Bill 2572 of all amendments that would have worked to provide more affordable health insurance fro small business. By these actions the legislature did nothing for one of small business's biggest problems-Providing affordable health insurance.

Despite the fact that there was enough money in surplus, the Legislature failed to repeal the new "Death Tax" put in place last year that continues to jeopardize the long term survival of family owned businesses. The legislature could have repealed the "Death

Tax” and still could have put money into a surplus account. The repeal of the Death Tax is an issue the Mount Vernon Chamber will continue to champion.

The Legislature did not create a constitutional rainy day fund which would have protected some of the surplus in a savings account to help avoid future tax increases.

**Bills that passed:**

**House Bill 2538-** Requires the Department of Labor & Industries to enter a worksite at a designated or recognizable entry and requires them to ask permission before starting an inspection. The bill also requires them to get a search warrant in the event they do not have permission.

**House Bill 2537-** Starts a pilot program at the Department of Labor & Industries to test having injuries reported to the employer first and the claim started at the employer level rather than at the physician’s office. In this way, employers more quickly notified of injuries and worker compensation claims which will help facilitate more effective claims processes and help return employees to work faster. It should also reduce some of the very significant delays that exist as a result of delayed notification.

**House Bill 2671-** Moves the sales tax remittance date back to the 25<sup>th</sup> of the month (from the 20<sup>th</sup>). This may seem like a small change but it makes a big difference for the cash flow of a small business. It allows small businesses more time to collect before sales tax is due.

**House Bill 3164 and HJR, a bill and Constitutional amendment-** Together these will raise our state’s personal property tax exemption from \$3,000 to \$15,000. This will save money for thousands of sole proprietors in both tax owed and in administrative headaches (from constantly changing depreciation schedules). The constitutional amendment must be passed by voters this coming November in order to take affect.