

The Law And The Golf Course '74

PART II

In Part I (September/October, p. 52), Ken Emerson reviewed legislation pending in Congress; his discussion touched on new minimum wage bills, OSHA amendments, environmental protection and tax reform bills. This month he concludes this two-part article by reviewing bills that range in subject from civil rights to alien registration. As a note, remember that the status of each of the bills reported on here obviously will change, now that Congress is in session.

CIVIL RIGHTS

Using the computer resources of the House Information Service, a survey was taken of all current legislation in Congress involving expansion of the civil rights doctrines in the area of private clubs. Based on the results of this computer search, no legislation currently is pending in Congress in this area.

LAND USE

Ten bills have been submitted in the Senate concerning land use. S 268 (Jackson, Wash.) has been passed and referred to the House Interior's Environmental Subcommittee.

S 268 is an eight-year, \$1 billion authorization to fund grants to the states for the development of programs with specific Federal guidelines. The states must formulate plans within five years for controls over a wide range of areas classified as "critical environmental concern." In this category are land development projects, beach areas, and so on. Up for consideration by the House is HR 6460 and HR 7233. Of concern

Here's a rundown of proposed national legislation, which could significantly affect the private club industry

by KEN EMERSON

EXECUTIVE DIRECTOR
NATIONAL CLUB ASSN.
WASHINGTON, D.C.

to golf clubs is the possibility of bringing tax relief provisions to property owners who have land in a non-developed or recreational state. Such provisions have been considered in committee meetings, but to this date none have been passed because of deep concern over constitutional questions involving Federal directions to state and local governments.

UNEMPLOYMENT COMPENSATION

There are 18 bills presently pending in Congress concerning some aspect of unemployment compensation. The most significant piece of pending legislation is not in one of these 18 bills, but rather in a proposal sent from the Administration to the House Ways and Means Committee outlining a "Job Security Assistance Act" as yet not introduced.

This act has three basic goals. First, to expand the protection of the unemployment insurance program to farm workers; second, to assure that the present programs' weekly benefits amount to a sufficient percentage of lost weekly wages to sustain the individual, and third to maintain neutrality in labor disputes. The proposed bill would add the new requirement that states provide an eligible individual with a weekly benefit amount equal to at least 50 per cent of his average weekly wage up to a state maximum, which is at $66 \frac{2}{3}$ per cent of the average wage of covered workers in the state. These requirements would be effected through

the need for these minimums to be met to prevent the continued receipt of a state's employers of credit against their Federal unemployment tax.

This area has such a wide-ranging potential impact on every aspect of America's economic life, that it is difficult to see how it would fail to affect clubs.

SOCIAL SECURITY

There are 578 bills concerning Social Security pending in Congress. Although many of these bills would make technical changes in the Social Security Act, others could result in Social Security benefits and employer payments.

HEALTH MAINTENANCE

ORGANIZATIONS

Bills have been submitted in Congress in this area. S 14 passed the Senate on April 2, 1973. This calls for a three-year funding at the cost of \$804 million for the support and development of HMOs, authorized planning grants, guarantees and interest subsidies to assist in the building of HMOs by preempting state legislation, which would inhibit or restrict them. Currently, seven House bills are pending action of which HR 4871 is an Administration bill. HR 4871 calls for major reductions in the nature and scope of the assistance to be made available to sponsors of potential HMOs as compared to S 14. HR 7974 provides for the appropriation of approximately one-third as much money as does S 14. HR 7974 does require employers to amend their existing health insurance programs to provide to their employees the option of an HMO.

PENSION LEGISLATION

The principal pension bill presently in Congress is S 4. Primarily it:

1. Establishes within the Department of Labor a supervisory authority called the Office of Pension and Welfare Planning Administration to oversee the operation and administration of employee benefit plans.
2. Prescribes minimum vesting requirements of 30 per cent after eight

continued on page 70

LAW AND COURSE from page 62

years of service followed by an additional 10 per cent after each year, so that a total of 100 per cent occurs after 15 years.

