

The Law And The Golf Course '74

Over 70 bills in Congress, ranging from tax reform to immigration, could have a significant impact on the private club industry. Although the degree of that impact will vary, it is important that clubs and club members keep informed on the progress of this legislation

by **KEN EMERSON**

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

PART I

Any review of current legislative activities involving the club industry cannot be taken as absolute; changes will occur; some of the bills under discussion will either have become law, have been postponed or have been defeated by press time.

The legislation that the National Club Assn. is currently following closely, breaks down into two general categories:

Legislation of particular interest to the club industry. This category includes fair labor standards and minimum wage legislation; amendments to the Occupational Safety and Health Act; environmental protection legislation; tax reform legislation; civil rights legislation and land use legislation.

The second category is legislation in areas of general significance to the club industry. This includes unemployment compensation; Social Security; health maintenance organizations and pensions.

A third area, that of legislation affecting the entry and residence requirements of aliens, also may have some significance to the private club industry.

A brief review of the legislative activities in each of these aforesaid areas follow.

FAIR LABOR STANDARDS AND MINIMUM WAGE

Seventeen separate bills have been submitted in both Houses concerning different aspects of fair labor standards and minimum wage legislation. Of these, HR 7935 has passed both Houses and awaits signature by President Nixon; S 1861 has been sent to the Senate floor. The committee bill and S 1725, introduced by Senator Dominick of Colorado and Taft of Ohio, was defeated in committee, but will be reintroduced on the floor of the Senate for debate.

The principal features of S 1861 include an immediate increase to \$2 an hour for nonagricultural workers covered prior to the 1966 Fair

Labor Standards Act amendments, followed by an additional increase to \$2.20 the following year after enactment; an increase to \$1.80 in the first year for those covered by the act after the 1966 amendments and subsequent increases to \$2 an hour during the second year and \$2.20 a year thereafter. Like the House version, S 1861 contains no youth differential, adds coverage to state and local employees, domestics and others. It also eliminates many existing overtime exemptions.

The more moderate Dominick/Taft bill, which is expected to be offered as a substitute on the floor, calls for an immediate raise to \$1.80 an hour, followed by increases to \$2 an hour during the second year to \$2.10 during the third year and to \$2.20 during the fourth year. The minimum wage would be \$2.30 thereafter under S 1725. This bill also provides for a youth wage differential for full-time teenage workers, retains most exemptions and provides no expanded coverage.

HR 7935, as passed by the House and Senate authorizes a broader expansion of the minimum wage to \$2 immediately and to \$2.20 on July 1, 1974. The bill retains most overtime exemptions and a modified youth differential.

AMENDMENTS TO OSHA

Currently, there are a number of pieces of legislation in both the House and the Senate to amend the Occupational Safety and Health Act (OSHA) of 1970. A majority of these bills are directed at exemptions from the present requirements of OSHA, based on either the inherently safe working conditions of an establishment or on a minimum employee cut-off level and, as a less desired alternative, the establishment of a "free" non-punitive inspection for OSHA violations. There are three bills now working in the Senate: S 1147 and S 586, both introduced by Senator Dominick; and S 976 introduced by Senator McIntyre of New Hampshire. Section 2(e) of S 976 provides for one "free" on-site inspection for small businesses to determine whether they are following the guidelines established by OSHA with no penalties or citations at-

tached for non-compliance at that point.

These bills are in the Senate Committee on Labor and Public Welfare. Based on information received from the staff of that committee, there seems to be little urgency by committee members for action in this area.

In the House, there is considerably more activity. The Select Committee on Labor has before it 40 bills providing for amendments to OSHA. Six days of hearings on OSHA took place last September and additional hearings were scheduled before the summer recess.

HR 6391 contains a "free inspection" provision, similar to that of S 976. It was introduced by Representative Steiger, and based on information from the committee staff, the bill is receiving considerable attention by the committee.

For the club industry the most significant amendment is that of providing an exemption for small businesses from OSHA requirements. HR 1167 calls for exemption from OSHA of requirements for small businesses employing 15 or less people; HR 939 provides for exemptions for businesses employing 25 or fewer employees.

Representative Daniels, chairman of the Select Committee on Labor, is known to disfavor these proposals, because an exemption for small businesses with 25 people or less would exempt approximately 75 per cent of the labor force from the provisions of OSHA.

ENVIRONMENTAL PROTECTION

The club industry's specific interest lies in legislation that restricts or bans certain pesticides, fungicides, insecticides and the like now in use on golf courses. Legislation of this sort comes under the general heading of "toxic substances." The only current activity in the Senate dealing with this aspect of the environment is S 426, which would require premarket testing of new chemical substances, the screening of the results of such testing prior to commercial production and the subsequent regulation of the use and distribution of these chemical substances.

In the House, the Subcommittee on Commerce and Finance has

taken under consideration three bills: HR 5087, HR 5356 and HR 1014. These bills indicate that there is no legislation currently pending that would adversely affect the use of pesticides and fungicides on golf courses and country clubs. Of considerably more importance is the Pesticide Act passed last year, which could allow much closer Administrative regulatory scrutiny than is currently being applied. If tighter regulation of pesticide or fungicide use were to evolve, this would most probably be implemented through more stringent enforcement of that act than by passing new legislation.

It is apparent, therefore, that administrative action by the EPA rather than new legislation will form the focus of activity on this area in the immediate future.

TAX REFORM

There are two identical bills currently pending in Congress relating to the tax exempt status of private social clubs and membership organizations. The Senate bill, S 1523, introduced by Senators Tower and Fannon, is before the Senate Finance Committee. Although hearings could be held in that committee, no action currently is anticipated, because legislation affecting revenue must, under congressional practices, originate in the House.

HR 1934 is the House version introduced by Representative Wagoner and currently is in the House Ways and Means Committee. This bill is identical to one approved by that committee in 1971, but never considered on the floor. The bill currently under consideration by Ways and Means has been referred to the United States Treasury for a report on the subject.

It appears likely that the bill will probably go to the executive session of the committee several weeks after the committee finishes with the current topic of trade status. Generally, the situation is bright for eventual passage of HR 1934 as part of a larger tax reform bill. □

In Part 2, the author will review other pending legislation, including civil rights, land use, unemployment compensation and pensions.