

# SENATE BILL REPORT

## SB 5503

---

---

As of February 11, 2003

**Title:** An act relating to authorizing the director of labor and industries to issue and enforce civil penalties for violations of the minimum wage act and chapter 49.48 RCW.

**Brief Description:** Authorizing penalties for wage payment violations.

**Sponsors:** Senators Prentice, Winsley, Keiser, Franklin, Fraser, B. Sheldon, Kohl-Welles and Kline; by request of Department of Labor & Industries.

**Brief History:**

**Committee Activity:** Commerce & Trade: 2/12/03.

---

### SENATE COMMITTEE ON COMMERCE & TRADE

**Staff:** Jennifer Ziegler (786-7316)

**Background:** The Department of Labor and Industries is responsible for enforcing the Minimum Wage Act and laws related to the collection of wages.

Any employer who pays an employee less than the wages required under the minimum wage law is liable for the full amount of wages and for attorney's fees allowed by the court. Failure to comply with the provisions of the Minimum Wage Act constitutes a gross misdemeanor.

Upon receiving information that an employer is violating wage payment laws, the department may conduct an investigation and order the payment of all wages. Failure to provide workplace access to the department or to provide the department with requested wage information, constitutes a misdemeanor.

**Summary of Bill:** The department may issue civil penalties of no less than \$100 and no more than \$1,000 for violations of minimum wage and wage collection laws. The department may also require an employer to pay unpaid wages, including interest of up to 1 percent per month on back wages. The interest is for each violation per employee and must be paid to the employee.

Penalty revenue must be deposited in the supplemental pension fund. An employer must appeal a civil penalty within 30 days of the receipt of the penalty. The process for appeals must be in accordance with the Administrative Procedure Act.

A citation or notice of assessment by the department does not preclude an employee from pursuing a private right of action against an employer for unpaid wages.

A collection process is established if an employer defaults on a payment, penalty or fine.

**Appropriation:** None.

**Fiscal Note:** Requested on February 11, 2003.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.