3. Standardizes minimum funding for pension plans.

4. Establishes a voluntary program for portability through a central fund. Employees of participating employers would be able to transfer vested credits from one employer to another.

5. Establishes a planned termination insurance program, which would guarantee that vested credits of the employee would be paid if an employer should go out of business and if the pension plan of that employer does not have sufficient assets to pay.

6. Provides new rules for trustees and fiduciaries.

7. Requires more comprehensive disclosure by the employer to the Federal government and to workers.

8. Establishes Federal jurisdiction in this area and provides remedies both to the Government and to the worker in the form of civil suits for the enforcement of these provisions.

Requirements under HR 2 provide for full vesting after 10 years of the accrued portion of the regular return benefits attributable to periods after the effective date of the bill for vesting after a period not exceeding 10 years or 50 per cent of the entire accrued portion of regular retirement benefits, which would then be increased by 10 per cent a year after until 100 per cent has been reached or vesting after a period of service not exceeding 20 years of the entire accrued portion of the regular retirement benefits. The period of service then required for vesting would be reduced at least one year for each year the plan had been in effect after the effective date of the act, plus one year for each two years that the plan was in existence prior to enactment, until the required period of service did not exceed 10 years. The provisions of these bills do not seem relevant to smaller clubs, which generally employ less than 40 employees, but will affect larger organizations.

HR 2 seems to be the bill most palatable to clubs because of its low rate of vesting and lack of filing requirements with any governmental agency.

ALIEN LEGISLATION

Another area of legislation that seems

to have a potential effect on clubs, concerns the entry and control requirements for alien workers.

Two bills have been submitted to the House. HR 982, which passed the House on May 3d and is currently in the Senate Judiciary Committee calls for the application of sanctions to employers who knowingly employ aliens, who have entered the country illegally. As of the present date, there are no prohibitions or sanctions against the employment of illegal aliens. This bill could have a very significant effect on some clubs employing numbers of aliens. The bill is designed not to impose any new obligations or requirements upon an employer, but to prohibit the knowing employment of illegal aliens.

Although the evidentiary standards for what constitutes a bona fide inquiry by an employer are not specified, one affirmative defense that an employer could use to rebut a charge of violation is the showing of a form, signed by the employee, in which the employee stated something on the order of, "I certify that I am a legally entered alien and lawfully permitted employment of this type."

Indeed, the committee report indicates that discussions have been held between the Immigration and Naturalization Service and the IRS regarding the feasibility of revising the W-4 Form to include such a question on citizenship and alien status.

A second bill, currently in the House is HR 981, concerns the establishment of a permanent system for Western Hemisphere immigration of aliens.

The House Judiciary Committee is holding hearings on this bill. The effect of the bill would be to establish a preference system for potential immigrants from the Western Hemisphere much the same as the requirements that now exist for immigrants from the Eastern Hemisphere. First preference under HR 981 would be married sons and daughters and unmarried brothers and sisters of United States citizens. The second would be highly skilled and professional workers. The third would be skilled laborers in occupations in which there is a shortage of employable persons in the United States. The fourth would be aliens principally engaged in religious duties. This would contrast with the present system of immigration from the Western Hemisphere

continued on page 72

SELECTION from page 56

expensive to maintain over its life span, runs smoother, quieter, and it is easier to control emissions with a water-cooled engine.

The use of diesel engine power. The torque characteristics of diesels are excellent. They have long life, lower operating costs and lower maintenance over the life of the engine. These benefits more than compensate for the initial higher price of the unit. They will become even more important as the gasoline shortage grows.

The last major consideration is cost analysis, not just initial cost, but what is called "total cost" buying. On the balance sheet must go: the initial price, the economic life of the unit; the operating costs; time and dollar savings; maintenance costs; risk of downtime, and trade-in value.

As in any business, it is the figure on the bottom line that counts.

Purchases made within the framework of the guidelines set out here have the advantage of assuring the superintendent that his recommendations are sound and of assuring the club that its money is being handled and managed properly. □

YES OR NO from page 26

they were involved in brand selection of turf materials.

Calls by turf products salesmen generally are handled jointly by the green committee chairman and the superintendent. Asked if the salesmen call directly on them or jointly with the superintendent, 57.6% of the green committee chairmen said "jointly," and only 5.3% said "directly on me." An even greater percentage of green committee chairmen—74.1%—said they work regularly with both the professional and superintendent on matters concerning course maintenance.

GOLF CAR ACQUISITIONS

Golf cars are unique among the product mix in the operation of a club, because they probably draw more administrators and officials into the decisions on acquisition than any other product. The survey supports this belief. Asked if they have any voice in the purchasing or leasing of golf cars, "Yes" responses were: professionals, 75.6%; presidents/owners, 74.3%; managers, 59.4%; green committee chairmen, 52.9%; and superintendents, 37.5% □

PGA SHOW from page 35

had pre-determined the exhibits they wanted to visit at the 1973 show, but fewer—49.4 per cent—budgeted their time. On the average, they spent a little more than 4½ hours a day in the exhibit tents during the run of the show.

More than half of the professionals had some kind of plan for covering the exhibits at the show. Most of these (75.3 per cent) covered a single product classification at a time—apparel, golf equipment, golf cars—which accounts for their favorable attitude toward grouping major product categories in distinct areas of the tents.

During their coverage of the show, 36.3 per cent of the professionals placed orders at more than 10 exhibits, about 46 per cent ordered at five to 10 exhibits, and 12 per cent placed orders at less than five exhibits.

GOLF CAR EXHIBITS

Golf cars at the PGA Merchandise Show are a category unto themselves in terms of the investment they represent and the degree of the professional's authority to purchase them.

Although more than 74 per cent of the professionals visited the golf car exhibits, less than 42 per cent of the professionals were invested with purchase or leasing authority. Of that latter group, only 6.8 per cent placed orders for golf cars at the show.

Golf cars, obviously, are not items about which someone makes quick, on-the-spot decisions. Only 9.1 per cent of the professionals said they have attended a show without a particular brand of golf car in mind, then made their decision and placed an order at the show.

November, October, January, April and March, in that order, were most frequently mentioned by professionals as the months in which their clubs or courses normally make purchase or lease decisions on golf cars.

However, almost 52 per cent of the professionals felt that golf car exhibits were an important part of the show. The reason for this majority opinion is that, although few have purchase responsibility, almost 78 per cent of the professionals surveyed are consulted on brand selection before any purchase or lease is made. The car exhibits, apparently, are excellent sources of information on the various brands and give the professional greater knowledge with which to advise his club. □

LABOR SOURCES from page 67

ganizations are good sources of bag room personnel.

Employment inducements. Generally, the only inducements a golf professional needs to attract good people are a moderate salary and a clean, friendly place in which to work. Merchandising skills are up to the professional to manifest in his workers, and the intimacy and leisurely atmosphere of the pro shop makes this training even less difficult. □

WHERE TO FIND CHEFS

The Chef's Referral Assn. is an employment referral service for chefs. Any golf club in need of a chef should provide the association with a job description. CRA then prints the position, along with others, in its weekly job opening list, which is mailed to chef subscribers looking for new jobs. A fee is involved. Contact: Don Jackson, Chef's Referral Assn., Box 1133, Los Altos Calif. 94022 or phone (415) 941-5075.

—from the CMAA "Outlook"

LAW AND COURSE from page 70

sphere in which no preference system exists and in which there is now an approximate two-year wait for immigrations for aliens for any category.

The effect of HR 981 on clubs would be a divided one. Because many clubs probably employ aliens from what will be low-preference categories, including those with no skills, it seems probable that passage of HR 981 would have some adverse effects. However, clubs also look to aliens to fill many jobs, such as executive chefs and food service managers. These clubs will find themselves in a favorable position should this bill pass.

CONCLUSION

The foregoing constitutes a brief overview of the entire Federal legislative picture in the areas that may have some effect on private clubs. It is obvious that the field is an ever-changing and rapidly shifting one. The National Club Assn.'s principal effort is directed at keeping abreast of the activities and reporting the latest developments to its members and to the industry. □

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